

1                                   AGREEMENT FOR PROVISION OF  
2                                   ADMINISTRATIVE SERVICES ORGANIZATION  
3                                   BETWEEN  
4                                   COUNTY OF ORANGE

5                                   AND  
6                                   ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA  
7                                   JULY 1, ~~2011~~2012 THROUGH JUNE 30, ~~2012~~2014

8  
9           THIS AGREEMENT entered into this 1st day of July ~~2011~~2012, which date is enumerated for  
10 purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and ORANGE  
11 COUNTY HEALTH AUTHORITY DBA CALOPTIMA, a public agency (CONTRACTOR). This  
12 Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

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

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16           WHEREAS, the State of California Managed Care Plan for Medi-Cal Mental Health Services, dated  
17 June 1, 1994, defines and describes the principles and elements of the managed mental health care  
18 design for the public mental health system; and

19           WHEREAS, COUNTY under the authority of Sections 5775, et seq. of the Welfare and Institutions  
20 Code and the regulations adopted pursuant thereto, is the Local Mental Health Managed Care  
21 Administrator for specialty Medi-Cal Mental Health Services; and

22           WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of an  
23 Administrative Services Organization for Specialty Mental Health Outpatient Services described herein  
24 to the Medi-Cal beneficiaries of Orange County; and

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

27           NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, ~~2011~~2012 through June 30, ~~2012~~2014

Period One means the period from July 1, 2012 through June 30, 2013

Period Two means the period from July 1, 2013 through June 30, 2014

**Maximum Obligation:**

Period One Maximum Obligation:	\$4,860,845
Period Two Maximum Obligation:	4,860,845
<b>TOTAL MAXIMUM OBLIGATION:</b>	<b>\$9,721,690</b>

**Basis for Reimbursement:** Administrative Services: Negotiated Amount  
 Program Services: ~~Fee For Service and~~ Actual Cost

**Payment Method:** Administrative Services: Negotiated Amount  
 Program Services: Provisional Amount

**Notices to COUNTY and CONTRACTOR:**

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

CONTRACTOR: Chief Executive Officer  
 Orange County Health Authority dba CalOptima  
~~1120~~505 City Parkway West ~~La Veta Avenue~~  
 Orange, CA 92868

**CONTRACTOR'S Insurance Coverages:**

<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
Employer's Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence
<del>Sexual Misconduct</del>	<del>\$1,000,000 per occurrence</del>

**I. ACRONYMS**

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

A.	CAT	Centralized Assessment Team
B.	CCC	California Civil Code
C.	CCR	California Code of Regulations
D.	CFR	Code of Federal Regulations
E.	CHPP	COUNTY HIPAA Policies and Procedures
F.	CHS	Correctional Health Services
G.	CSI	Client and Services Information
H.	CSW	Clinical Social Worker
I.	CYS	Children and Youth Services
J.	DCR	Data Collection and Reporting
K.	DHCS	Department of Health Care Services
L.	DRS	Designated Record Set
M.	DSM	Diagnostic and Statistical Manual of Mental Disorders
N.	EHR	Electronic Health Record
O.	EPSDT	Early and Periodic Screening, Diagnosis and Treatment
P.	FFS	Fee For Services
Q.	FTE	Full Time Equivalent
R.	GAAP	General Accepted Accounting Principles
S.	HCA	Health Care Agency
T.	HHS	Health and Human Services
U.	HIPAA	Health Insurance Portability and Accountability Act
V.	HSC	California Health and Safety Code
W.	IMD	Institution for Mental Disease
X.	INBR	Incurred But Not Reported
Y.	IRIS	Integrated Records Information System
Z.	LCSW	Licensed Clinical Social Worker
AA.	LPT	Licensed Psychiatric Technician
AB.	MEDS	Medi-Cal Eligibility Determination System
AC.	MFT	Marriage and Family Therapist
AD.	MHP	Mental Health Plan
AE.	MHRC	Mental Health Rehabilitation Centers
AF.	MHS	Mental Health Specialist
AG.	MHSA	Mental Health Services Act
AH.	MIHS	Medical and Institutional Health Services

1	AI.	NOA	Notice of Action
2	AJ.	NPDB	National Provider Data Bank
3	AK.	NPI	National Provider Identifier
4	AL.	NPP	Notice of Privacy Practices
5	AM.	OCR	Office for Civil Rights
6	AN.	OIG	Office of Inspector General
7	AO.	OMB	Office of Management and Budget
8	AP.	OPM	Federal Office of Personnel Management
9	AQ.	P&P	Policies and Procedures
10	AR.	PC	State of California Penal Code
11	AS.	PCP	Primary Care Provider
12	AT.	PHI	Protected Health Information
13	AU.	PII	Personally Identifiable Information
14	AV.	PRA	Public Record Act
15	AW.	QI	Quality Improvement
16	AX.	QIC	Quality Improvement Committee
17	AY.	RSA	Remote Secure Access
18	AZ.	SNF	Skilled Nursing Facility
19	BA.	SSA	Social Security Agency
20	BB.	UMDAP	Universal Method of Determining Ability to Pay
21	BC.	USC	United States Code
22	BD.	WIC	State of California Welfare and Institutions Code

## II. ALTERATION OF TERMS

This Agreement, together with ~~Exhibits~~ Exhibit A ~~and B~~ attached hereto and incorporated herein by reference, fully expresses all understanding of COUNTY and CONTRACTOR with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties for these purposes. No addition to, or alteration of, the terms of this Agreement, whether written or verbal, shall be valid unless made in writing and 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

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1 address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf of  
2 said persons, shall be immediately given to COUNTY.

3  
4 **IV. BUSINESS ASSOCIATE TERMS AND CONDITIONS COMPLIANCE**

5 **A. GENERAL PROVISIONS AND RECITALS**

6 1. The parties agree that the terms used, but not otherwise defined below, shall have the same  
7 meaning as those terms in the HIPAA as it may exist now or be hereafter amended.

8 2. It is agreed by both parties that CONTRACTOR is a Business Associate of COUNTY for  
9 the purposes of this Agreement.

10 3. It is understood by both parties that the HIPAA Security and Privacy Rules apply to the  
11 CONTRACTOR in the same manner as they apply to the covered entity (COUNTY). CONTRACTOR  
12 shall therefore at all times be in compliance with the applicable provisions of both the Privacy and the  
13 Security Rules as are described in Subparagraphs B.4. and B.5. below, and is responsible for complying  
14 with the issued regulations for said rules, as they currently exist or are hereafter amended, for purposes  
15 of safeguarding any PHI used or generated by CONTRACTOR consistent with the terms of this  
16 agreement.

17 4. It is understood by both parties that the Privacy Rule does not pre-empt any state statutes,  
18 rules or regulations that impose more stringent requirements with respect to confidentiality of PHI.

19 5. COUNTY wishes to disclose certain information to CONTRACTOR pursuant to the terms  
20 of this Agreement, some of which may constitute PHI as defined in Subparagraph B.6. below.

21 6. COUNTY and CONTRACTOR intend to protect the privacy and provide for the security of  
22 PHI disclosed to the CONTRACTOR pursuant to this Agreement, in compliance with HIPAA and the  
23 regulations promulgated thereunder by the U.S. Department of HHS as they may now exist or be  
24 hereafter amended.

25 **B. DEFINITIONS**

26 1. Breach means the acquisition, access, use, or disclosure of PHI in a manner not permitted  
27 under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

28 a. For purposes of this definition, compromises the security or privacy of the PHI means  
29 poses a significant risk of financial, reputational, or other harm to the Individual.

30 b. A use or disclosure of PHI that does not include the identifiers listed at §164.514 (e)  
31 (2), date of birth, and zip code does not compromise the security or privacy of PHI.

32 c. Breach excludes:

33 1) Any unintentional acquisition, access, or use of PHI by a workforce member or  
34 person acting under the authority of a covered entity or a business associate, if such acquisition, access,  
35 or use was made in good faith and within the scope of authority and does not result in further use or  
36 disclosure in a manner not permitted under the Privacy Rule.

37 //

1 2) Any inadvertent disclosure by a person who is authorized to access PHI at a  
2 covered entity or business associate to another person authorized to PHI at the same covered entity or  
3 business associate, or organized health care arrangement in which the covered entity participates, and the  
4 information received as a result of such disclosure is not further used or disclosed in a manner not  
5 permitted under the Privacy Rule.

6 3) A disclosure of PHI where a covered entity or business associate has a good faith  
7 belief that an unauthorized person to whom the disclosure was made would not reasonably have been  
8 able to retains such information.

9 2. DRS shall have the meaning given to such term under the Privacy Rule, including, but not  
10 limited to, 45 CFR §164.501.

11 3. Individual shall have the meaning given to such term under the Privacy Rule, including, but  
12 not limited to, 45 CFR §160.103 and shall include a person who qualifies as a personal representative in  
13 accordance with 45 CFR §164.502(g).

14 4. Privacy Rule shall mean the Standards for Privacy of Individually Identifiable Health  
15 Information at 45 CFR Part 160 and Part 164, Subparts A and E.

16 5. Security Rule shall mean the Security Standards for the Protection of Electronic PHI at  
17 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

18 6. PHI shall have the meaning given to such term under the Privacy Rule, including, but not  
19 limited to, 45 CFR §160.103, as applied to the information created or received by Business Associate  
20 from or on behalf of Covered Entity.

21 7. Required by Law shall have the meaning given to such term under the Privacy Rule,  
22 including, but not limited to, 45 CFR §164.103.

23 8. Secretary shall mean the Secretary of the Department of Health and Human Services or his  
24 or her designee.

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

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

29 1. CONTRACTOR agrees not to use or disclose PHI other than as permitted or required by  
30 this Agreement or as required by law.

31 2. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of PHI  
32 other than as provided for by this Agreement.

33 3. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is  
34 known to CONTRACTOR of a use or disclosure of PHI by CONTRACTOR in violation of the  
35 requirements of this Agreement.

36 4. CONTRACTOR agrees to report to COUNTY within five (5) business days any use or  
37 disclosure of PHI not provided for by this Agreement of which CONTRACTOR becomes aware.



1 5. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it  
2 provides PHI received from COUNTY, or created or received by CONTRACTOR on behalf of  
3 COUNTY, agrees to the same restrictions and conditions that apply through this Agreement to  
4 CONTRACTOR with respect to such information.

5 6. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a  
6 written request by COUNTY, to PHI in a DRS, to COUNTY or, as directed by COUNTY, to an  
7 Individual in order to meet the requirements under 45 CFR §164.524.

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

12 8. CONTRACTOR agrees to make internal practices, books, and records, including policies  
13 and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received  
14 by CONTRACTOR on behalf of COUNTY, available to COUNTY and the Secretary, in a time and  
15 manner as determined by COUNTY, or as designated by the Secretary, for purposes of the Secretary  
16 determining COUNTY's compliance with the Privacy Rule.

17 9. CONTRACTOR agrees to document any disclosures of PHI and to make information  
18 related to such disclosures available as would be required for COUNTY to respond to a request by an  
19 Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

20 10. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in  
21 a time and manner to be determined by COUNTY, that information collected in accordance with this  
22 Agreement, in order to permit COUNTY to respond to a request by an Individual for an accounting of  
23 disclosures of PHI in accordance with 45 CFR §164.528.

24 11. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to  
25 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph  
26 B.1.c. above.

#### 27 D. SECURITY RULE

28 1. Security. CONTRACTOR shall establish and maintain appropriate administrative, physical  
29 and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and  
30 availability of electronic PHI. CONTRACTOR shall follow generally accepted system security  
31 principles and the requirements of the final HIPAA rule pertaining to the security of PHI.

32 2. Agents and Subcontractors. CONTRACTOR shall ensure that any agent, including a  
33 subcontractor, to whom it provides electronic PHI, agrees to implement reasonable and appropriate  
34 safeguards to protect the PHI.

35 3. Security Incidents. For purposes of this agreement, a Security Incident means the attempted  
36 or successful unauthorized access, use, disclosure, modification, or destruction of information or  
37 interference with system operations. CONTRACTOR shall report any Security Incident of which it

1 becomes aware to COUNTY. This does not include trivial incidents that occur on a daily basis, such as  
2 scans, or unsuccessful attempts to penetrate computer networks or servers maintained by  
3 CONTRACTOR.

#### 4 E. BREACH DISCOVERY AND NOTIFICATION

5 1. Following the discovery of a Breach of unsecured PHI, CONTRACTOR shall notify  
6 COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a  
7 law enforcement official, pursuant to 45 CFR 164.412.

8 2. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which the  
9 Breach is known to the CONTRACTOR, or by exercising reasonable diligence, would have been known  
10 to CONTRACTOR.

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

14 4. CONTRACTOR shall provide the notification of the Breach without unreasonable delay,  
15 and in no case later than five (5) business days after a Breach.

16 5. CONTRACTOR's notification may be oral, but shall be followed by written notification  
17 within forty-eight (48) hours of the oral notification. Thereafter, CONTRACTOR shall provide written  
18 notification containing the contents stated below, within five (5) business days. CONTRACTOR shall  
19 be required to provide any other information relevant to the Breach in writing, as soon as discovered, or  
20 as soon as the information is available.

21 6. CONTRACTOR's notification shall include, to the extent possible:

22 a. The identification of each Individual whose unsecured PHI has been, or is reasonably  
23 believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach,

24 b. Any other information that COUNTY is required to include in the notification to  
25 Individual it must provide pursuant to 45 CFR §164.404 (c), at the time CONTRACTOR is required to  
26 notify COUNTY, or promptly thereafter as this information becomes available, even after the regulatory  
27 sixty (60) day period set forth in 45 CFR §164.410(b) has elapsed, including:

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

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

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

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

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

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

6                   8. In the event that CONTRACTOR is responsible for, or suffers a Breach of Unsecured PHI,  
7 in violation of the Privacy Rule, CONTRACTOR shall have the burden of demonstrating that  
8 CONTRACTOR made all notifications to COUNTY as required by the Breach Notification regulations,  
9 or in the alternative, that the use or disclosure did not constitute a Breach as defined in  
10 45 CFR §164.402.

11                  9. CONTRACTOR shall maintain documentation of all required notifications required  
12 pursuant to this Agreement in the event of an impermissible use or disclosure of Unsecured PHI, or its  
13 risk assessment of the application of an exception to demonstrate that the notification was not required.

14                  10. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the  
15 Breach to permit COUNTY to meet its notification obligations under the HITECH Act, as soon as  
16 practicable, but in no event later than fifteen (15) calendar days after reporting the initial Breach to the  
17 COUNTY.

18                  11. CONTRACTOR shall continue to provide all additional pertinent information about the  
19 Breach to COUNTY as it may become available, in reporting increments of fifteen (15) calendar days  
20 after the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable  
21 requests for further information, or follow-up information after report to COUNTY, when such request  
22 is made by COUNTY.

23                  12. CONTRACTOR shall bear all expense or other costs associated with the Breach, and shall  
24 reimburse COUNTY for all expenses COUNTY incurs in addressing the Breach and consequences  
25 thereof, including costs of investigation, notification, remediation, documentation or other costs  
26 associated with addressing the Breach.

27                  F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR except as otherwise limited in  
28 this Agreement, CONTRACTOR may use or disclose PHI to perform functions, activities, or services  
29 for, or on behalf of, COUNTY as specified in this Agreement, provided that such use or disclosure  
30 would not violate the Privacy Rule if done by COUNTY or the minimum necessary policies and  
31 procedures of COUNTY.

32                  G. OBLIGATIONS OF COUNTY

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

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

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

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

#### 9           H. BUSINESS ASSOCIATE TERMINATION

10           1. Notwithstanding the Termination provisions set forth in this Agreement, the Agreement  
11 shall only terminate when all of the PHI provided by COUNTY to CONTRACTOR, or created or  
12 received by CONTRACTOR on behalf of COUNTY, is destroyed or returned to COUNTY, or if  
13 infeasible to return or destroy PHI, protections are extended to such information, in accordance with the  
14 termination provisions of this Subparagraph.

15           2. In addition to the rights and remedies provided in the Termination paragraph of this  
16 Agreement, upon COUNTY's knowledge of a material breach by CONTRACTOR of the requirements  
17 of this Paragraph, COUNTY shall either:

18           a. Provide an opportunity for CONTRACTOR to cure the material breach or end the  
19 violation and terminate this Agreement if CONTRACTOR does not cure the material breach or end the  
20 violation within thirty (30) business days; or

21           b. Immediately terminate this Agreement if CONTRACTOR has breached a material term  
22 of this Agreement and cure is not possible; or

23           c. If neither termination nor cure is feasible, COUNTY shall report the violation to the  
24 Secretary of the Department of HHS.

25           3. Upon termination of this Agreement, all PHI provided by COUNTY to CONTRACTOR, or  
26 created or received by CONTRACTOR on behalf of COUNTY, shall either be destroyed or returned to  
27 COUNTY as provided in the Termination paragraph of this Agreement, and in conformity with the  
28 Privacy Rule.

29           a. This provision shall apply to PHI that is in the possession of subcontractors or agents of  
30 CONTRACTOR.

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

32           c. In the event that CONTRACTOR determines that returning or destroying the PHI is  
33 infeasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or  
34 destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible,  
35 CONTRACTOR shall extend the protections of this Agreement to such PHI and limit further uses and  
36 disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as  
37 CONTRACTOR maintains such PHI.

## V. 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.

1. ADMINISTRATOR shall ensure that CONTRACTOR is made aware of the relevant policies and procedures relating to ADMINISTRATOR's Compliance Program.

~~2. CONTRACTOR shall ensure that its employees, subcontractors, interns, volunteers, and members of Board of Directors or duly authorized agents, if appropriate, ("Covered Individuals")~~

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

3. CONTRACTOR has the option to adhere to ADMINISTRATOR's Compliance Program or establish its own, provided CONTRACTOR's Compliance Program has been ~~approved~~ verified to include all required elements by ADMINISTRATOR's Compliance Officer as described in ~~subparagraphs~~ Subparagraphs A.4., A.5., A.6., and A.7. below.

4. If CONTRACTOR elects to have its own Compliance Program then it shall submit a copy of its Compliance Program and relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement.

5. ADMINISTRATOR's Compliance Officer shall determine if CONTRACTOR's Compliance Program ~~is accepted~~ contains all required elements. CONTRACTOR shall take necessary action to meet said standards or shall be asked to acknowledge and agree to the ADMINISTRATOR's Compliance Program if the CONTRACTOR's Compliance Program does not contain all required elements.

#

6. Upon ~~approval of CONTRACTOR's Compliance Program by~~ written confirmation from ADMINISTRATOR's Compliance Officer that the CONTRACTOR's Compliance Program contains all required elements, CONTRACTOR shall ensure that ~~its employees, subcontractors, interns, volunteers, and members of Board of Directors or duly authorized agents, if appropriate, ("all Covered Individuals")~~ relative to this Agreement are made aware of CONTRACTOR's Compliance Program and related policies and procedures.

7. Failure of CONTRACTOR to submit its Compliance Program and relevant policies and procedures shall constitute a material breach of this Agreement. Failure to cure such breach within sixty

1 (60) calendar days of such notice from ADMINISTRATOR shall constitute grounds for termination of  
2 this Agreement as to the non-complying party.

3 B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or  
4 retained to provide services related to this Agreement to ensure that they are not designated as  
5 "~~Ineligible Persons,~~" as defined hereunder. Screening shall be conducted against the General Services  
6 Administration's List of Parties Excluded from Federal Programs ~~and~~ the Health and Human  
7 Services/~~Office of Inspector General~~OIG List of Excluded Individuals/Entities, and Medi-CAL  
8 Suspended and Ineligible List.

9 1. Ineligible Person shall be any individual or entity who:

10 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in the  
11 federal health care programs; or

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

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

18 3. CONTRACTOR shall screen all current Covered Individuals and subcontractors  
19 semi-annually (January and July) to ensure that they have not become Ineligible Persons.  
20 CONTRACTOR shall also request that its subcontractors use their best efforts to verify that they are  
21 eligible to participate in all federal and State of California health programs and have not been excluded  
22 or debarred from participation in any federal or state health care programs, and to further represent to  
23 CONTRACTOR that they do not have any Ineligible Person in their employ or under contract.

24 4. Covered Individuals shall be required to disclose to CONTRACTOR immediately any  
25 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.  
26 CONTRACTOR shall notify ADMINISTRATOR immediately upon such disclosure.

27 5. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal  
28 and state funded health care services by contract with COUNTY in the event that they are currently  
29 sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If  
30 CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,

31 #  
32 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY  
33 business operations related to this Agreement.

34 6. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or  
35 entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened.  
36 Such individual or entity shall be immediately removed from participating in any activity associated  
37 with this ~~AGREEMENT.~~Agreement. ADMINISTRATOR will determine ~~if any~~appropriate repayment

1 ~~is necessary from~~ or sanction CONTRACTOR for services provided by ineligible person or individual.

2 7. CONTRACTOR shall promptly return any overpayments within in forty-five (45) days after  
3 the overpayment is verified by the ADMINISTRATOR.

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

6 ~~1~~ //

7 //

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

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

13 ~~23.~~ Such training will be made available to each Covered Individual annually.

14 ~~34.~~ Each Covered Individual attending training shall certify, in writing, attendance at  
15 compliance training. CONTRACTOR shall retain the certifications. Upon written request by  
16 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

17 D. CODE OF CONDUCT – ADMINISTRATOR has developed a Code of Conduct for adherence  
18 by ADMINISTRATOR's employees and contract providers.

19 1. ADMINISTRATOR shall ensure that CONTRACTOR is made aware of  
20 ADMINISTRATOR's Code of Conduct.

21 2. CONTRACTOR shall ensure that ~~its employees, subcontractors, interns, volunteers, and~~  
22 ~~members of Board of Directors or duly authorized agents, if appropriate, ("all~~ Covered Individuals")  
23 relative to this Agreement are made aware of ADMINISTRATOR's Code of Conduct.

24 3. CONTRACTOR has the option to adhere to ADMINISTRATOR's Code of Conduct or  
25 establish its own provided CONTRACTOR's Code of Conduct has been approved by  
26 ADMINISTRATOR's Compliance Officer as described in ~~subparagraphs~~ Subparagraphs D.4., D.5., D.6.,  
27 D.7., and D.8. below.

28 4. If CONTRACTOR elects to have its own Code of Conduct, then it shall submit a copy of its  
29 Code of Conduct to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement.

30 5. ADMINISTRATOR's Compliance Officer shall determine if CONTRACTOR's Code of  
31 Conduct is accepted. CONTRACTOR shall take necessary action to meet said standards or shall be  
32 asked to acknowledge and agree to the ADMINISTRATOR's Code of Conduct.

33 6. Upon approval of CONTRACTOR's Code of Conduct by ADMINISTRATOR,  
34 CONTRACTOR shall ensure that ~~its employees, subcontractors, interns, volunteers, and members of~~  
35 ~~Board of Directors or duly authorized agents, if appropriate, ("Covered Individuals")~~ all Covered  
36 Individuals relative to this Agreement are made aware of CONTRACTOR's Code of Conduct.

37 7. If CONTRACTOR elects to adhere to ADMINISTRATOR's Code of Conduct then

1 CONTRACTOR shall submit to ADMINISTRATOR a signed acknowledgement and agreement that  
2 CONTRACTOR shall comply with ADMINISTRATOR's Code of Conduct.

3 8. Failure of CONTRACTOR to timely submit the acknowledgement of  
4 ADMINISTRATOR's Code of Conduct shall constitute a material breach of this Agreement, and failure  
5 to cure such breach within sixty (60) calendar days of such notice from ADMINISTRATOR shall  
6 constitute grounds for termination of this Agreement as to the non-complying party.

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

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

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

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

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

22  
23 **VI. CONFIDENTIALITY**

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

27 1. CONTRACTOR acknowledges and agrees that all persons served pursuant to this  
28 Agreement are clients of the Orange County Mental Health services system, and therefore it may be  
29 necessary for authorized staff of ADMINISTRATOR to audit client files, or to exchange information  
30 regarding specific clients with COUNTY or other providers of related services contracting with  
31 COUNTY.

32 2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written  
33 consents for the release of information from all persons served by CONTRACTOR pursuant to this  
34 Agreement. Such consents shall be obtained by CONTRACTOR in accordance with ~~California Civil~~  
35 ~~Code~~CCC, Division 1, Part 2.6 relating to confidentiality of medical information.

36 #

37 3. In the event of a collaborative service agreement between Mental Health services providers,



1 CONTRACTOR acknowledges and agrees that it is responsible for obtaining releases of information,  
2 from the collaborative agency, for clients receiving services through the collaborative agreement.

3 B. Prior to providing any services pursuant to this Agreement, all CONTRACTOR members of the  
4 Board of Directors or its designee or authorized agent, employees, consultants, subcontractors,  
5 volunteers and interns shall agree, in writing, with CONTRACTOR to maintain the confidentiality of  
6 any and all information and records which may be obtained in the course of providing such services.  
7 The agreement shall specify that it is effective irrespective of all subsequent resignations or terminations  
8 of CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees,  
9 consultants, subcontractors, volunteers and interns.

//

//

## 12 VII. COST REPORT

13 A. CONTRACTOR shall submit ~~a separate~~ Cost Report to COUNTY Reports for Period One and  
14 Period Two, or for a portion thereof, no later ~~than sixty (60)~~ ninety (90) calendar days following the  
15 period for which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the  
16 Cost Report in accordance with all applicable federal, state and county requirements ~~and~~ generally  
17 accepted accounting principles; and the Special Provisions Paragraph of this Agreement.  
18 CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services,  
19 and funding sources in accordance with such requirements and consistent with prudent business practice,  
20 which costs and allocations shall be supported by source documentation maintained by CONTRACTOR,  
21 and available at any time to ADMINISTRATOR upon reasonable notice.

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

25 a. CONTRACTOR may be assessed a late penalty of ~~one~~ five hundred dollars (~~\$100~~ \$500)  
26 for each business day after the above specified due date that the accurate and complete Cost Report is  
27 not submitted. Imposition of the late penalty shall be at the sole discretion of ~~the~~ ADMINISTRATOR.  
28 The late penalty shall be assessed separately on each outstanding Cost Report due COUNTY by  
29 CONTRACTOR.

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

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

36 3. In the event that CONTRACTOR does not submit an accurate and complete individual  
37 and/or consolidated Cost Report within one hundred and eighty (180) calendar days following the

1 termination of this Agreement, and CONTRACTOR has not entered into a subsequent or new agreement  
 2 for any other services with  
 3 #  
 4 COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Agreement  
 5 shall be immediately reimbursed to COUNTY.

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

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

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

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

34 F. ~~The~~ All Cost ~~Report~~ Reports for each period shall contain the following attestation, which may  
 35 be typed directly on or attached to the Cost Report:

36  
 37 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and

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

8 Signed \_\_\_\_\_  
9 Name \_\_\_\_\_  
10 Title \_\_\_\_\_  
11 Date \_\_\_\_\_ "

12 //  
13 //  
14 //  
15 //

16 **VIII. DELEGATION, ASSIGNMENT AND ~~SUBCONTRACTS~~ SUBCONTRACTS**

17 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without  
18 prior written consent of COUNTY; provided, however, obligations undertaken by CONTRACTOR  
19 pursuant to this Agreement may be carried out by means of subcontracts, provided such subcontracts are  
20 approved in advance, in writing by ADMINISTRATOR, meet the requirements of this Agreement as  
21 they relate to the service or activity under subcontract, and include any provisions that  
22 ADMINISTRATOR may require. ADMINISTRATOR may revoke the approval of a subcontract upon  
23 five (5) calendar days written notice to CONTRACTOR if subcontract fails to meet the requirements of  
24 this Agreement or any provisions that ADMINISTRATOR has required. No subcontract shall terminate  
25 or alter the responsibilities of CONTRACTOR to COUNTY pursuant to this Agreement.  
26 ~~CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the prior written~~  
27 ~~consent of COUNTY.~~ ADMINISTRATOR may disallow, from payments otherwise due  
28 CONTRACTOR, amounts claimed for subcontracts not approved in accordance with this paragraph.

29 B. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the  
30 prior written consent of COUNTY. For CONTRACTORS which are nonprofit corporations, any change  
31 from a nonprofit corporation to any other corporate structure of CONTRACTOR, including a change in  
32 more than fifty percent (50%) of the composition of the Board of Directors within a two (2) month  
33 period of time, shall be deemed an assignment for purposes of this paragraph. Any attempted  
34 assignment or delegation in derogation of this paragraph shall be void.

35 C. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the  
36 prior written consent of COUNTY. For CONTRACTORS which are for-profit organizations, any  
37 change in the business structure, including but not limited to, the sale or transfer of more than ten

1 percent (10%) of the assets or stocks of CONTRACTOR, change to another corporate structure,  
 2 including a change to a sole proprietorship, or a change in fifty percent (50%) or more of  
 3 CONTRACTOR's directors at one time shall be deemed an assignment pursuant to this paragraph. Any  
 4 attempted assignment or delegation in derogation of this paragraph shall be void.

### 6 **IX. EMPLOYEE ELIGIBILITY VERIFICATION**

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

17 //

### 18 **X. EQUIPMENT**

19 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as  
 20 ~~moveable~~ all property of a ~~relatively permanent~~ Relatively Permanent nature with significant value,  
 21 purchased in whole or in part by ADMINISTRATOR to assist in performing the services described in  
 22 this Agreement. "Relatively Permanent" is defined as having a useful life of one year or longer.  
 23 Equipment which costs \$5,000 or over, including ~~sales taxes,~~ freight charges, ~~sales taxes,~~ and other  
 24 taxes, and installation costs are ~~considered Fixed~~ defined as Capital Assets. Equipment which ~~cost less~~  
 25 ~~than~~ costs between \$600 and \$5,000, including ~~sales taxes,~~ freight charges, ~~sales taxes~~ and other taxes,  
 26 and installation costs are ~~considered Minor Equipment or~~ defined as Controlled Assets. ~~Equipment.~~  
 27 Controlled Equipment includes, but is not limited to audio/visual equipment, computer equipment, and  
 28 lab equipment. The cost of Equipment purchased, in whole or in part, with funds paid pursuant to this  
 29 Agreement shall be depreciated according to generally accepted accounting principles.

30 #

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

37 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to COUNTY

1 the cost of ~~specified items of~~ the approved Equipment purchased by CONTRACTOR. To “expense,” in  
2 relation to Equipment, means to charge the ~~full~~ proportionate cost of Equipment in the fiscal year in  
3 which it is purchased. Title of expensed Equipment shall be vested with COUNTY ~~and the Equipment~~  
4 ~~shall be deemed to be "Loaned Equipment" while in the possession of CONTRACTOR.~~

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

10 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical  
11 inventories of ~~Loaned~~ all Equipment. ~~Equipment shall be tagged with a COUNTY issued tag.~~ Upon  
12 demand by ADMINISTRATOR, CONTRACTOR shall return any or all ~~Loaned~~ Equipment to  
13 COUNTY.

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

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

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

25 #  
26 #  
27 #  
28 #  
29 #  
30 #

31 **XI. FACILITIES, PAYMENTS AND SERVICES**

32 CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance with  
33 Exhibits A and B to this Agreement. COUNTY shall compensate, and authorize, when applicable, said  
34 services. CONTRACTOR shall operate continuously throughout the term of this Agreement with at  
35 least the minimum number and type of staff which meet applicable federal and state requirements, and  
36 which are necessary for the provision of the services hereunder.

**XII. INDEMNIFICATION AND INSURANCE**

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

B. COUNTY agrees to indemnify, defend and hold CONTRACTOR, its officers, employees, agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by COUNTY pursuant to this Agreement. If judgment is entered against COUNTY and CONTRACTOR by a court of competent jurisdiction because of the concurrent active negligence of CONTRACTOR, COUNTY and CONTRACTOR agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

C. Each party agrees to provide the indemnifying party with written notification of any claim related to services provided by either party pursuant to this Agreement within thirty (30) calendar days of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation, each party shall cooperate with the indemnifying party in its defense.

D. Without limiting CONTRACTOR's indemnification, CONTRACTOR warrants that it is self-insured or shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations placed with reputable insurance companies in amounts as specified in // the Referenced Contract Provisions of this Agreement. Upon request by ADMINISTRATOR, CONTRACTOR shall provide evidence of such insurance.

Coverage	Minimum Limit
Comprehensive General Liability Insurance	\$1,000,000

E. All insurance policies except Workers' Compensation and Employer's Liability, shall contain the following clauses:

1. "The County of Orange is included as an additional insured with respect to the operations of the named insured performed under contract with the County of Orange."

1 2. "It is agreed that any insurance maintained by the County of Orange shall apply in excess  
2 of, and not contribute with, insurance provided by this policy."

3 3. "This insurance shall not be cancelled, limited or non-renewed until after thirty (30)  
4 calendar days written notice has been given to Orange County HCA/ Contract Development and  
5 Management, 405 West 5th Street, Suite 600, Santa Ana, CA 92701-4637."

6 F. Certificates of Insurance and endorsements evidencing the above coverages and clauses shall be  
7 mailed to COUNTY as referenced in the Referenced Contract Provisions of this Agreement.

8 G. COUNTY warrants that it is self-insured or maintains policies of insurance placed with  
9 reputable insurance companies licensed to do business in the State of California which insures the perils  
10 of bodily injury, medical, professional liability, and property damage. Upon request by  
11 CONTRACTOR, COUNTY shall provide evidence of such insurance.

### 12 13 **XIII. INSPECTIONS AND AUDITS**

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

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

#### 28 C. AUDIT RESPONSE

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

35 2. If the audit reveals that money is payable from one party to the other, that is, reimbursement  
36 by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said  
37 funds shall be due and payable from one party to the other within sixty (60) calendar days of receipt of

1 the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement  
 2 is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies  
 3 provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the  
 4 reimbursement due COUNTY.

5 ~~D.~~ D. CONTRACTOR shall employ a licensed certified public accountant, who will prepare and  
 6 file with ADMINISTRATOR, an annual, independent, organization-wide audit of related expenditures  
 7 during the term of this Agreement.

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

#### 12 **XIV. LICENSES AND LAWS**

13  
 14 A. CONTRACTOR, its officers, agents, employees, and subcontractors shall, throughout the term  
 15 of this Agreement, maintain all necessary licenses, permits, approvals, certificates, waivers and  
 16 exemptions necessary for the provision of the services hereunder and required by the laws and  
 17 regulations of the United States, State of California, COUNTY, and any other applicable governmental  
 18 agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability  
 19 to obtain or maintain, irrespective of the pendency of an appeal, permits, licenses, approvals, certificates,  
 20 waivers and exemptions. Said inability shall be cause for termination of this Agreement.

21 B. The parties shall comply with all laws, rules or regulations applicable to the services provided  
 22 hereunder, as any may now exist or be hereafter amended or changed, except those provisions or  
 23 application of those provisions waived by the Secretary of the Department of ~~Health and Human~~  
 24 ~~Services.~~ HHS. These laws, regulations, and requirements shall include, but not be limited to:

- 25 1. ~~State of California Welfare and Institutions Code (WIC),~~ Divisions 5, 6 & ~~and~~ 9;
- 26 2. ~~State of California Health and Safety Code, Sections~~ HSC, §§ 1250 et seq.;
- 27 3. ~~State of California Penal Code (PC),~~ Part 4, Title 1, Chapter 2, Article 2.5 relating to Child  
 28 Abuse Reporting;
- 29 4. ~~California Code of Regulations (CCR),~~ Title 9, Title 17, and Title 22;
- 30 5. ~~Code of Federal Regulations (CFR),~~ Title 42 and Title 45;
- 31 6. ~~United States Code (U.S.C.A.)~~ USC Title 42;
- 32 7. Federal Social Security Act, Title XVIII and Title XIX;
- 33 8. ~~The~~ 42 USC, Chapter 126, 12101, et seq., the Americans with Disabilities Act of 1990 ~~(42~~  
 34 ~~U.S.C.A., Chapter 126, 12101, et seq.);~~
- 35 9. 42 USC, §114 and §§1857, et seq., the Clean Air Act.
- 36 ~~9. Policies and procedures set forth by Orange County Mental Health Plan;~~
- 37 10. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.



- 1 11. 31 USC 7501.70, Federal single Audit Act of 1984.
- 2 12. Policies and procedures set forth in MHP Letters.
- 3 13. Policies and procedures set forth in ~~Department of Mental Health (DMH) Letters and~~
- 4 ~~Information Notices;~~ DHCS Letters.
- 5 ~~14. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if~~
- 6 ~~applicable.~~
- 7 15. OMB Circulars A-87, A-89, A-110, A122, and A-133
- 8 16. Federal Medicare Cost reimbursement principles and cost reporting standards;
- 9 ~~17. Orange County Medi-Cal Mental Health Managed Care Plan;~~
- 10 ~~18. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case~~
- 11 ~~Management.~~
- 12 ~~14. Health Insurance Portability and Accountability Act (HIPAA), as it may exist now, or be~~
- 13 ~~hereafter amended, and if applicable.~~
- 14 ~~15. Office of Management and Budget (OMB) Circulars A-87, A-89, A-110, A122, and A-133.~~

15 C. CONTRACTOR shall at all times be capable and authorized by the State of California to  
 16 provide treatment and bill for services provided to Medi-Cal eligible clients while working under the  
 17 terms of this Agreement and shall make every reasonable effort to obtain appropriate licenses and/or  
 18 waivers to provide Medi-Cal billable treatment services at school or other sites requested by  
 19 ADMINISTRATOR.

20 D. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

- 23 a. In the case of an individual contractor, his/her name, date of birth, social security  
 24 number, and residence address;
- 25 b. In the case of a contractor doing business in a form other than as an individual, the  
 26 name, date of birth, social security number, and residence address of each individual who owns an  
 27 interest of ten percent (10%) or more in the contracting entity;
- 28 c. A certification that CONTRACTOR has fully complied with all applicable federal and  
 29 state reporting requirements regarding its employees;
- 30 d. A certification that CONTRACTOR has fully complied with all lawfully served Wage  
 31 and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

32 2. Failure of CONTRACTOR to timely submit the data and/or certifications required by  
 33 ~~subparagraphs~~ Subparagraphs 1.a., 1.b., 1.c., or 1.d. above, or to comply with all federal and state  
 34 employee reporting requirements for child support enforcement, or to comply with all lawfully served  
 35 Wage and Earnings Assignment Orders and Notices of Assignment, shall constitute a material breach of  
 36 this Agreement; and

37 //

1 failure to cure such breach within sixty (60) calendar days of notice from COUNTY shall constitute  
2 grounds for termination of this Agreement.

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

## 6 7 **XV. LITERATURE AND ADVERTISEMENTS**

8 A. Any written information or literature, including educational or promotional materials,  
9 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related  
10 to this Agreement must be approved at least thirty (30) days in advance and in writing by  
11 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written  
12 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,  
13 and electronic media such as the  
14 #  
15 Internet. Such information shall not imply endorsement by COUNTY, unless ADMINISTRATOR  
16 consents thereto in writing.

17 B. Any advertisement through radio, television broadcast, or the Internet, for educational or  
18 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this  
19 Agreement must be approved in advance and in writing by ADMINISTRATOR.

## 20 21 **XVI. MAXIMUM OBLIGATION**

22 The Maximum ~~Obligation~~ Obligations of COUNTY for services provided in accordance with this  
23 Agreement ~~is~~ during Period One and Period Two are as specified in the Referenced Contract Provisions  
24 of this Agreement.

25 B. ADMINISTRATOR may amend the total Maximum Obligation by an amount not to exceed ten  
26 percent (10%) of Period One during the term of this Agreement.

## 27 28 **XVII. NONDISCRIMINATION**

### 29 A. EMPLOYMENT

30 1. During the performance of this Agreement, CONTRACTOR shall not unlawfully  
31 discriminate against any employee or applicant for employment because of his/her ethnic group  
32 identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age (40 and over),  
33 sexual orientation, medical condition, or physical or mental disability. CONTRACTOR shall warrant  
34 that the evaluation and treatment of employees and applicants for employment are free from  
35 discrimination in the areas of employment, promotion, demotion or transfer; recruitment or recruitment  
36 advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training,  
37 including apprenticeship. There shall be posted in conspicuous places, available to employees and

1 applicants for employment, notices from ADMINISTRATOR and/or the United States Equal  
2 Employment Opportunity Commission setting forth the provisions of the Equal Opportunity clause.

3 2. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR  
4 shall state that all qualified applicants will receive consideration for employment without regard to  
5 ethnic group identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age  
6 (40 and over), sexual orientation, medical condition, or physical or mental disability. Such requirement  
7 shall be deemed fulfilled by use of the phrase "an equal opportunity employer."

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

12 B. SERVICES, BENEFITS, AND FACILITIES – CONTRACTOR shall not discriminate in the  
13 provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of  
14 ethnic group identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age  
15 (40 and over), sexual orientation, medical condition, or physical or mental disability in accordance with  
16 Title IX of the Education Amendments of 1972; Title VI of the Civil Rights Act of 1964  
17 (42 ~~U.S.C.A.~~ USC §2000d); the Age Discrimination Act of 1975 (42 ~~U.S.C.A.~~ USC §6101); and Title 9,  
18 Division 4, Chapter 6, Article 1 (§10800, et seq.) of the ~~California Code of Regulations~~ CCR, and all  
19 other pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by state  
20 law and regulations, as all may now exist or be hereafter amended or changed.

21 1. For the purpose of this ~~subparagraph~~ Subparagraph B., "~~discrimination~~" Discrimination  
22 includes, but is not limited to the following based on one or more of the factors identified above:

- 23 a. Denying a client or potential client any service, benefit, or accommodation.
- 24 b. Providing any service or benefit to a client which is different or is provided in a  
25 different manner or at a different time from that provided to other clients.
- 26 c. Restricting a client in any way in the enjoyment of any advantage or privilege enjoyed  
27 by others receiving any service or benefit.
- 28 d. Treating a client differently from others in satisfying any admission requirement or  
29 condition, or eligibility requirement or condition, which individuals must meet in order to be provided  
30 any service or benefit.

- 31 e. Assignment of times or places for the provision of services.

32 2. Complaint Process – CONTRACTOR shall establish procedures for advising all clients  
33 through a written statement that CONTRACTOR's clients may file all complaints alleging  
34 discrimination in the delivery of services with CONTRACTOR, ADMINISTRATOR, or the  
35 ~~U.S. Department of Health and Human Services' Office for Civil Rights.~~ COUNTY's Patients' Rights  
36 Office. CONTRACTOR's statement shall advise clients of the following:

- 37 ~~—————~~ a ————— a. Whenever possible, problems shall be resolved informally and at the point

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

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

6 2) Throughout the problem resolution and grievance process, client rights shall be  
 7 maintained, including access to the Patients' Rights Office at any point in the process. Clients shall be  
 8 informed of their right to access the Patients' Rights Office at any time.

9 b. In those cases where the client's complaint is filed initially with the ~~Office for~~  
 10 ~~Civil~~Patients' Rights ~~(Office)~~, the Patients' Rights Office may proceed to investigate the client's  
 11 complaint, ~~or the Office may request COUNTY to conduct the investigation.~~

12 bc. Within the time limits procedurally imposed, the complainant shall be notified in  
 13 writing as to the findings regarding the alleged complaint and, if not satisfied with the decision, may file  
 14 an appeal with the ~~Office for Civil~~Patients' Rights Office.

15 C. PERSONS WITH DISABILITIES – CONTRACTOR agrees to comply with the provisions of  
 16 ~~Section~~ §504 of the Rehabilitation Act of 1973 (29 ~~U.S.C.A.~~ USC 794 et seq., as implemented in  
 17 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 (42 ~~U.S.C.A.~~ USC 12101, et seq.),  
 18 pertaining to the prohibition of discrimination against qualified persons with disabilities in all programs  
 19 or activities, as they exist now or may be hereafter amended together with succeeding legislation.

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

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

### 31 **XVIII. NOTICES**

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

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

37 2. When faxed, transmission confirmed;

- 3. When sent by Email; or
- 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

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

C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COUNTY property in possession of CONTRACTOR. Any CONTRACTOR providing services to custody patients shall provide a copy of such written notification to the Sheriff of Orange County.

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

E. In the event of a death, notification shall be made in accordance with the Notification of Death ~~paragraph~~Paragraph of this Agreement.

**XIX. NOTIFICATION ~~OF~~ OF DEATH**

**A. NON-TERMINAL ILLNESS DEATH**

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

2. In addition, CONTRACTOR shall, within sixteen (16) hours after such death, hand deliver or fax, a written Notification of Non-Terminal Illness Death to ADMINISTRATOR.

3. The telephone report and written Notification of Non-Terminal Illness Death shall contain the name of the deceased, the date and time of death, the nature and circumstances of the death, and the name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

**B. TERMINAL ILLNESS DEATH**

1. CONTRACTOR shall notify ADMINISTRATOR by written report faxed, hand delivered, or postmarked within forty-eight (48) hours of becoming aware of the death due to terminal illness of any person served hereunder. The Notification of Terminal Illness Death shall contain the name of the deceased, the date and time of death, the nature and circumstances of the death, and the name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

2. If there are any questions regarding the cause of death of any person served hereunder who was diagnosed with a terminal illness, or if there are any unusual circumstances related to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with ~~subparagraph~~ Subparagraph A. above.

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## **XX. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

## **XXI. RECORDS MANAGEMENT ~~AND~~ MAINTENANCE**

A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of this Agreement, prepare, maintain and manage records appropriate to the services provided and in accordance with this Agreement and all applicable requirements, which include, but are not limited to:

1. ~~California Code of Regulation~~ CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(a), 75055(a), 75343(a), and 77143(a).

2. ~~State of California, Department of Alcohol and Drug Programs Reporting System (ASRS) manual.~~

~~3. State of California, Department of Alcohol and Drug Programs Fiscal System (DPFS) manual.~~

~~4. State of California, Health and Safety Code~~ HSC §123145.

~~5. Title 45 Code of Federal Regulations (CFR),~~ §164.501; §164.524; §164.526; §164.530(c) and (j).

B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards to ensure the privacy of ~~protected health information (PHI)~~ and prevent the intentional or unintentional use or disclosure of PHI in violation of the ~~Health Insurance Portability and Accountability Act of 1996 (HIPAA),~~ federal and state regulations and/or ~~COUNTY HIPAA Policies and Procedures (P&P) (COUNTY HIPAA P&P 1-2).~~ CHPP. CONTRACTOR shall mitigate to the extent practicable, the known harmful effect of any use or disclosure of ~~protected health information~~ PHI made in violation of federal or state regulations and/or COUNTY policies.

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

1 and implement written record management procedures.

2 D. CONTRACTOR shall ensure appropriate financial records related to cost reporting,  
3 expenditure, revenue, billings, etc., are prepared and maintained accurately and appropriately.

4 E. CONTRACTOR shall ensure all appropriate state and federal standards of documentation,  
5 preparation, and confidentiality of records related to participant, client and/or patient records are met at  
6 all times.

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

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

13 //

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

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

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

20 1. Have documents readily available within ~~twenty-four (24)~~ forty-eight (48) hour notice of a  
21 scheduled audit or site visit.

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

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

26 H. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and  
27 security of ~~Personally Identifiable Information (PII)~~ and/or ~~Protected Health Information (PHI)~~.  
28 CONTRACTOR shall, immediately upon discovery of a breach of privacy and/or security of PII and/or  
29 PHI by CONTRACTOR, notify ADMINISTRATOR of such breach by telephone and email or  
30 facsimile.

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

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

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

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

6 M. If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR  
7 may provide written approval to CONTRACTOR to maintain records in a single location, identified by  
8 CONTRACTOR.

9 N. CONTRACTOR may be required to retain all records involving litigation proceedings and  
10 settlement of claims for a longer term which will be directed by the ADMINISTRATOR.

11 O. CONTRACTOR shall notify ADMINISTRATOR of any ~~Public Record Act (PRA) request~~  
12 ~~requests related to, or arising out of this Agreement~~ within ~~twenty-four (24)~~ ~~forty-eight (48)~~ hours.  
13 CONTRACTOR shall provide ADMINISTRATOR all information that is requested by the PRA request.

14 //

15 **XXII. SEVERABILITY**

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

21  
22 **XXIII. SPECIAL PROVISIONS**

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

- 25 1. Making cash payments to intended recipients of services through this Agreement.
- 26 2. Lobbying any governmental agency or official or making political contributions.

27 CONTRACTOR shall file all certifications and reports in compliance with this requirement pursuant to  
28 Title 31, ~~U.S.C.A., Section~~ USC, §1352 (e.g., limitation on use of appropriated funds to influence certain  
29 federal contracting and financial transactions).

- 30 3. Supplanting current funding for existing services.
- 31 4. Fundraising.
- 32 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for

33 CONTRACTOR's staff, volunteers, or members of the Board of Directors.

- 34 6. Reimbursement of CONTRACTOR's members of the Board of Directors for expenses or  
35 services.

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

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

7 9. Severance pay for separating employees.

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

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

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

14 2. Providing inpatient hospital services or purchasing major medical equipment.

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

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

19 5. Funding travel or training (excluding mileage or parking).

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

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

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

#### 25 **XXIV. STATUS OF CONTRACTOR**

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

1 ~~the other party.~~

2 #

### 3 **XXV. TERM**

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

### 10 **XXVI. TERMINATION**

11 A. Either party may terminate this Agreement, without cause, upon ~~sixty (60)~~ninety (90) calendar  
 12 days written notice given the other party.

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

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

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

#### 33 **D. CONTINGENT FUNDING**

- 34 1. Any obligation of COUNTY under this Agreement is contingent upon the following:
  - 35 a. The continued availability of federal, state and county funds for reimbursement of  
 36 COUNTY's expenditures, and
  - 37 b. Inclusion of sufficient funding for the services hereunder in the applicable budget

1 approved by the Board of Supervisors.

2 #

3 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,  
4 terminate or renegotiate this Agreement upon thirty (30) calendar days written notice given  
5 CONTRACTOR:

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

10 F. In the event this Agreement is terminated by either party, after receiving a Notice of  
11 Termination CONTRACTOR shall do the following:

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

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

16 3. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR,  
17 upon request, all client information and records deemed necessary by ADMINISTRATOR to effect an  
18 orderly transfer.

19 //

20 4. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with  
21 client's best interests.

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

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

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

32 G. The rights and remedies of COUNTY with respect to termination of this Agreement due to a  
33 violation of the ~~Health Insurance Portability and Accountability Act~~ HIPAA as set forth in to the  
34 Business Associate Terms and Conditions ~~paragraph~~ Paragraph of this Agreement and are in addition to  
35 the rights and remedies of COUNTY provided in this Termination ~~paragraph~~ Paragraph.

36 H. The rights and remedies of COUNTY provided in this Termination ~~paragraph~~ Paragraph shall  
37 not be exclusive, and are in addition to any other rights and remedies provided by law or under this

1 Agreement.

3 **XXVII. THIRD PARTY BENEFICIARY**

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

7 **XXVIII. WAIVER OF DEFAULT OR BREACH**

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

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

3  
4 ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA

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

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

9  
10 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

11  
12 TITLE: \_\_\_\_\_

13  
14 COUNTY OF ORANGE

15  
16 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

17  
18 HEALTH CARE AGENCY

19 ~~CHAIR OF THE BOARD OF SUPERVISORS~~

20  
21 ~~SIGNED AND CERTIFIED THAT A COPY~~  
22 ~~OF THIS DOCUMENT HAS BEEN DELIVERED~~  
23 ~~TO THE CHAIR OF THE BOARD PER G.C. SEC. 25103, RESO 79-1535~~  
24 ~~ATTEST:~~

25 \_\_\_\_\_ DATED: \_\_\_\_\_

26 ~~DARLENE J. BLOOM~~  
27 ~~Clerk of the Board of Supervisors~~  
28 ~~Orange County, California~~

29 APPROVED AS TO FORM  
30 OFFICE OF THE COUNTY COUNSEL  
31 ORANGE COUNTY, CALIFORNIA

32 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

33 DEPUTY

34  
35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or  
36 any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.  
37 If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the board of directors  
has empowered said authorized individual to act on its behalf by his or her signature alone is required by HCA.

EXHIBIT A  
TO AGREEMENT WITH  
ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA  
JULY 1, ~~2011~~2012 THROUGH JUNE 30, ~~2012~~2014

**I. DEFINITIONS**

The parties agree to the following terms and definitions, to terms and definitions that may be added to this Section I of the Exhibit to the Agreement, and to those which, for convenience, are set forth elsewhere in ~~this~~the Agreement.

A. Beneficiary means the primary Orange County Medi-Cal eligible user of ~~mental health services~~Mental Health Services.

B. Beneficiary-directed means services delivered in a therapeutic alliance between providers and beneficiaries where both are partners in goal-setting and treatment planning. The final decision for treatment options rests with the ~~beneficiary~~Beneficiary and designated family members.

C. Beneficiary Satisfaction Surveys means surveys to measure beneficiaries' overall satisfaction with ~~mental health services~~Mental Health Services, and with specific aspects of those services in order to identify problems and opportunities for improvement.

D. Beneficiary Support System/Family means immediate family members, extended family members, significant others or other supports designated by the ~~beneficiary~~Beneficiary.

E. CalWORKs means California Work Opportunity and Responsibility for Kids program implemented by COUNTY's ~~Social Services Agency~~SSA after passage of AB 1542 regarding welfare reform.

F. Care Coordination means the activities of managing services and coordinating care to beneficiaries, including assessments, referrals, service planning, linkage, consultation, discharge planning and coordination. These functions shall be performed by COUNTY and COUNTY-contracted staff.

G. ~~Children and Youth Services (CYS)~~ means the division of Behavioral Health Services responsible for the administration and oversight of ~~mental health services~~Mental Health Services to children and adolescents.

~~H. CSI - DHCS~~ ~~H. Client and Services Information (CSI) - Department of Mental Health~~ required data elements pertaining to mental health beneficiaries and the services they receive formulated in a database and reported to the State.

I. Contract Monitor means a person designated by COUNTY to consult with and assist CONTRACTOR in the provision of services to COUNTY beneficiaries as specified herein. The Contract Monitor shall at no time be construed as being ADMINISTRATOR.

J. Credentialing means a review process, including a peer review process, based upon specific criteria, standards and prerequisites, to approve a provider or professional who applies to be contracted

1 to provide care in a hospital, clinic, medical group or in a health plan.

2 #

3 K. Diagnosis means the definition of the nature of the ~~beneficiary's~~ Beneficiary's disorder. When  
4 formulating the diagnosis of the ~~beneficiary~~ Beneficiary, CONTRACTOR shall use the diagnostic codes  
5 and axes as specified in the most current edition of the ~~Diagnostic and Statistical Manual of Mental~~  
6 ~~Disorders (DSM)~~ DSM published by the American Psychiatric Association. CONTRACTOR shall  
7 follow DSM procedures for all beneficiaries.

8 L. EPSDT means the Early and Periodic Screening, Diagnosis and Treatment program permitting a  
9 state to cover, under Medicaid law, services necessary to correct or ameliorate a mental illness even if  
10 the service is not otherwise included in the state's Medicaid Plan. EPSDT covers those persons age  
11 twenty-one (21) years and younger.

12 M. Family Member means any traditional or non-traditional support system, significant other or  
13 natural support designated by the ~~beneficiary~~ Beneficiary.

14 N. ~~Fee for Service (FFS)~~ Provider means a Medi-Cal outpatient fee-for-service provider serving  
15 beneficiaries in his or her own independent practice or in a group practice.

16 O. ~~Integrated Records Information System (IRIS)~~ means a collection of applications and databases  
17 that serve the needs of programs ~~within the County of Orange Health Care Agency and includes~~ and  
18 include functionality such as registration and scheduling, laboratory information system, billing and  
19 reporting capabilities, compliance with regulatory requirements, electronic medical records and other  
20 relevant applications.

21 P. ~~Medi-Cal Eligibility Determination System (MEDS)~~ means the information systems maintained  
22 by ~~the State Department of Health Services~~ DHCS for all Medi-Cal recipient eligibility information.

23 Q. Medical Necessity refers to criteria that determine the appropriateness of certain levels of care  
24 for medical services to be provided by CONTRACTOR. COUNTY shall provide CONTRACTOR,  
25 within thirty (30) days of receipt, any changes to ~~the State DMH~~ DHCS established medical necessity  
26 criteria for outpatient services under Medi-Cal.

27 R. Medication Services means face-to-face or telephone services provided by a licensed physician,  
28 licensed psychiatric nurse practitioner, or other qualified medical staff. This service shall include  
29 documentation of the clinical justification for use of the medication, dosage, side effects, compliance,  
30 and response to medication.

31 S. Mental Health Plan means the ~~County of Orange~~ COUNTY as the ~~Mental Health Plan~~ MHP  
32 Manager with COUNTY clinics as well as COUNTY- contracted clinics, including CONTRACTOR,  
33 being providers in the Plan.

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

37 1. Assessment/Mental Health Evaluation means services designed to provide formal,

1 documented evaluation or analysis of the cause or nature of a ~~beneficiary's~~Beneficiary's mental,  
 2 emotional, or behavioral disorders. The parties understand that such services shall be primarily limited  
 3 to initial telephone intake examinations to triage and refer the ~~beneficiary~~Beneficiary to a ~~network~~  
 4 ~~provider~~Network Provider who will develop the treatment/service plan. Cultural issues should be  
 5 addressed where appropriate. Additionally, this evaluation should include an appraisal of the  
 6 individual's community functioning in several areas including living situation, daily activities, social  
 7 support systems and health status.

8 //

9 2. Collateral Therapy means face-to-face or telephone contact(s) with significant others in the  
 10 life of the ~~beneficiary~~Beneficiary necessary to meet the mental health needs of the  
 11 ~~beneficiary~~Beneficiary. Family therapy provided on behalf of the individual ~~beneficiary~~Beneficiary is  
 12 also considered collateral.

13 3. Individual Therapy means a goal directed face-to-face therapeutic intervention with the  
 14 ~~beneficiary~~Beneficiary which focuses on the mental health needs of the ~~beneficiary~~Beneficiary.

15 4. Group Therapy means a goal directed face-to-face therapeutic intervention with a group of  
 16 no less than two (2) and no more than eight (8) beneficiaries receiving services at the same time. Such  
 17 intervention shall be consistent with the beneficiaries' goals and focus primarily on symptom reduction  
 18 as a means to improve functional impairments.

19 U. ~~National Provider Identifier (NPI)~~ means the standard unique health identifier that was adopted  
 20 by the Secretary of ~~Health and Human Services~~HHS under ~~Health Insurance Portability and~~  
 21 ~~Accountability Act (HIPAA)~~ of 1996 for health care providers. All HIPAA covered healthcare  
 22 providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA  
 23 standard transactions. The NPI is assigned to individuals for life.

24 V. Network Provider means mental health service providers credentialed and under contract with  
 25 CONTRACTOR. Such providers may be individual practitioners, provider groups, or clinics.

26 W. ~~Notice Of Privacy Practices (NPP)~~ ~~A~~ means a document that notifies individuals of uses and  
 27 disclosures of PHI that may be made by or on behalf of the health plan or health care provided as set  
 28 forth in ~~the Health Insurance Portability and Accountability Act of 1996 (HIPAA)~~.HIPAA.

29 X. Office of the Patient Advocate means the COUNTY office responsible for providing outreach  
 30 and educational materials to inform beneficiaries about their rights and remedies in receiving mental  
 31 health treatment; representing beneficiaries' interests in fair hearings, grievances and other legal  
 32 proceedings related to the provision of services; and monitoring mental health programs for compliance  
 33 with patients' rights legal standards as the designee of the Local Mental Health Director.

34 Y. Out-of-County means any California county other than ~~Orange County~~COUNTY or Border  
 35 Community.

36 Z. Primary Source Verification means procedures for the review and direct verification of  
 37 credentialing information submitted by care providers, including, but not limited to, confirmation of



1 references, appointments, and licensure.

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

10 AB. Quality Improvement means the use of interdisciplinary teams to review performance measures  
11 to identify opportunities for improvement. The teams use participatory processes to analyze and confirm  
12 causes for poor performance, design interventions to address causes, implement interventions, and  
13 measure improvement. Successful improvements are then implemented wherever appropriate. Where  
14 interventions are unsuccessful, the team again addresses the causes and designs new interventions until  
15 improvements are achieved.

16 AC. Referral means providing effective linkage of a ~~beneficiary~~ Beneficiary to another service, when  
17 indicated, with follow-up to be provided to assure that the ~~beneficiary~~ Beneficiary has made contact with  
18 the referred service.

19 AD. Retrospective Review means determination of the appropriateness or necessity of services after  
20 they have been delivered, generally through the review of the medical or treatment record.

21 AE. ~~Remote Secure Access (RSA) Token~~ means the security device which allows an individual user  
22 to access ~~the HCA computer based Integrated Records Information System (IRIS).~~

23 AF. Service Authorization means the determination of appropriateness of services prior to the  
24 services being rendered, based upon medical or service necessity criteria. This includes the  
25 authorization of outpatient services authorized by CONTRACTOR.

26 AG. Share of Cost means a monthly amount that the ~~beneficiary~~ Beneficiary is to pay to receive  
27 Medi-Cal services.

28 AH. ~~Social Services Agency (SSA)~~ means the COUNTY department responsible for child welfare  
29 services and Medi-Cal eligibility determination.

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## II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments ~~paragraph~~ Paragraph in this Exhibit A to the Agreement and the following budget, ~~which may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.~~

	<u>PERIOD ONE</u>	<u>PERIOD TWO</u>	<u>TOTAL</u>
	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>
ADMINISTRATIVE COSTS	\$ <del>389,152</del> <u>395,351</u>	<u>\$ 395,351</u>	<u>\$ 790,702</u>
PROGRAM COSTS			
Mental Health Program Direct	\$1, <del>436,062</del> <u>429,863</u>	<u>\$1,429,863</u>	<u>\$2,859,726</u>
Mental Health Claims	<u>3,035,631</u>	<u>3,035,631</u>	<u>6,071,262</u>
SUBTOTAL PROGRAM COSTS	\$4, <del>471,693</del> <u>465,494</u>	<u>\$4,465,494</u>	<u>\$8,930,988</u>
TOTAL COSTS	\$4,860,845	<u>\$4,860,845</u>	<u>\$9,721,690</u>
REVENUE			
Federal Medi-Cal	\$1, <del>517,816</del> <u>2,341,471</u>	<u>\$2,341,471</u>	<u>\$4,682,942</u>
Medi-Cal <del>State</del> Match	<del>1,517,815</del> <u>2,377,381</u>	<u>2,377,381</u>	<u>4,742,762</u>
<del>Additional State Funds</del>	<del>1,825,214</del> <u>141,993</u>	<u>141,993</u>	<u>283,986</u>
<u>EPSDT</u>	<u>141,993</u>		
TOTAL REVENUE	\$4,860,845	<u>\$4,860,845</u>	<u>\$9,721,690</u>
<del>TOTAL</del> MAXIMUM OBLIGATION	\$4,860,845	<u>\$4,860,845</u>	<u>\$9,721,690</u>

1. Administrative Costs – General administrative costs to include MIS/IT functions.
2. Program Costs – Program Costs specified above are subject to ~~the~~ reimbursement principles as specified in the Cost Report Paragraph of ~~this~~ the Agreement.
  - a. Mental Health Program Direct Costs
    - 1) Staff who will provide initial assessments, case management and other services

1 identified in ~~Subparagraph IV~~ the Services Paragraph of ~~this~~ Exhibit A to ~~this~~ the Agreement.

2 2) General Program Operating Costs

3 b. Mental Health Claims – Claims paid to both Network Providers and Out-of-County  
4 Providers, and professional fees paid to Inpatient Providers. Mental Health claims will be paid at rates  
5 set by CONTRACTOR with mutual agreement by ADMINISTRATOR, for all services, as referenced in  
6 the Services Paragraph of this Exhibit A to the Agreement.

7 B. CONTRACTOR shall make its best efforts to manage the services under ~~this~~ the Agreement  
8 within the negotiated Maximum Obligation. Through appropriate program oversight and monitoring,  
9 monthly cost projections, and regular and routine communications with ADMINISTRATOR, if it is  
10 indicated that the Maximum Obligation may be exceeded prior to the end of the term of ~~this~~ the  
11 Agreement, then COUNTY agrees to adjust the Maximum Obligation via Amendment to the  
12 Agreement, prior to exhausting funds allocated to ~~this~~ the Agreement, and in order to avoid any  
13 disruption of services.

14 C. Unless otherwise authorized by ADMINISTRATOR, CONTRACTOR agrees that the amount  
15 of State Medi-Cal is dependent upon, and shall at no time be greater than, the amount of Federal  
16 Medi-Cal actually generated by CONTRACTOR.

17 D. CONTRACTOR agrees that fees received from private resources on behalf of Medi-Cal  
18 beneficiaries shall not be eligible for retention by CONTRACTOR. It is understood by the parties that  
19 such fees shall not include Share of Cost.

20 E. ADMINISTRATOR and CONTRACTOR may mutually agree, in writing, to ~~amend~~  
21 ~~Subparagraph II~~ modify the Budget Paragraph of this Exhibit A to this the Agreement.

22  
23 **III. PAYMENTS**

24 A. ~~Administrative Costs~~ ADMINISTRATIVE COSTS – COUNTY shall ~~reimburse~~ pay  
25 CONTRACTOR monthly, in arrears, at the negotiated amount of \$32,430,946 per month for Period One,  
26 and Period Two, provided the total of such payments ~~does~~ do not exceed the amounts specified for such  
27 services in ~~Subparagraph II.A~~ the Budget Paragraph of ~~Exhibit A to this~~ Exhibit A to the Agreement.

28 B. ~~Program Costs~~ PROGRAM COSTS – COUNTY shall ~~reimburse~~ pay CONTRACTOR monthly,  
29 in arrears, at ~~the~~ provisional amount of \$372,642,125 per month for Period One, and Period Two,  
30 provided the total of such payments ~~does~~ do not exceed the ~~amount~~ amounts specified for such services in  
31 ~~Subaragraph II.A~~ the Budget Paragraph of ~~Exhibit A to this~~ Exhibit A to the Agreement, ~~unless~~  
32 ~~otherwise approved, in writing, by ADMINISTRATOR.~~

33 1. Payment to CONTRACTOR for Program Costs shall be reconcilable at year end to the  
34 actual cost of providing services in accordance with the Cost Report paragraph of this Agreement.

35 2. Payments of claims to providers shall be at rates set by CONTRACTOR, with mutual  
36 agreement by COUNTY, for all services.

37 ~~—C. CONTRACTOR's costs shall be reimbursable pursuant to county, state, and federal regulations~~

1 ~~and the total of all payments for Administrative and Program costs shall not exceed COUNTY's Total~~  
 2 ~~Maximum Obligation.~~

3 ~~—D~~ C. All payments are interim payments only and are subject to Final Settlement in accordance  
 4 with the Cost Report paragraph of the Agreement for which CONTRACTOR shall be reimbursed for the  
 5 actual cost of providing the services, which may include Indirect Administrative Costs, as identified in  
 6 Subparagraph II.A. of this Exhibit A to the Agreement; provided, however, the total of such payments  
 7 do not exceed COUNTY's Maximum Obligation for each period, as specified in the Referenced  
 8 Contract provisions of the Agreement and, provided further, CONTRACTOR's costs are reimbursable  
 9 pursuant to COUNTY, state and/or federal regulations. ADMINISTRATOR may, at its discretion, pay  
 10 supplemental billings for any month for which the provisional amount specified above has not been fully  
 11 paid.

12 D. In support of the monthly invoices, CONTRACTOR shall submit an Expenditure and Revenue  
 13 Report as specified in the Reports paragraph of this Exhibit A to the Agreement. ADMINISTRATOR  
 14 shall use the Expenditure and Revenue Report to determine payment to CONTRACTOR as specified in  
 15 the Payments Paragraph of this Exhibit A to the Agreement.

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

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

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

31 1. CONTRACTOR shall submit a monthly Expenditure and Revenue Report as specified in  
 32 the Reports ~~paragraph~~Paragraph of ~~this~~ Exhibit A to ~~this~~the Agreement.

33 2. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the  
 34 provisional amount payments for Program costs exceed the actual costs of providing such services,  
 35 ADMINISTRATOR may reduce COUNTY payments to CONTRACTOR by an amount not to exceed  
 36 the difference between the year-to-date provisional amount payments to CONTRACTOR and the year-  
 37 to-date actual costs incurred by CONTRACTOR.

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

H. ADMINISTRATOR may withhold or delay any payment for Administrative Services if CONTRACTOR fails to comply with any provision of ~~this~~ the Agreement.

I. CONTRACTOR shall not claim reimbursement for services provided beyond the expiration and/or termination of ~~this~~ the Agreement, except as may otherwise be provided under ~~this~~ the Agreement.

GJ. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to ~~amend Subparagraph III.~~ modify the Payments Paragraph of ~~this~~ Exhibit A to ~~this~~ the Agreement.

//

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#### IV. ~~SERVICES TO BE PROVIDED~~

##### A. ADMINISTRATIVE SERVICES

##### 1. PROVIDER NETWORK DEVELOPMENT AND MANAGEMENT

a. CONTRACTOR shall maintain a provider network to provide ~~mental health services~~ Mental Health Services based on existing community needs, including, but not limited to, addressing geographic accessibility and cultural competency, which shall include services available in English, Spanish, Farsi, and Vietnamese. Additional languages required may be added should the ~~Department of Mental Health~~ DHCS designate additional languages as meeting the threshold for language requirements.

b. CONTRACTOR shall provide a range of Network Providers capable of delivering ~~services as set forth by this contract which~~ may include but is not limited to ~~the following practitioner levels within its provider network:~~ psychiatrists; licensed ~~psychologist~~ psychologists; licensed psychiatric nurse ~~practitioner;~~ marriage practitioners, MFTs, and ~~family therapist (MFT); and licensed clinical social worker (LCSW);~~ practitioners.

c. CONTRACTOR shall identify and recruit those providers who are serving a specialty population (i.e., age, gender, or cultural specific), or who are in geographic location(s) that would maximize ~~beneficiary~~ Beneficiary access, necessary for the success of the program. Such providers shall be actively pursued to participate in the provider network, and their credentialing process shall be expedited.

d. CONTRACTOR shall conduct provider credentialing specified in ~~subparagraph IV.A.3. below;~~ the Services Paragraph of this Exhibit A to the Agreement. Individual, group and organizational providers must meet the following criteria to be a CONTRACTOR network provider:

1) Comply with all applicable Federal Medicaid (Medi-Cal) laws, regulations and guidelines and all applicable state statutes and regulations;

1                   2) Provide ~~mental health services~~ Mental Health Services, within scope of licensure, to  
 2 all ~~beneficiaries~~ Beneficiaries who are referred by CONTRACTOR. To assist in referrals, providers  
 3 shall, as a part of their application, indicate their specialties which CONTRACTOR shall verify to the  
 4 extent possible;

5                   3) Appropriately refer ~~beneficiaries~~ Beneficiaries for other services when necessary;  
 6                   4) Not refuse to provide services solely on the basis of age, sex, race, religion,  
 7 physical or mental disability, or national origin;

8                   5) Maintain a safe facility;  
 9                   6) If applicable, store and dispense medications according to state and federal  
 10 standards;

11                  7) Maintain client records that meet state and federal standards;  
 12                  8) Provide services at the rates established by CONTRACTOR, as agreed by  
 13 COUNTY;

14                  9) Demonstrate positive outcomes as defined by CONTRACTOR;  
 15                  10) Address the needs of ~~beneficiaries~~ Beneficiaries based on factors including age,  
 16 language, culture, physical disability, psychiatric disability and specified clinical interventions;

17                  11) Meet the quality improvement, authorization, clinical and administrative  
 18 requirements of COUNTY and CONTRACTOR;

19                  12) Work with ~~beneficiaries~~ Beneficiaries, their families, and other providers in a  
 20 collaborative and supportive manner; and

21                  13) Provide services in a managed care environment.

22                  e. CONTRACTOR shall maintain a complete list of all ~~network providers~~ Network  
 23 Providers including name, license number, provider number(s), number of open clients, NPI number,  
 24 specialty or specialties, language fluency and geographic location and ethnicity.

25                  2. PROVIDER SELECTION AND CREDENTIALING – CONTRACTOR shall comply with  
 26 Title 9, CCR, Section 1810.435 in the selection of providers and shall review its providers for continued  
 27 compliance with standards at least once every three years, except as otherwise provided in ~~this~~ the  
 28 Agreement.

29                  a. CONTRACTOR shall include in its written provider selection ~~policies and~~  
 30 ~~procedures~~ P&P, a provision that practitioners shall not be excluded solely because of the practitioners'  
 31 type of license or certification.

32                  b. CONTRACTOR shall give practitioners or groups of practitioners who apply to be  
 33 ~~Mental Health Plan (MHP) network providers~~ MHP Network Providers and with whom the MHP  
 34 decides not to contract with written notice for the reason for a decision not to contract.

35                  c. CONTRACTOR shall not discriminate against particular providers that serve high-risk  
 36 populations or specialize in conditions that require costly treatment.

37                  3. NETWORK PROVIDER CREDENTIALING

1 a. CONTRACTOR shall be responsible for credentialing ~~network providers~~Network  
 2 Providers in accordance with State guidelines which include, but are not limited to, verifying the  
 3 following information. Unless otherwise specified, primary source verification of information shall be  
 4 required. Primary source verification means confirmation and evidence from the issuing source or  
 5 designated monitoring entity of the requested information.

- 6 1) A current valid license to practice as an independent mental health practitioner;
- 7 2) A valid ~~Drug Enforcement Agency (DEA)~~DEA certificate for physicians (primary  
 8 source not required);
- 9 3) Graduation from an accredited professional school and/or highest training program  
 10 applicable to the academic degree, discipline, and licensure of the mental health practitioner which is  
 11 verified through license verification;
- 12 4) Board certification if the practitioner states that he/she is board certified on the  
 13 application;
- 14 5) Work history (primary source not required);
- 15 6) Current, adequate malpractice insurance in accordance with the Indemnification  
 16 and Insurance Paragraph of ~~this~~the Agreement;
- 17 7) History of professional liability claims; and
- 18 8) Information from recognized monitoring organizations regarding the applicant's  
 19 sanctions or limitations of licensure from:

20 //

- 21 a) State Board of Licensure or Certification and/or the National Practitioner Data  
 22 Bank;
- 23 b) State Board of Medical Examiners, the Federation of State Medical Boards, or  
 24 appropriate agency; and
- 25 c) ~~Office of Inspector General~~OIG.

26 b. CONTRACTOR shall make every effort to ensure that the credentialing process does  
 27 not exceed one hundred eighty (180) calendar days for any provider applying to become a ~~network~~  
 28 ~~provider~~Network Provider as evidenced by CONTRACTOR's receipt of a completed application, with  
 29 the expectation that the average time for credentialing shall not exceed one hundred twenty (120)  
 30 calendar days.

31 c. CONTRACTOR shall provide to COUNTY the names of providers denied  
 32 participation in CONTRACTOR's provider network upon request.

#### 33 4. OUT-OF-COUNTY PROVIDERS

34 a. CONTRACTOR may accept claims for services provided to a COUNTY  
 35 ~~beneficiary~~Beneficiary by any out-of-county provider that has met the foundation criteria for the county  
 36 in which services are provided.

37 b. CONTRACTOR shall provide names of its credentialed providers to other counties

1 upon request.

2 5. RE-CREDENTIALING

3 a. CONTRACTOR shall update, verify and review all pertinent provider credentialing  
4 information and qualifications, and assess the provider's performance over the previous three (3) years.

5 b. CONTRACTOR shall identify and evaluate any changes in the provider's licensure,  
6 clinical privileges, training, experience, current competence, or health status that may affect the  
7 provider's ability to perform the services he or she is providing to members.

8 c. In order to determine whether to re-approve the provider's participation in  
9 CONTRACTOR's network, CONTRACTOR shall, in addition to updating credentialing information,

10 #  
11 examine the provider's clinical competence, examine quality improvement, review patient complaints,  
12 and conduct site visits when appropriate, in accordance with CONTRACTOR's site audit policy.

13 d. CONTRACTOR shall provide to COUNTY the names of providers denied  
14 participation in CONTRACTOR's provider network and the reason for the denial upon request.

15 6. PROVIDER APPLICATION REVIEW PROCESS

16 a. All credentialing and re-credentialing applications shall be reviewed by  
17 CONTRACTOR. Providers with identified adverse issues shall be asked to provide a written  
18 explanation prior to CONTRACTOR review. In addition, CONTRACTOR shall maintain policies and  
19 procedures for altering the conditions of the practitioner's participation in the network based on issues of  
20 the quality of care and service that may arise after completing the credentialing process. Decisions to  
21 alter or terminate a provider's participation in the network shall be made by CONTRACTOR. Providers  
22 with identified quality of care or service concerns shall be presented to a Peer Review Committee  
23 established by CONTRACTOR. Providers shall be advised in advance of the identified problems and  
24 shall be invited to respond in writing to the issues to go before the Peer Review Committee. The  
25 provider's response, along with any additional documentation supplied by CONTRACTOR, shall be  
26 reviewed by the Peer Review Committee. The Committee may recommend that no action be taken, that  
27 the provider be issued a Corrective Action Plan, or that the provider be terminated from the network.

28 b. CONTRACTOR provides for notice and a fair hearing to CONTRACTOR's  
29 ~~participating providers~~ Network Providers, as required under applicable state and federal law, or at the  
30 discretion of the Medical Director in any case in which action is proposed to be taken by  
31 CONTRACTOR to restrict, suspend or terminate the ~~Participating~~ Network Provider's ability to provide  
32 health care services to CONTRACTOR members for reasons relating to deficiencies in quality of care,  
33 professional competence or professional conduct which affects or could adversely affect the health,  
34 safety or welfare of any member and/or is reasonably likely to be detrimental to the delivery of quality  
35 care. If CONTRACTOR takes adverse action against a provider based on a quality of care issue,  
36 CONTRACTOR will report as required by state and federal agencies and as required by the ~~National~~  
37 ~~Provider Data Bank (NPDB)~~ NPDB.



1 c. ADMINISTRATOR shall be notified of any providers required to submit a Corrective  
2 Action Plan, or terminated as the result of a quality of care issue within fourteen (14) calendar days of  
3 such action. The quality of care issue shall also be summarized and included with the notification.

#### 4 7. PROVIDER TRAINING

5 a. CONTRACTOR, in consultation with COUNTY, shall train individual ~~network~~  
6 ~~providers~~ Network Providers to the model and delivery of ~~mental health services~~ Mental Health Services  
7 requested by COUNTY. Documentation, appropriate referral resource, and service linkage protocols  
8 shall be emphasized.

9 b. All ~~network providers~~ Network Providers shall have access to a Provider Manual,  
10 developed by CONTRACTOR, at the commencement of their contract with CONTRACTOR.

11 #  
12 c. CONTRACTOR shall publish provider newsletters, which shall serve to update  
13 providers on operational and clinical requirements, and provide clarification on contractual issues. A  
14 copy of such newsletters shall be sent to ADMINISTRATOR.

15 d. CONTRACTOR shall conduct and/or sponsor in-service training for all of its ~~network~~  
16 ~~providers~~ Network Providers. These trainings shall address both operational and clinical standards. For  
17 the purpose of coordinating trainings, CONTRACTOR shall provide a list of its scheduled trainings to  
18 ADMINISTRATOR.

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

26 a. CONTRACTOR shall recruit and retain culturally competent staff reflective of the  
27 populations receiving services including bilingual/bicultural professional staff. CONTRACTOR shall  
28 utilize a language translation or interpreter or other service acceptable to ADMINISTRATOR.

29 b. CONTRACTOR shall actively solicit providers for its network to ensure that  
30 ~~beneficiary~~ Beneficiary requests to use culture-specific providers are met. CONTRACTOR is not  
31 required to solicit only Medi-Cal providers for its network. Regular analysis of the provider network,  
32 including reports of ~~beneficiary~~ Beneficiary satisfaction, shall be conducted in order to identify any  
33 network needs that might arise. In cases where a ~~beneficiary's~~ Beneficiary's request for a culture-  
34 specific provider cannot be met, CONTRACTOR shall conduct an immediate provider search to meet  
35 the ~~beneficiary's~~ Beneficiary's need and shall begin an expedited credentialing process in order to add  
36 the identified provider to the network. Qualified interpreters shall not be intended to replace bilingual  
37 professionals, but may be utilized only when no alternative is immediately available. A qualified

1 interpreter shall be defined as a person not trained in ~~mental health services~~ Mental Health Services that  
 2 have completed an appropriate course which covers terms and concepts associated with mental illness,  
 3 psychotropic medications, and cultural beliefs and practices which may influence the client's mental  
 4 health.

5 9. CLAIMS PROCESSING AND ADJUDICATION – NETWORK PROVIDERS

6 a. CONTRACTOR shall maintain a rules-based and date-sensitive claims system to meet  
 7 the needs of all standard Medi-Cal beneficiary claims.

8 b. CONTRACTOR shall establish a claims adjudication process which will accept either  
 9 paper or electronic claims including, but not limited to, verification that if the ~~beneficiary~~ Beneficiary has  
 10 a Share of Cost that that the Share of Cost has been met.

11 c. CONTRACTOR shall maintain timelines in the claims process as follows:

12 1) Claims for services shall be requested to be submitted to CONTRACTOR by the  
 13 ~~network providers~~ Network Providers within thirty (30) days of the date of services but in no case shall  
 14 CONTRACTOR process any claim that is initially submitted more than ninety (90) days from the date  
 15 of service.

16 2) CONTRACTOR shall maintain a thirty (30) calendar day or less turnaround on  
 17 clean claims. Clean claims shall be those that require no additional information (such as provider  
 18 identification, diagnosis and/or CPT codes) and which can be processed completely upon initial entry.

19 3) When pending a claim for missing data, the ~~provider~~ Network Provider shall receive  
 20 notification from CONTRACTOR within fourteen (14) calendar days from the date of receipt. This  
 21 notification shall include what is needed to continue processing the claim.

22 4) CONTRACTOR shall request that the information be returned within fourteen (14)  
 23 calendar days.

24 d. CONTRACTOR shall:

25 1) Provide adequately trained claims processing and clerical staff, and suitable  
 26 equipment.

27 //

28 2) Review each completed claim to determine that the services rendered are within the  
 29 Medi-Cal scope of service, and that applicable prior approvals have been obtained.

30 e. Share of Cost – CONTRACTOR shall require that all ~~network providers~~ Network  
 31 Providers attempt to collect the Share of Cost from beneficiaries and that reimbursement of claims shall  
 32 be reduced by the beneficiaries' Share of Cost.

33 1) CONTRACTOR shall have access to the ~~State's Med-Cal Eligibility Database~~  
 34 ~~System (MEDS) and/or~~ Medi-Cal Eligibility Website to determine client eligibility and any Share of  
 35 Cost remaining for the date of service.

36 2) CONTRACTOR shall ensure that the ~~network providers~~ Network Providers notify  
 37 the ~~beneficiary~~ Beneficiary of his/her Share of Cost obligation. The ~~beneficiary~~ Beneficiary shall be made

1 to understand that when the Share of Cost obligation is met, Medi-Cal will cover the remainder of the  
2 unit cost.

3 3) For ~~beneficiaries~~Beneficiaries with a Share of Cost who have the ability to meet  
4 their Share of Cost obligation, CONTRACTOR shall maintain authorization procedures that include  
5 ongoing review of a ~~beneficiary's~~Beneficiary's Share of Cost status. CONTRACTOR will make all  
6 reasonable efforts to ensure that all authorized services are eligible for Medi-Cal reimbursement.

7 4) CONTRACTOR shall ensure that a ~~beneficiary~~Beneficiary with a Share of Cost  
8 was eligible for Medi-Cal on the date of service during the adjudication process of the ~~network~~  
9 ~~provider's~~Network Provider's claim.

10 5) The spend down of Share of Cost is the amount remaining for the month of the date  
11 of service, or the amount of the service, whichever is less.

12 #

13 #

14 #

15 6) CONTRACTOR shall maintain procedures regarding the referral of  
16 ~~beneficiaries~~Beneficiaries who:

17 a) Are unable to pay their Share of Cost and for whom the denial of ~~mental health~~  
18 ~~services~~Mental Health Services based on inability to pay Share of Cost would result in a significant  
19 functional impairment, or

20 b) CONTRACTOR is unable to determine if they have met their Share of Cost for  
21 other Medi-Cal services received and for whom the denial of ~~mental health services~~Mental Health  
22 Services based on inability to pay Share of Cost would result in a significant functional impairment.

23 7) The ~~network provider~~Network Provider shall send in a claim form, reflecting the  
24 gross amount, Share of Cost amount (if applicable) and the balance due after the Share of Cost has been  
25 met.

26 8) If the ~~provider's~~Network Provider's claim is sent with a balance due,  
27 CONTRACTOR shall verify Share of Cost remaining to avoid double payment, as well as verify if  
28 payment is correct due to Share of Cost reporting lag.

29 f. Other Health Coverage – CONTRACTOR shall direct ~~beneficiaries~~Beneficiaries with  
30 Other Health Coverage that includes behavioral health coverage to seek services through Network  
31 Providers who take the Other Health Coverage in which they are enrolled.

32 1) CONTRACTOR shall direct ~~beneficiaries~~Beneficiaries who obtain Other Health  
33 Coverage that includes behavioral health coverage after they have been seeing an ASO ~~network~~  
34 ~~provider~~Network Provider to seek services as soon as possible through other Providers who take ~~the~~  
35 Other Health Coverage in which they become enrolled.

36 2) CONTRACTOR shall direct ~~beneficiaries~~Beneficiaries with Other Health  
37 Coverage that does not include behavioral health coverage to seek services through the county clinic for

1 a level of care assessment and further treatment if medically necessary.

2 a) CONTRACTOR shall direct ~~beneficiaries~~Beneficiaries who obtain Other  
3 Health Coverage that does not include behavioral health coverage after they have been seeing an ASO  
4 ~~network provider~~Network Provider to seek services as soon as possible through the county clinic for a  
5 level of care assessment and further treatment if medically necessary.

6 b) This is subject to change if the ~~DMH~~DHCS rules change regarding accepting  
7 claims for Other Health Coverage that does not include behavioral health coverage.

8 g. CONTRACTOR shall direct inpatient providers who submit claims for  
9 ~~beneficiaries~~Beneficiaries with Medicare to bill fee-for-service Medi-Cal directly as described in the  
10 Medi-Cal manual.

11 h. CONTRACTOR shall direct inpatient providers who submit claims for  
12 ~~beneficiaries~~Beneficiaries with Other Health Coverage other than Medicare to also send proof of denial  
13 or partial payment with the CMS1500 to ASO who will pay remainder up to what would have been paid  
14 if only Medi- Cal.

15 i. CONTRACTOR shall facilitate the resolution of problems concerning payment and any  
16 billing documentation (if necessary) with ~~network providers~~Network Providers.

17 1) In the event a payment dispute arises between CONTRACTOR and a ~~network~~  
18 ~~provider~~Network Provider, CONTRACTOR shall make every attempt to resolve such disputes up to and  
19 including the use of a formal provider appeal process. All CONTRACTOR actions shall be undertaken  
20 while keeping the rights of the ~~beneficiary~~Beneficiary the foremost priority.

21 a) If a ~~network provider~~Network Provider disputes the denial of a submitted claim  
22 or the amount of payment, he/she may contact CONTRACTOR's Claims Department. The Claims  
23 Department shall be able to review the adjudication process with the ~~provider~~Network Provider and give  
24 a more detailed explanation of a denied encounter unit or a reduced payment. If, in the course of such  
25 contact, CONTRACTOR is able to determine that an error was made on the part of CONTRACTOR, a  
26 re-adjudication of the claim shall be made so that the proper payment amount may be remitted.

27 b) If, for any reason, CONTRACTOR is unable to resolve the problem to the full  
28 satisfaction of the ~~provider~~Network Provider, CONTRACTOR shall offer to facilitate the formal  
29 Provider Appeal Process. CONTRACTOR's appeal process shall include review by CONTRACTOR's  
30 Director of Clinical Services or designee, CONTRACTOR's Medical Director or designee, and  
31 CONTRACTOR's Utilization Management Committee. If, after the third level appeal, the provider still  
32 is not satisfied, he/she will be referred to COUNTY or State Medi-Cal appeals process.

33 2) All appeals processes shall be communicated to ~~network providers~~Network  
34 Providers via the distribution of CONTRACTOR's provider manual at the time of contracting.

35 j. CONTRACTOR shall be responsible to all ~~providers~~Network Providers for funds paid,  
36 in any form, for non-reimbursable services, for services to persons who are not Medi-Cal beneficiaries,  
37 or for payment to any provider or other entity not entitled to such payment. CONTRACTOR shall

1 reimburse the ASO Account for any such payments. CONTRACTOR may pursue reimbursement from  
2 affected providers, as appropriate.

3 10. MEDI-CAL CLAIMS PROCESSING – COUNTY

4 a. CONTRACTOR shall provide COUNTY, at a minimum, a monthly Medi-Cal 837  
5 billing file:

6 1) With the exception of claims for ~~Institutions for Mental Disease (IMD)~~, IMD, this  
7 file shall contain a matching Medi-Cal claim for each Medi-Cal claim that was adjudicated by the  
8 CONTRACTOR to the ~~network provider~~ Network Provider.

9 2) CONTRACTOR shall also:

10 a) Ensure that all billing activity is maintained, controlled and exchanged as  
11 necessary in compliance with all current Federal requirements, as well as State regulatory requirements  
12 as set forth by ~~the California Department of Mental Health (DMH) and Department of Health Care~~  
13 ~~Services (DHCS)~~; DHCS;

14 b) Ensure compliance on an ongoing basis with emerging and future Federal and  
15 State regulatory requirements within established timeframe deadlines;

16 c) Work cooperatively with ADMINISTRATOR during any system/application  
17 changes or enhancements to ensure continuity of compliant operations;

18 d) Ensure Federal HIPAA compliance;

19 e) Have ability to compile and electronically transmit ~~837~~ eight hundred thirty-  
20 seven (837) claim files to ADMINISTRATOR for submission to and adjudication by the State of  
21 California;

22 f) Have ability to receive electronic transmissions of ~~835~~ eight hundred thirty-five  
23 (835) adjudicated claims back from ADMINISTRATOR, if necessary, as received by the State of  
24 California;

25 g) Resolve any issues with errors in claim submissions within the established  
26 timeframes, and perform re-submissions as necessary; and

27 h) Establish an ongoing primary technical contact or project manager with whom  
28 issues can be discussed and resolved.

29 ~~\_\_\_\_\_ b. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding~~  
30 ~~sources, with respect to any person who has been referred to CONTRACTOR by COUNTY under the~~  
31 ~~terms of this Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not~~  
32 ~~be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian~~  
33 ~~institution, or religious belief.~~

34 ~~\_\_\_\_\_ c. NATIONAL PROVIDER IDENTIFIER (NPI) CONTRACTOR, including each~~  
35 ~~applicable employee that provides services under this Agreement, shall obtain a National Provider~~  
36 ~~Identifier (NPI) upon completion of this Agreement or prior to providing services under this Agreement.~~  
37 ~~CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by~~

~~ADMINISTRATOR, all NPIs as soon as they are available.~~

~~d. CONTRACTOR shall provide the Notice of Privacy Practices (NPP) for the County of Orange, as the Mental Health Plan, at the time of the first service provided under this Agreement to individuals who are covered by Medi-Cal and have not previously received services at a County operated clinic. CONTRACTOR shall also provide, upon request, the NPP for the County of Orange, as the Mental Health Plan, to any individual who received services under this Agreement.~~

~~11. TOKENS — ADMINISTRATOR will provide CONTRACTOR the necessary number of tokens for appropriate individual staff to access the HCA IRIS at no cost to the CONTRACTOR.~~

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

~~b. CONTRACTOR shall maintain an inventory of the tokens, by serial number, and the staff member to whom each is assigned.~~

~~c. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the token for each staff member assigned a token.~~

~~d. CONTRACTOR shall return to ADMINISTRATOR all tokens under the following conditions:~~

- ~~1) Token of each staff member who no longer supports this Agreement;~~
- ~~2) Token of each staff member who no longer requires access to the HCA IRIS;~~
- ~~3) Token of each staff member who leaves employment of CONTRACTOR; and~~
- ~~4) Tokens malfunctioning.~~

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

~~f. CONTRACTOR shall reimburse the COUNTY for tokens lost, stolen, or damaged through acts of negligence.~~

~~12. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to amend subparagraph IV.A. of Exhibit A to this Agreement.~~

## B. MENTAL HEALTH SERVICES

### 1. ASSESSMENT

a. CONTRACTOR shall provide a statewide twenty-four (24)-hour toll-free number for ~~providers~~ Network Providers and ~~Orange County~~ COUNTY beneficiaries and their families. This line may not be a taped recording, but must have a live operator at all times.

1) CONTRACTOR's— Utilization Review Clinicians and Care Coordinators shall speak the languages of most of the enrollees. For enrollees who may require language translation, CONTRACTOR shall utilize a language interpreter service or other service acceptable to ADMINISTRATOR. The California Relay Service may be used for hearing-impaired members.

2) CONTRACTOR shall establish a model through which the ~~beneficiary~~ Beneficiary will receive a very brief initial screening to verify Medi-Cal eligibility and determine if the

1 ~~beneficiary~~Beneficiary is seeking help for a mental health problem.

2 a) If the caller is determined to be a Medi-Cal beneficiary with a mental health  
3 need, the caller is then transferred to a Utilization Review Clinician who shall conduct a brief telephone  
4 clinical assessment to verify medical necessity for ~~specialty mental health services~~Specialty Mental  
5 Health Services.

6 b) If the caller is not verified to be a Medi-Cal beneficiary, CONTRACTOR shall  
7 refer the individual to the local COUNTY Medi-Cal Office for potential enrollment and/or suggest a  
8 community resource for treatment of their described symptoms.

9 b. CONTRACTOR shall screen ~~beneficiaries~~Beneficiaries who are requesting services not  
10 provided by CONTRACTOR (i.e. psychotherapy, counseling) to determine and make appropriate  
11 referral.

12 c. If the ~~beneficiary~~Beneficiary screening indicates the caller meets level of care for  
13 ~~specialty mental health services~~Specialty Mental Health Services and may benefit from short-term  
14 episodic therapy services, then CONTRACTOR shall refer the individual to a local designated  
15 outpatient County or County Contracted facility for further assessment to determine if the caller is  
16 eligible for services.

17 2. TIMELY ACCESS TO SERVICES – When a call enters CONTRACTOR’s system, the  
18 Utilization Review Clinician shall determine if the request for services is routine or urgent.

19 a. If the caller’s needs are indicated as requiring routine care, CONTRACTOR shall make  
20 a referral to a ~~network provider~~Network Provider for an appointment to be offered within fourteen (14)  
21 calendar days of the referral. Routine services shall be indicated when a ~~beneficiary’s~~Beneficiary’s  
22 mental health needs are not urgent, but for whom ~~mental health services~~Mental Health Services of some  
23 type can improve functioning and/or reduce symptoms, or for whom ~~mental health services~~Mental  
24 Health Services are necessary to maintain his or her highest level of functioning.

25 b. If the caller’s needs are indicated as requiring emergent or urgent care, CONTRACTOR  
26 shall make a referral to COUNTY’s ~~Centralized Assessment Team (CAT)~~ or ~~the County~~COUNTY  
27 Mental Health Outpatient Clinic without delay to prevent further decompensation or compromise of the  
28 member’s condition. CONTRACTOR shall at no time refer callers to inpatient care and must follow  
29 COUNTY criteria for inpatient assessment.

30 1) Emergent services shall be indicated when the ~~beneficiary~~Beneficiary has a  
31 psychiatric condition that meets COUNTY’s criteria for acute psychiatric hospitalization and cannot be  
32 treated at a lower level of care. These criteria include the ~~beneficiary~~Beneficiary being a danger to  
33 himself/herself or others or an immediate inability of the ~~beneficiary~~Beneficiary to provide for, or utilize  
34 food, shelter or clothing as a result of a mental disorder. These calls must be linked within two (2)  
35 hours.

36 2) Urgent services shall be indicated when a situation experienced by a  
37 ~~beneficiary~~Beneficiary that, without timely intervention, is highly likely to result in an immediate

1 emergency psychiatric condition. Beneficiaries in need of urgent services shall receive timely mental  
 2 health intervention that shall be appropriate to the severity of the condition. Linkage for these services  
 3 must be within twenty-four (24) hours.

4 3) The Utilization Review Clinician must obtain confirmation that any caller assessed  
 5 as requiring emergent or urgent care has been appropriately connected to COUNTY or police. If the  
 6 ~~beneficiary~~Beneficiary did not show to the appointed session/evaluation, the Utilization Review  
 7 Clinician shall contact the ~~beneficiary~~Beneficiary to further facilitate services.

8 4) Appointment standards regarding emergent and urgent care shall be communicated  
 9 to ~~network providers~~Network Providers as part of the ~~provider~~Network Provider handbook and shall be  
 10 incorporated in their ~~provider~~Network Provider contractual agreement with CONTRACTOR.

11 c. CONTRACTOR's Utilization Review Clinicians shall be available to screen, assess,  
 12 and triage all of the ~~beneficiary's~~Beneficiary's mental health needs. All of CONTRACTOR's  
 13 Utilization Review Clinicians shall be licensed clinicians. Utilization Review Clinicians shall be trained  
 14 to identify signs of distress in callers.

15 d. Should it not be possible to assess a ~~beneficiary~~Beneficiary appropriately during the  
 16 brief telephone clinical evaluation, CONTRACTOR shall take further steps to ensure beneficiaries are  
 17 referred to the most appropriate level of care by referring the ~~beneficiary~~Beneficiary for a brief face-to-  
 18 face evaluation. Beneficiaries seeking ~~mental health services~~Mental Health Services shall not be denied  
 19 services solely based upon a telephone clinical evaluation. When ~~beneficiaries~~Beneficiaries are  
 20 requesting ~~mental health services~~Mental Health Services they shall be offered a face-to-face assessment.

21 1) A referral for a face-to-face assessment shall be culturally appropriate.

22 2) During the face-to-face assessment, psychological testing may be used to assist in  
 23 the diagnostic evaluation process in cases where the clinical evaluation alone is insufficient to determine  
 24 appropriate diagnosis and treatment needs.

25 a) CONTRACTOR shall require that testing be provided only by licensed clinical  
 26 psychologists.

27 - b) ~~Practitioners~~Network Providers requesting psychological testing related to  
 28 treatment decisions must submit a request, to CONTRACTOR, which shall be reviewed by  
 29 CONTRACTOR.

30 e. Utilization Review Clinicians shall be evaluated at least once annually by  
 31 CONTRACTOR to ensure consistency and appropriateness of referrals. CONTRACTOR shall make  
 32 findings available to ADMINISTRATOR.

33 1) CONTRACTOR's Utilization Review Clinicians shall be periodically evaluated by  
 34 CONTRACTOR through routine audits and formal reliability studies to ensure consistency in decisions  
 35 related to medical necessity and diagnostic impressions.

36 2) A randomly selected sample of member files shall be audited by CONTRACTOR  
 37 at least quarterly to evaluate Utilization Review Clinician decision compliance with decision-making



1 criteria.

2 3. ASSESSMENT CATEGORIES – As a result of the brief telephone clinical assessment, or  
3 face-to-face assessment, as appropriate, CONTRACTOR’s Utilization Review Clinicians shall refer the  
4 ~~beneficiary~~Beneficiary for further assessment and treatment according to the following guidelines.

5 a. Severe/Complex Need for Services - Beneficiaries are assessed to have a severe or  
6 complex need for ~~mental health services~~Mental Health Services if they meet the state standards for  
7 medical necessity for treatment and COUNTY’s admission criteria. These ~~beneficiaries~~Beneficiaries  
8 shall be referred to COUNTY for treatment and care coordination. COUNTY shall determine whether  
9 such ~~beneficiaries~~Beneficiaries are better served by COUNTY or CONTRACTOR. CONTRACTOR  
10 shall ensure a timely and successful referral for these ~~beneficiaries~~Beneficiaries.

11 b. Medication Management Need for Services

12 1) These ~~beneficiaries~~Beneficiaries shall meet medical necessity criteria for treatment  
13 or meet COUNTY admission criteria. These ~~beneficiaries~~Beneficiaries will either be able to attend  
14 scheduled outpatient office appointments, or be in a facility such as a Board and Care, SNF, or  
15 Med/Surg hospital. For those referred from COUNTY, no additional assessment shall be required by  
16 CONTRACTOR.

17 2) Annual or semi-annual re-authorization through CONTRACTOR shall be required  
18 of ~~network providers~~Network Providers to continue these services for all chronic  
19 ~~beneficiaries~~Beneficiaries.

20 3) CONTRACTOR shall work closely with COUNTY’s organized physical health  
21 care system, in providing the most appropriate level of medication management.

22 c. Out of ~~County~~COUNTY Services - CONTRACTOR shall be responsible for processing  
23 and paying claims for services provided to ~~Orange County beneficiaries~~COUNTY Beneficiaries who  
24 meet medical necessity for treatment and may require services while out of ~~Orange County~~COUNTY  
25 as a result of urgent need or placement by COUNTY care coordinators and/or Social Services staff.

26 1) CONTRACTOR shall comply in good faith with all Medi-Cal rules and regulations  
27 applicable to the provision of Specialty Mental Health ~~services~~Services for Medi-Cal beneficiaries who  
28 are minors and who reside out-of-home and out of the ~~County~~COUNTY

29 2) COUNTY will cooperate with the CONTRACTOR in connection with providing  
30 authorization for services to ~~beneficiaries~~Beneficiaries who are deemed by the appropriate state or  
31 federal authorities to be the COUNTY’s Medi-Cal responsibility. The COUNTY may retain  
32 responsibility for providing services for any minor placed out-of ~~County~~COUNTY at the COUNTY’s  
33 discretion, after notification to CONTRACTOR, at any point in the treatment.

34 d. Other Need for Services – If ~~beneficiary’s~~Beneficiary’s assessment determines that the  
35 mental health need would be responsive to physical health care based treatment. Mental disorders that  
36 result from a general medical condition shall be excluded from the medical necessity criteria for  
37 treatment and, beyond assessment, are not the responsibility of COUNTY or CONTRACTOR. These

1 ~~beneficiaries~~ Beneficiaries shall be referred to their ~~primary care provider (PCP)~~ for treatment.

2 e. Excluded Diagnosis – A ~~beneficiary's~~ Beneficiary's face-to-face assessment determines  
3 that the ~~beneficiary~~ Beneficiary has an excluded diagnosis and therefore does not meet medical necessity  
4 criteria for receiving treatment from either COUNTY or CONTRACTOR.

5 1) CONTRACTOR may have ~~providers within its provider network~~ Network  
6 Providers who are capable of treating these ~~beneficiaries~~ Beneficiaries and can bill the State for these  
7 excluded diagnoses under the remaining FFS system. CONTRACTOR shall identify such providers  
8 within CONTRACTOR's network and shall make the appropriate referral in a timely manner.

9 2) CONTRACTOR may also refer these ~~beneficiaries~~ Beneficiaries to those  
10 community clinics not under contract with COUNTY to provide ~~mental health services~~ Mental Health  
11 Services for these ~~beneficiaries~~ Beneficiaries.

12 4. AUTHORIZATION OF SERVICES

13 a. Inpatient Attending – These ~~beneficiaries~~ Beneficiaries shall meet medical necessity for  
14 treatment and COUNTY admission criteria; therefore, no additional assessment shall be required by  
15 CONTRACTOR. CONTRACTOR shall be responsible for reimbursing attending psychiatrists. Claims  
16 for services for these ~~beneficiaries~~ Beneficiaries will be processed in accordance with the following:

17 ~~1) For Beneficiaries in Institutions for Mental Disease (IMD) the attending~~  
18 ~~psychiatrist may provide the following services:~~

19 ~~a) Two (2) hours per seven (7) day period during the first two months of~~  
20 ~~treatment;~~

21 ~~b) One (1) hour per seven (7) day period for the third through seventh month of~~  
22 ~~treatment;~~

23 ~~c) One (1) hour per fourteen (14) day period for each month after the seventh~~  
24 ~~month of treatment; or~~

25 ~~d) One (1) hour per seven (7) day period during the month prior to discharge.~~

26 1) Acute Psychiatric Hospitals – Attending psychiatrists shall be reimbursed by FFS  
27 rates set by COUNTY.

28 2) CONTRACTOR must ensure that it does not reimburse for more than one (1)  
29 professional service per day without prior authorization.

30 ~~b. 3) Acute Psychiatric Hospitals – Attending psychiatrists shall be~~  
31 ~~reimbursed at a fee for service rates set by COUNTY.~~

32 IMD – For Beneficiaries in IMDs the attending psychiatrist may provide the following services:

33 1) Two (2) hours per seven (7) day period during the first two months of treatment;

34 2) One (1) hour per seven (7) day period for the third through seventh month of  
35 treatment;

36 3) One (1) hour per fourteen (14) day period for each month after the seventh month  
37 of treatment; or

4) One (1) hour per seven (7) day period during the month prior to discharge.

~~c.~~ ~~b.~~ Out of ~~County~~ COUNTY Treatment Authorization

1) CONTRACTOR may accept claims for authorized outpatient ~~specialty mental health services~~ Specialty Mental Health Services by any out-~~of-county~~ COUNTY provider that has completed a single case agreement with CONTRACTOR.

2) CONTRACTOR shall monitor claims payments to non-contracted out-~~of-county~~ COUNTY providers for outpatient ~~specialty mental health services~~ Specialty Mental Health Services billed to CONTRACTOR. Any out-~~of-county~~ COUNTY provider meeting this criteria will be advised in writing by CONTRACTOR that the cumulative claims exceeding \$1,000 will be denied unless provider becomes a ~~contracted provider for~~ Network Provider in the CONTRACTOR's network. CONTRACTOR will also advise ~~providers~~ Network Providers that they must obtain authorization from CONTRACTOR for ongoing services. These services will be authorized following the in-county benefit guidelines, and services will be administered and managed under the terms and conditions of the California Practitioner Agreement.

3) Children and adolescent beneficiaries shall be allowed up to fifteen (15) visits for medication management, one (1) assessment visit, one (1) hour in duration, and fourteen (14) follow-up visits, fifteen (15) minutes in duration, during a one year period. Therapy authorized is twenty-six (26) // visits over a six (6) month period. The type of therapy (Individual, Group, or Family therapy) shall be at the discretion of the Network Provider.

~~e.~~ ~~d.~~ PAR – If a Network Provider ~~Assessment Report (PAR)~~ – If a network provider determines that the ~~beneficiary~~ Beneficiary requires more hours of treatment than initially allowed in ~~subparagraphs~~ Subparagraphs IV.B.1. through IV.B.3. above, a PAR shall be submitted to CONTRACTOR for review and authorization of subsequent hours.

1) The PAR shall include, at a minimum, a statement of presenting problems including diagnosis, justification for extended services, a brief treatment plan including the number of additional requested services to resolve the problem, treatment goals, as well as information relevant to the specific diagnosis, mental status, symptomatology, functional impairment, and a description of linkages to other community resources and support groups.

2) The information provided from the PAR shall be reviewed by the Utilization Review Clinicians and if the ~~beneficiary's~~ Beneficiary's need can be met with an additional authorization, up to an additional three (3) hours may be authorized. If, however, the Utilization Review Clinician determines the ~~beneficiary~~ Beneficiary meets COUNTY admission criteria and may be better served by COUNTY, the ~~beneficiary~~ Beneficiary will be referred to COUNTY for evaluation. This process shall not be used for those ~~beneficiaries~~ Beneficiaries meeting criteria for long-term medication management.

3) Utilization Review Clinicians shall utilize explicit written COUNTY approved

1 criteria and consultations with designated COUNTY staff to guide the evaluation of medical necessity  
2 and appropriateness of ~~mental health services~~ Mental Health Services.

3 ~~d~~ e. Outpatient Psychiatric Medication Services

4 1) New authorizations for ~~beneficiaries~~ Beneficiaries shall be allowed up to six (6)  
5 visits for the initial six (6) months. Additional hours of service will require authorization by  
6 CONTRACTOR through the PAR.

7 2) Subsequent authorizations for ongoing services shall be allowed up to twelve (12)  
8 visits for the subsequent twelve (12) months. CONTRACTOR shall develop appropriate service  
9 utilization criteria.

10 5. COORDINATION WITH PHYSICAL HEALTH CARE – CONTRACTOR shall address  
11 the following issues in coordinating mental health and physical health care services with the ~~Primary~~  
12 ~~Care Physicians (PCPs):~~

13 a. Timely coordination and referral.

14 b. Timely exchange of information.

15 c. Education of both ~~beneficiaries~~ Beneficiaries and ~~providers~~ Network Providers regarding  
16 system coordination.

17 d. Coordination of medications and laboratory services as they relate to the mental health  
18 and physical needs of the ~~beneficiary~~ Beneficiary.

19 1) A part of CONTRACTOR's PAR process shall include collecting and evaluating  
20 the ~~beneficiary's~~ Beneficiary's medication regimen. All medication monitoring forms shall be made  
21 available to the ~~PCPs~~ PCP's upon request.

22 2) If CONTRACTOR's Utilization Review Clinicians discover potential coordination  
23 of medication concerns between the treating psychiatrist and the PCP, telephone calls shall be placed to  
24 both providers to ensure appropriate coordination of care.

25 e. Defining responsibility/roles of case management/care coordination services.

26 1) Whenever clinically necessary, CONTRACTOR's Utilization Review Clinicians  
27 shall work with each of the contracted health plans' case management departments and membership  
28 liaison staff to coordinate necessary services.

29 2) CONTRACTOR shall also have access to the ~~County Mental Health Management~~  
30 ~~Information System~~ IRIS to assist in identifying which ~~beneficiaries~~ Beneficiaries are accessing the  
31 traditional Short-Doyle delivery system and shall be willing to cooperate with coordination efforts of  
32 ~~County~~ COUNTY Mental Health Managers.

33 3) Specialty Network Provider Consultation shall be provided to the  
34 ~~beneficiary's~~ Beneficiary's PCP. Upon appropriate ~~beneficiary~~ Beneficiary consent, ~~network~~  
35 ~~providers~~ Network Providers shall be able to contact the PCP regarding a patient concern. Also with  
36 proper ~~beneficiary~~ Beneficiary consent, CONTRACTOR shall release the information from the ~~network~~  
37 ~~provider~~ Network Provider to the PCP to facilitate care coordination.

1 4) CONTRACTOR shall require its ~~network providers~~ Network Providers to follow  
 2 community standards of good clinical practice, provide clarification to ~~members~~ Beneficiaries about  
 3 treatments that may impact their service delivery, and to update the PCP regarding the progress of the  
 4 treatment.

5 6. DENIALS, REDUCTIONS, OR TERMINATION OF MENTAL HEALTH SERVICES

6 a. All reductions in benefits and/or denials of treatment authorization shall be reviewed by  
 7 CONTRACTOR.

8 b. In the event that CONTRACTOR reduces benefits or denies further treatment entirely,  
 9 both the ~~provider~~ Network Provider and ~~beneficiary~~ Beneficiary shall be notified by CONTRACTOR in  
 10 writing by sending a ~~Notice of Action~~ (NOA) form.

11 1) If services are denied, CONTRACTOR shall send an NOA-~~A~~ form A.

12 2) If services, as requested by the ~~provider~~ Network Provider, are terminated, reduced,  
 13 or changed and authorized by CONTRACTOR, CONTRACTOR shall send ~~an~~ a NOA-~~B~~ form B.

14 3) ~~Annually~~ Quarterly, CONTRACTOR shall submit, to COUNTY, a list of all NOA-  
 15 ~~A's~~ form As and NOA-~~B's~~ form Bs, by issue.

16 c. COUNTY shall supply CONTRACTOR with NOA forms. All ~~Notification of~~  
 17 ~~Action~~ NOA forms ~~include~~ instructions regarding second opinion and appeals processes.

18 1) A ~~beneficiary~~ Beneficiary may request a second opinion. CONTRACTOR is  
 19 responsible for second opinions for ~~NOA's~~ NOAs issued by CONTRACTOR.

20 2) A ~~provider~~ Network Provider or ~~beneficiary~~ Beneficiary may request an expedited  
 21 appeal review in the event that treatment is ongoing.

22 3) The expedited appeal process shall include a first level review of the case by the  
 23 CONTRACTOR's Medical Director (or other physician designee) within twenty-four (24) hours of  
 24 receipt of the oral or written appeal from the provider. If the ~~provider~~ Network Provider is still  
 25 unsatisfied, he/she shall be referred to COUNTY or may pursue the State Medi-Cal Fair Hearing  
 26 process.

27 4) Should the CONTRACTOR fail to respond to the appeal or expedited appeal  
 28 within the mandated timelines, the CONTRACTOR shall send the ~~beneficiary~~ Beneficiary a NOA-~~form~~  
 29 D.

30 7. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to ~~amend~~  
 31 ~~subparagraph IV.B.~~ modify the Services Paragraph of this Exhibit A to ~~this~~ the Agreement.

32  
 33 **V. ISSUE RESOLUTION**

34 For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation  
 35 and operation of ~~this~~ the Agreement or COUNTY's ~~policies and procedures~~ P&P's regarding services  
 36 described herein, the following sequential steps shall apply:

37 A. CONTRACTOR shall routinely utilize all informal communication processes and methods with

1 ~~COUNTY program and administrative staff~~ ADMINISTRATOR including, but not limited to, telephone  
 2 contact, facsimile machine ~~(FAX)~~, written correspondence and meetings, to resolve any issues or  
 3 problems regarding the implementation and operation of ~~this~~ the Agreement or COUNTY's ~~policies and~~  
 4 ~~procedures~~ P&P's regarding services described herein.

5 B. If the parties are unable to resolve the issue, CONTRACTOR shall give written notice to  
 6 ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or  
 7 concern related to the purposes and obligations of ~~this~~ the Agreement. ADMINISTRATOR shall have  
 8 fifteen (15) business days following such notice to obtain resolution of any issue(s) identified in this  
 9 manner, provided, however, by mutual consent this period of time may be extended to thirty (30)  
 10 calendar days.

11 C. If the parties are unable to obtain resolution of the issue, they shall submit a joint written  
 12 Statement describing the facts of the issue, within thirty (30) calendar days after the written notice  
 13 described above to COUNTY's Director of Mental Health for final resolution.

14 D. The rights and remedies provided by this ~~paragraph~~ Paragraph are in addition to those provided  
 15 by law to either party.

16 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Issue  
 17 Resolution Paragraph of this Exhibit A to the Agreement.

## 18 VI. STAFFING

19 Administrative Services Organization – CONTRACTOR shall provide sufficient administrative  
 20 staffing to ensure its delivery of all services specified in this Exhibit A to the Agreement.

21 A. CONTRACTOR agrees that the Access Team shall be assigned to COUNTY's program  
 22 Monday through Friday, from 7:00 a.m. through 6:00 p.m. Pacific Standard Time. CONTRACTOR  
 23 shall develop an after-hours Access Team, which shall be available from 6:00 p.m. through 7:00 a.m.  
 24 Pacific Standard Time.  
 25

26 B. CONTRACTOR shall ensure the recruitment and retention of bilingual, culturally competent  
 27 staff, including those with experience in working with children/adolescents and older adults.

28 C. CONTRACTOR shall use an Interpreter Service ~~-when a caller speaks a language not spoken by~~  
 29 staff, as well as the use of the California Relay Service for hearing impaired members.

30 D. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) days in advance,  
 31 of any new staffing changes, including promotions, temporary FTE changes and internal or external  
 32 temporary staffing assignment requests that occur during the term of the Agreement.

33 E. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of  
 34 any staffing vacancies that occur during the term of the Agreement.

35 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to amend  
 36 Subparagraph VI. of modify the Staffing Paragraph of this Exhibit A to ~~this~~ the Agreement.

## VII. QUALITY IMPROVEMENTS

### A. ~~Quality Improvement (QI)~~ Program

1. CONTRACTOR shall participate with COUNTY in the planning, design, and execution of the ~~Quality Improvement (QI)~~ Program along with ~~beneficiaries~~Beneficiaries and ~~family members~~Family Members. CONTRACTOR shall participate in quarterly QI meetings with COUNTY to develop and implement the QI Program.

2. CONTRACTOR shall operate a comprehensive QI Program designed to monitor all aspects of the services provided by CONTRACTOR and the care provided by ~~network providers~~Network Providers. This program shall be reviewed annually by CONTRACTOR's Quality Improvement Committee.

3. CONTRACTOR shall implement the QI Program for its ~~network providers~~Network Providers and require their participation and cooperation in the QI Program.

4. CONTRACTOR shall report results of QI activities to COUNTY on a quarterly basis. These reports, together with recommendations for quality improvement or corrective actions plans, shall ~~#~~ be provided to CONTRACTOR's Behavioral Health ~~Quality Improvement Committee~~QIC for their action. ~~See Subparagraph IX. for list~~ pursuant to the Reports Paragraph of ~~reports~~this Exhibit A to the Agreement.

B. Beneficiary Satisfaction Surveys – CONTRACTOR shall monitor consumer satisfaction within ninety (90) days of service. CONTRACTOR shall survey a sample of the ~~beneficiaries~~Beneficiaries to assess satisfaction with the process through which the ~~beneficiary~~Beneficiary received a referral and report to COUNTY quarterly.

### C. Performance Outcome Measures

1. CONTRACTOR shall maintain an ongoing performance outcomes monitoring program using information in its provider database, ~~beneficiary~~Beneficiary satisfaction surveys, and documentation completed by providers, including but not limited to PAR clinical forms. CONTRACTOR shall include in the outcomes monitoring program items required or recommended by the ~~Department of Mental Health~~DHCS, as communicated by the ADMINISTRATOR. ~~This is included and specified in several of the reports in Subparagraph IX~~Reports Paragraph of this Exhibit A to the Agreement.

2. ADMINISTRATOR may identify contracted providers to be reviewed. CONTRACTOR shall initiate review within thirty (30) calendar days of notification from ADMINISTRATOR and will advise contracted providers of reason(s) for the review. CONTRACTOR shall adhere to its standard treatment and/or site review audits as deemed necessary or will provide ADMINISTRATOR with claims and/or treatment-related data. Treatment-related data may be obtained from clinical or legacy systems in the same manner that treatment-related data is gathered during claims processing and Provider Assessment Reports.

1 3. The results of provider profiling shall be submitted to CONTRACTOR's Credentialing  
 2 Committee for consideration at the time of recredentialing. If a potential quality of care issue is  
 3 identified during the profiling process, the provider shall be reported to CONTRACTOR's  
 4 QI Department. The QI Department shall investigate the issue and shall collect documents/data  
 5 necessary for review by CONTRACTOR's Medical Director or designee. The provider may then be  
 6 submitted to the CONTRACTOR Peer Review Committee for further review and action.

7 4. CONTRACTOR agrees to comply with the state requirements and standards for  
 8 performance outcome measures, which may be implemented by the State at any time during the term of  
 9 ~~this~~the Agreement.

10 D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to ~~amend~~  
 11 ~~Subparagraph VII.~~modify the Quality Improvements Paragraph of ~~this~~ Exhibit A to ~~this~~the Agreement.

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## 16 VIII. BENEFICIARY RIGHTS

### 17 A. ADVISEMENT NOTICES

18 1. CONTRACTOR shall ensure that all ~~beneficiaries~~Beneficiaries, upon request or access into  
 19 the program, shall be given a member handbook, developed by COUNTY.

20 2. CONTRACTOR shall also assure that ~~beneficiaries~~Beneficiaries are aware of their rights at  
 21 all times by:

22 a. Publishing the Beneficiary Rights in provider manuals, which shall be available to all  
 23 providers.

24 b. Including a copy of the Beneficiary Rights as an attachment to all written  
 25 correspondence related to complaints, grievances, and reductions or denials of treatment.

26 3. CONTRACTOR shall use ~~Notice of Action~~NOA forms to notify ~~beneficiaries~~Beneficiaries  
 27 and ~~providers~~Network Providers when services are denied, reduced or terminated pursuant to  
 28 ~~subparagraph~~Subparagraph IV.B.6. of this Exhibit A to the Agreement.

29 4. CONTRACTOR shall ensure that each ~~network provider~~Network Provider has posted in a  
 30 conspicuous area a notice advising ~~beneficiaries~~Beneficiaries of their rights as well as  
 31 CONTRACTOR's toll-free telephone number and COUNTY's Patients' Rights Advocate availability to  
 32 initiate a complaint or grievance.

33 5. All ~~providers~~Network Providers' mental health facilities and programs shall have in place  
 34 a mechanism for ~~beneficiaries~~Beneficiaries to file grievances regarding quality of treatment services  
 35 issues.

36 B. Internal Beneficiary Problem Resolution – Whenever possible, problems shall be resolved  
 37 informally and at the point of service. CONTRACTOR shall establish a formal grievance process, in the



1 event informal processes do not yield a resolution.

2 1. CONTRACTOR's internal resolution process shall include the designation of an  
3 Ombudsman ~~from the Orange County~~ COUNTY Team who shall be the person responsible to assist  
4 ~~beneficiaries~~ Beneficiaries with CONTRACTOR's grievance process.

5 2. Throughout the grievance process, ~~beneficiary~~ Beneficiary rights shall be maintained,  
6 including access to the Patients' Rights Advocate at any point in the process. Beneficiaries shall be  
7 informed of their right to access the Patients' Rights Office at any time.

8 3. CONTRACTOR shall not penalize or discriminate against ~~beneficiaries~~ Beneficiaries for  
9 filing a grievance.

10 4. Complaints regarding the quality of treatment services issues shall initially go to the direct  
11 care provider, therapist, facility staff, or other persons involved in the issue at hand. Problems not  
12 resolved to ~~beneficiary~~ Beneficiary satisfaction shall, upon the request of the ~~beneficiary~~ Beneficiary or  
13 ~~network provider~~ Network Provider, be reviewed for resolution by CONTRACTOR's Ombudsman. All  
14 ~~network providers~~ Network Providers shall be required to have grievance forms available to  
15 ~~beneficiaries~~ Beneficiaries; provided, however, CONTRACTOR shall also allow  
16 ~~beneficiaries~~ Beneficiaries to initiate a grievance directly with CONTRACTOR either orally or in  
17 writing.

18 a. The Ombudsman shall respond within sixty (60) calendar days from receipt of the  
19 grievance.

20 b. Within confidentiality parameters, the Ombudsman shall consider all relevant  
21 information and resources, and shall involve other persons to resolve the grievance.

22 c. Beneficiaries shall also be informed of their right to speak to COUNTY's Patients'  
23 Rights Office at any time.

24 5. If the Ombudsman is not able to achieve resolution to the satisfaction of the  
25 ~~beneficiary~~ Beneficiary, either the ~~beneficiary~~ Beneficiary or the Ombudsman may request an appeal. An  
26 appeal shall be resolved by referring the grievance to Director-1 level clinical staff not involved in the  
27 decision making process of the grievance.

28 6. CONTRACTOR shall maintain a Grievance Log for documentation of dispositions and  
29 outcomes of ~~beneficiary~~ Beneficiary grievances.

30 a. Such log shall be available upon request, and be submitted to COUNTY's personnel  
31 quarterly.

32 b. CONTRACTOR shall submit quarterly a list of grievances and appeals, by issue, to the  
33 COUNTY

34 c. Should CONTRACTOR not complete the grievance process for a  
35 ~~beneficiary~~ Beneficiary within the timelines required by State Medi-Cal, CONTRACTOR shall send a  
36 NOA-D to the ~~beneficiary~~ Beneficiary.

37 7. CONTRACTOR shall ensure the ~~beneficiary's~~ Beneficiary's care is continued during any

1 formal appeals, in accordance with the guidelines specified in ~~the California Welfare and Institutions~~  
 2 ~~Code~~ WIC.

3 8. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
 4 Beneficiary Right's Paragraph of this Exhibit A to the Agreement.

5 //

6 **IX. REPORTS**

7 A. CONTRACTOR shall maintain records and make statistical reports as required by  
 8 ADMINISTRATOR and the ~~California State Department of Mental Health~~ DHCS in a format provided  
 9 by, or approved by, ADMINISTRATOR. CONTRACTOR will provide ADMINISTRATOR with the  
 10 following reports. These reports shall be received by ADMINISTRATOR no later than thirty (30)  
 11 calendar days following the end of the month being reported. ADMINISTRATOR and CONTRACTOR  
 12 may mutually agree, in writing, to ~~amend~~ modify the frequency of the reports. Each report shall include  
 13 an unduplicated client count and a fiscal year ~~to~~ date summary and, unless otherwise specified, shall be  
 14 reported in aggregate.

<u>REPORT</u>	<u>FREQUENCY</u>
<u>REPORTS</u>	
<u>MONTHLY</u>	
1. <del>Payments to Non-IMD</del> Providers <del>Monthly</del> <u>by Place of Service</u>	
2. <u>Access Log</u>	
<del>2. Payments to IMD Providers</del>	<del>Monthly</del>
3. <del>Total hours provided by service and location</del>	<del>Monthly</del>
4. <del>High utilizer reports</del>	<del>Monthly</del>
5. <del>PARs authorizations</del>	<del>Monthly</del>
6. <del>Telephone Access Summary</del> <u>Monthly</u>	
4. <u>Claims – paid, pended, denied</u>	
5. <u>Cost of Services Provided</u>	
6. <del>7. Demographics</del> <u>Total Hours of Service by age group</u>	<del>Monthly</del> <u>Age</u>
<u>Group</u>	
7. <del>8. Demographics of Beneficiaries</del> <u>Quarterly</u> <u>Total Hours by Type of</u>	
<u>Service</u>	
8. <u>QI – High Utilizer by Provider</u>	
9. <u>QI – Timeliness of Utilization Management Decision Making</u>	
<u>QUARTERLY</u>	
1. <u>Telephone Log</u>	
2. <u>After-hours Telephone Log</u>	

1 ~~3. Demographics – Network Providers – Quarterly – Beneficiaries~~

2 ~~4. ~~10. Demographics – Diagnosis – Quarterly~~~~

3 ~~115. Demographics – Network Providers~~

4 ~~6. Demographics – Unduplicated Client Count – Quarterly~~

5 ~~12. QI – Provider Claims Appeals – Quarterly~~

6 ~~13. QI – Grievance Report – Quarterly~~

7 ~~14. ~~7. QI – Beneficiary Satisfaction Survey – Quarterly, ASO’s Access Line~~~~

8 ~~8. QI – Grievance Report~~

9 ~~9. QI – Provider Claims Appeals~~

10 ~~10. QI – NOA Denial Log~~

11  
12 ANNUAL

13 ~~1. QI – Beneficiary Satisfaction Survey, ASO’s Network Providers~~

14 ~~2. QI – Provider Satisfaction Survey~~

15 //

16 B. TELEPHONE LOG – CONTRACTOR shall maintain a log of all calls to CONTRACTOR’s  
17 ~~800-number toll free telephone.~~ The log shall contain, at a minimum, the name of the caller, the time of  
18 the call, and the nature of the call. The log information shall indicate if the service requested is for  
19 ~~specialty mental health services~~ Specialty Mental Health Services and who is not currently receiving  
20 ~~specialty mental health services~~ Specialty Mental Health Services, whether the call is routine or urgent,  
21 disposition of the call, and whether or not the caller is a Medi-Cal beneficiary. If the caller’s name is not  
22 provided, then the log shall reflect that the caller did not provide a name. CONTRACTOR shall make  
23 available to COUNTY, upon request, the most recent telephone log which shall include previous day’s  
24 calls.

25 C. ACCESS LOG – CONTRACTOR shall provide a monthly Access Log report. This report shall  
26 include all and only calls received that are from Medi-Cal beneficiaries who are requesting ~~specialty~~  
27 ~~mental health services~~ Specialty Mental Health Services and who are not currently receiving ~~specialty~~  
28 ~~mental health services~~ Specialty Mental Health Services. For each call the report shall include: date of  
29 call, name of caller, urgent/routine status and disposition.

30 D. FISCAL – CONTRACTOR shall submit monthly Expenditure and Revenue Reports to  
31 ADMINISTRATOR in support of the monthly invoice. These reports shall be received by  
32 ADMINISTRATOR no later than twenty (20) calendar days following the end of the month being  
33 reported, shall be in a format acceptable to, or provided by, ADMINISTRATOR, and shall include the  
34 following:

35 1. Actual costs and revenues for Mental Health Services provided directly by  
36 CONTRACTOR.

37 2. Check register and remittance summary by provider, as well as a turnaround summary, for

1 services provided by the ~~network providers~~ Network Providers.

2 a. CONTRACTOR shall track ~~incurred but not reported (IBNR)~~ information on a monthly  
3 basis.

4 b. Monthly IBNR shall be calculated and compared with the record of uncashed checks  
5 and stop-payment checks, as well as to the undeliverable check report and the donated checks report. A  
6 monthly report showing total IBNR liability compared with the fund balance and revenue received from  
7 the provisional payments from COUNTY shall be prepared.

8 E. Data Collection and Reporting – COUNTY shall provide CONTRACTOR with the exact  
9 specifications required to enter data ~~in IRIS~~ into COUNTY approved CONTRACTOR reporting system  
10 to allow ~~HCA~~ ADMINISTRATOR to create the claims file used for Medi-Cal claiming and for  
11 COUNTY's ~~Client and Services Information System (CSI)~~ data reporting. CONTRACTOR will  
12 continue to submit claiming (837) and CSI files electronically to the COUNTY, ~~while COUNTY and~~  
13 ~~CONTRACTOR work together to develop technical specifications for CONTRACTOR to provide data~~  
14 ~~into IRIS. Upon successful development of CONTRACTOR data submission process into IRIS, the~~  
15 ~~County system will create the claiming and CSI files.~~ The parties understand that such requirements  
16 may be modified periodically by the State.

17 1. CONTRACTOR shall ensure the timely data entry of information into COUNTY  
18 IRIS approved CONTRACTOR reporting system.

19 2. CONTRACTOR shall conduct up-front and retrospective auditing of data to ensure the  
20 accuracy, completeness, and timeliness of the information input ~~in IRIS~~ into the CONTRACTOR  
21 reporting system. CONTRACTOR shall build in audit trails and reconciliation reports to ensure the  
22 accuracy and comprehensives of the input data. In addition, transaction audit trails shall be thoroughly  
23 monitored for accuracy and conformance to operating procedures.

24 3. CONTRACTOR shall input all required data regarding services provided to  
25 ~~beneficiaries~~ Beneficiaries who are deemed by the appropriate state or federal authorities to be  
26 COUNTY's Medi-Cal responsibility.

27 4. ~~Contractor~~ CONTRACTOR shall correct all input data that result in CSI and 837 -errors.  
28 These errors will be communicated to the CONTRACTOR monthly and must be corrected in a timely  
29 manner.

30 ~~5. COUNTY shall provide CONTRACTOR with the ability to access COUNTY's IRIS to~~  
31 ~~input all required data.~~

32 ~~6~~ 5. CONTRACTOR shall ensure the confidentiality of all administrative and clinical  
33 data. This shall include both the electronic system as well as printed public reports. No identifying  
34 information or data on the system shall be exchanged with any external entity or among providers  
35 without prior written approval of the ~~beneficiary~~ Beneficiary or ~~COUNTY~~ ADMINISTRATOR.  
36 Confidentiality procedures shall meet all local, state and federal requirements.

37 7. CONTRACTOR shall ensure that information will be safeguarded in the event of a disaster

1 and that appropriate service authorization and data collection continues.

2 F. STAFFING – For Mental Health Services provided directly by CONTRACTOR,  
3 CONTRACTOR shall submit monthly Staffing Reports to ADMINISTRATOR. These reports shall be  
4 in a format acceptable to, or provided by, ADMINISTRATOR and shall report actual staff hours  
5 worked, by position, and shall include the position title, licensure status, monthly salary, and hire and/or  
6 termination date. These reports shall be received by ADMINISTRATOR no later than twenty (20)  
7 calendar days following the end of the month being reported.

8 G. PROGRAMMATIC – CONTRACTOR shall submit monthly programmatic reports and  
9 quarterly QI reports to ADMINISTRATOR in accordance with the following schedule. These  
10 programmatic reports shall include a description of CONTRACTOR’s progress in implementing the  
11 provisions of ~~this~~the Agreement, any pertinent facts or interim findings, staff changes, status of licenses  
12 and/or certifications, changes in population served and reasons for any such changes. CONTRACTOR  
13 shall state whether it is or is not progressing satisfactorily in achieving all the terms of ~~this~~the  
14 Agreement and if not, shall specify what steps will be taken to achieve satisfactory progress. Quarterly  
15 reports will be due as follows during the term of the Agreement:

<u>Quarter</u>	<u>Period of Report</u>	<u>Report Date Due</u>
	July 1 through September 30	October 31, <del>2011</del>
	October 1 through December 31	January 31, <del>2012</del>
	January 1 through March 31	April 30, <del>2012</del>
	April 1 through June 30	July 31, <del>2012</del>

23 H. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by  
24 ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the services hereunder.  
25 ADMINISTRATOR shall be specific as to the nature of the information requested and allow thirty (30)  
26 calendar days for CONTRACTOR to respond.

27 I. Other than for business purposes related to ~~I. Other than for business purposes related to~~  
28 ~~this~~the Agreement, CONTRACTOR shall not use reports produced as the result of these services, or  
29 data obtained for the purpose of producing such reports, without the express written consent of  
30 ADMINISTRATOR. Upon consent, all reports shall indicate that CONTRACTOR’s services are  
31 supported by ~~county~~COUNTY, state, and federal funds, as appropriate.

32 J. All reports, drawings, specifications, data, or other incidental work or materials furnished or  
33 maintained by CONTRACTOR in accordance with ~~this~~the Agreement shall become and remains the  
34 property of ~~COUNTY~~ADMINISTRATOR and may be used by ~~COUNTY~~ADMINISTRATOR as it  
35 may require, without any additional cost to ~~COUNTY~~ADMINISTRATOR.

36 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to ~~amend~~  
37 ~~Subparagraph IX~~modify the Reports Paragraph of ~~this~~the Exhibit A to ~~this~~the Agreement.

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**EXHIBIT B**  
**TO AGREEMENT WITH**  
**ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA**  
**JULY 1, 2011 THROUGH JUNE 30, 2012**

**I. GENERAL PROVISIONS**

~~— A. The parties agree that the terms used, but not otherwise defined, in this Exhibit B to the Agreement shall have the same meaning as those terms in the Standards for Privacy of Individually Identifiable Health Information, 45 Code of Federal Regulations (CFR), Parts 160 and 164, otherwise known as the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, as it may exist now or be hereafter amended.~~

~~— B. It is agreed by both parties that CONTRACTOR is a Business Associate of COUNTY for the purposes of this Agreement.~~

~~— C. It is understood by both parties that CONTRACTOR is a Covered Entity, as defined by HIPAA, and is responsible for complying with said regulations for purposes of safeguarding any Protected Health Information (PHI) generated by CONTRACTOR for its own purposes.~~

~~— D. It is understood by both parties that the Privacy Rule does not pre-empt any State and/or Federal laws, rules or regulations that impose more stringent requirements with respect to confidentiality of client information.~~

**II. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE**

~~— A. CONTRACTOR agrees not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.~~

~~— B. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.~~

~~— C. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of PHI by CONTRACTOR in violation of the requirements of this Agreement.~~

~~— D. CONTRACTOR agrees to report to COUNTY within ten (10) calendar days any use or disclosure of PHI not provided for by this Agreement of which CONTRACTOR becomes aware.~~

~~— E. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from COUNTY, or PHI created or received by CONTRACTOR on behalf of COUNTY, agrees to the same restrictions and conditions that apply through this Agreement to CONTRACTOR with respect to such information.~~

~~— F. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a written request by COUNTY, to PHI in a Designated Record Set, to COUNTY or, as directed by COUNTY, to an individual client in order to meet the requirements under 45 CFR Section 164.524.~~

~~1 G. CONTRACTOR agrees to make any amendment(s) to PHI in a Designated Record Set that  
2 COUNTY directs or agrees to pursuant to 45 CFR Section 164.526 at the request of COUNTY or an  
3 individual client, within thirty (30) calendar days of receipt of said request by COUNTY.  
4 CONTRACTOR agrees to notify COUNTY in writing no later than ten (10) calendar days after said  
5 amendment is completed.~~

~~6 H. CONTRACTOR agrees to make internal practices, books, and records, including policies and  
7 procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by  
8 CONTRACTOR on behalf of, COUNTY available to COUNTY and the Secretary of the Department of  
9 Health and Human Services, in a time and manner as determined by COUNTY, or as designated by the  
10 Secretary, for purposes of the Secretary determining COUNTY's compliance with the Privacy Rule.~~

~~11 I. CONTRACTOR agrees to document any disclosures of PHI and information related to such  
12 disclosures as would be required for COUNTY to respond to a request by an individual client for an  
13 accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.~~

~~14 J. CONTRACTOR agrees to provide COUNTY or an individual client, as directed by COUNTY,  
15 in a time and manner to be determined by COUNTY, that information collected in accordance with  
16 subparagraph III.I. of this Exhibit B to the Agreement, in order to permit COUNTY to respond to a  
17 request by an individual client for an accounting of disclosures of PHI in accordance with 45 CFR  
18 Section 164.528.~~

### III. SECURITY RULE

~~19  
20  
21 A. Security. CONTRACTOR shall establish and maintain appropriate administrative, physical and  
22 technical safeguards that reasonably and appropriately protected the confidentiality, integrity and  
23 availability of electronic protected health information. CONTRACTOR shall follow generally accepted  
24 system security principles and the requirements of the final HIPAA rule pertaining to the security of  
25 health information.~~

~~26 B. Agents and Subcontractors.~~

### X. RESPONSIBILITIES

~~27  
28 A. CONTRACTOR shall ensure that any agent, including a subcontractor, to whom it provides  
29 electronic protected health information agrees to implement reasonable all staff are trained and  
30 appropriate safeguards to protect that information~~

~~31 C. Security Incidents. have a clear understanding of all P&P. CONTRACTOR shall report any  
32 security incident of which it becomes aware to Client. For purposes provide signature confirmation of  
33 this agreement, a "security incident" means the attempted or successful unauthorized access, use,  
34 disclosure, modification, or destruction of information or interference with system operations. This does  
35 not include trivial incidents that occur on a daily basis, such as scans, "pings," or unsuccessful attempts  
36 to penetrate computer networks or servers maintained by CONTRACTOR P&P training for each staff  
37 member and placed in their personnel files.~~



**IV. PERMITTED USES AND DISCLOSURES BY CONTRACTOR**

~~Except as otherwise limited in this Agreement,~~ B. CONTRACTOR shall ensure that designated staff complete the COUNTY's Annual Provider Training and Annual Compliance Training.

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

~~D. CONTRACTOR may use or disclose PHI to perform functions, activities, or services for, or on behalf of, COUNTY as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by COUNTY or the Minimum Necessary policies and procedures of COUNTY.~~

**V. OBLIGATIONS OF COUNTY**

~~A. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY's notice of privacy practices in accordance with 45 CFR Section 164.520, to the extent that such limitation may affect CONTRACTOR's use or disclosure of PHI.~~

TOKENS – ADMINISTRATOR shall provide ~~B. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, permission by an~~ the necessary number of Tokens for appropriate individual ~~client to use or disclose PHI,~~ staff to access the reporting system at no cost to the extent that such changes may affect CONTRACTOR's use or disclosure of PHI.

~~C. COUNTY shall notify CONTRACTOR of any restriction to the use or disclosure of PHI that COUNTY has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect CONTRACTOR's use or disclosure of PHI.~~

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

~~2. D. COUNTY shall not request~~ CONTRACTOR shall maintain an inventory of the Tokens, by serial number and the staff member to whom each is assigned.

~~3. to use or disclose PHI in any manner that would not be permissible~~ CONTRACTOR shall indicate in the monthly staffing report, the serial number of the Token for each staff member assigned a Token.

4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the ~~Privacy Rule if done by COUNTY,~~ following conditions:

~~VI. Business Associate~~ a. Token of each staff member who no longer supports the Agreement;

b. Token of each staff member who no longer requires access to the reporting system;

c. Token of each staff member who leaves employment of CONTRACTOR; or

d. Token is malfunctioning;

1 e. Termination of Agreement.

2 ~~— A. In addition to the rights and remedies provided in the Termination paragraph of this Agreement,~~  
 3 ~~upon COUNTY's knowledge of a material breach by CONTRACTOR of the requirements of this~~  
 4 ~~Exhibit B to the Agreement, COUNTY shall:~~

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

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

9 E. NPI – CONTRACTOR, including each applicable employee that provides services under the  
 10 Agreement.

11 ~~1. Provide an opportunity for CONTRACTOR to cure the breach or end the violation~~  
 12 ~~and terminate this Agreement if CONTRACTOR does not cure the breach or end the violation within~~  
 13 ~~thirty (30) calendar days; or~~

14 ~~2. Immediately terminate this Agreement if CONTRACTOR has breached a material term of~~  
 15 ~~this Exhibit B to the Agreement and cure is not possible; or~~

16 ~~3. shall obtain a NPI upon execution of the Agreement or prior to providing services under~~  
 17 ~~the Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied~~  
 18 ~~by ADMINISTRATOR, all NPIs as soon as they are available.~~

19 ~~If neither termination nor cure is feasible, COUNTY shall report the violation to the Secretary of the~~  
 20 ~~Department of Health and Human Services.~~

21 ~~— B. Upon termination of this Agreement, all PHI provided by COUNTY to CONTRACTOR, or~~  
 22 ~~created or received by CONTRACTOR on behalf of COUNTY, shall either be destroyed or returned to~~  
 23 ~~COUNTY as provided in the Termination paragraph of this Agreement, and in conformity with the Privacy~~  
 24 ~~Rule. This provision shall apply to PHI that is in the possession of subcontractors or agents of~~  
 25 ~~CONTRACTOR. If it is infeasible to return or destroy PHI, CONTRACTOR shall extend the protections~~  
 26 ~~of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that~~  
 27 ~~make the return or destruction infeasible, for so long as CONTRACTOR maintains such PHI.~~ F.

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

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

37 H. CONTRACTOR shall provide effective Administrative management of the budget, staffing,  
recording, and reporting portion of the Agreement with COUNTY. If administrative responsibilities are

1 delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possesses the  
2 qualifications and capacity to perform all delegated responsibilities, including but not limited to the  
3 following.

4 1. Designate the responsible position(s) in your organization for managing the funds allocated  
5 to this program;

6 2. Maximize the use of the allocated funds;

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

8 4. Maintain appropriate staffing levels;

9 5. Request budget and/or staffing modifications to the Agreement;

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

11 7. Track and report expenditures electronically;

12 8. Maintain electronic and telephone communication between key staff and the Contract and  
13 Program Administrators; and

14 9. Act quickly to identify and solve problems.

15 I. ADMINISTRATOR shall assist CONTRACTOR in monitoring CONTRACTOR's program to  
16 ensure compliance with workload standards and productivity.

17 J. ADMINISTRATOR shall review client charts to assist CONTRACTOR in ensuring compliance  
18 with HCA policies and procedures and Medi-Cal documentation requirements.

19 K. ADMINISTRATOR shall monitor CONTRACTOR's completion of corrective action plans.

20 L. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
21 Responsibilities Paragraph of this Exhibit A to the Agreement.

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