

SOCIAL MODEL RECOVERY SYSTEMS, INC.

THIS AGREEMENT entered into this 1st day of July 2018 (effective date), is by and between the COUNTY OF ORANGE, a political subdivision of the State of California (COUNTY), and SOCIAL MODEL RECOVERY SYSTEMS, INC., a California nonprofit corporation (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein individually as “Party” or collectively as “Parties.” This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

WITNESSETH:

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Drug Medi-Cal Adolescent Residential Recovery Services described herein to the residents of Orange County; and

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

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

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2018 through June 30, 2020

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

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

Maximum Obligation:

Period One Maximum Obligation: \$1,551,705

Period Two Maximum Obligation: 1,551,705

TOTAL MAXIMUM OBLIGATION: \$3,103,410

Basis for Reimbursement: Negotiated Rate

Payment Method: Monthly in Arrears

CONTRACTOR DUNS Number: 62-578-7743

CONTRACTOR TAX ID Number: 95-4079133

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Social Model Recovery Systems, Inc.
223 E. Rowland Street
Covina, CA 91723
Bruce Boardman, CEO
bruceb@socialmodel.com

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I. ACRONYMS

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

A. ARRA	American Recovery and Reinvestment Act
B. ASRS	Alcohol and Drug Programs Reporting System
C. CalOMS	California Outcomes Measurement System
D. CAP	Corrective Action Plan
E. CCC	California Civil Code
F. CCR	California Code of Regulations
G. CEO	County Executive Office
H. CFDA	Catalog of Federal Domestic Assistance
I. CFR	Code of Federal Regulations
J. CHPP	COUNTY HIPAA Policies and Procedures
K. CHS	Correctional Health Services
L. COI	Certificate of Insurance
M. DATAR	Drug Abuse Treatment Access Report
N. D/MC	Drug/Medi-Cal
O. DHCS	Department of Health Care Services
P. DPFS	Drug Program Fiscal Systems
Q. DRS	Designated Record Set
R. EHR	Electronic Health Record
S. ePHI	Electronic Protected Health Information
T. GAAP	Generally Accepted Accounting Principles
U. HCA	Health Care Agency
V. HITECH Act	Health Information Technology for Economic and Clinical Health Act, Public Law 111-005
W. HHS	Health and Human Services
X. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public Law 104-191
Y. HSC	California Health and Safety Code
Z. IRIS	Integrated Record and Information System
AA. ISO	Insurance Services Office
AB. MAT	Medication Assisted Treatment
AC. MHP	Mental Health Plan
AD. NIATx	Network Improvement of Addiction Treatment
AE. NIST	National Institute of Standards and Technology
AF. NTP	Narcotic Treatment Program

1	AG. OCJS	Orange County Jail System
2	AH. OCPD	Orange County Probation Department
3	AI. OCR	Office for Civil Rights
4	AJ. OCSD	Orange County Sheriff's Department
5	AK. OIG	Office of Inspector General
6	AL. OMB	Office of Management and Budget
7	AM. OPM	Federal Office of Personnel Management
8	AN. PA DSS	Payment Application Data Security Standard
9	AO. PC	State of California Penal Code
10	AP. PCI DSS	Payment Card Industry Data Security Standard
11	AQ. PHI	Protected Health Information
12	AR. PII	Personally Identifiable Information
13	AS. PRA	Public Record Act
14	AT. SIR	Self-Insured Retention
15	AU. UMDAP	Uniform method of Determining Ability to Pay
16	AV. USC	United States Code
17	AW. WIC	State of California Welfare and Institutions Code

18 19 **II. ALTERATION OF TERMS**

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

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

27 28 **III. ASSIGNMENT OF DEBTS**

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

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IV. COMPLIANCE

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

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

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

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

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

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

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ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

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

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

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

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

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

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

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

4. CONTRACTOR shall screen all current Covered Individuals and subcontractors semi-annually to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that

its subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of California health programs and have not been excluded or debarred from participation in any federal or state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible Person in their employ or under contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and
32 participate in the quality improvement activities developed in the implementation of the Quality
33 Management Program.

34 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural
35 Competence Plan submitted and approved by the State. ADMINISTRATOR shall update the Cultural
36 Competence Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
37 §1810.410.subds. (c)-(d).)

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

V. CONFIDENTIALITY

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

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

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

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

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

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

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VI. COST REPORT

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

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

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

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

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

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

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

C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder, less applicable revenues and any late penalty, not to exceed the negotiated rate as specified in the Agreement. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable

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

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

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

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

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

Signed _____
 Name _____
 Title _____
 Date _____"

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VII. DEBARMENT AND SUSPENSION CERTIFICATION

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

7. Shall not have a prohibited type of relationship by employing or contracting with providers or other individuals and entities excluded from participation in federal health care programs (as defined in section 1128B(f) of the Social Security Act), under either Section 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act. (42 CFR §§438.214(d)(1), 438.610(b); 42USSC §1320.c-5)).

B. An individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at 48 CFR 2.101, of a person described in this section, (42.CFR §438.610(a)(2)).

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

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VIII. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS

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

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

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

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

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

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

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

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

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

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

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

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

12 13 **IX. EMPLOYEE ELIGIBILITY VERIFICATION**

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

22 23 **X. EQUIPMENT**

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

35 B. CONTRACTOR shall obtain ADMINISTRATOR's prior written approval to purchase any
36 Equipment with funds paid pursuant to this Agreement. Upon delivery of Equipment, CONTRACTOR
37 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting

1 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
2 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
3 purchased asset in an Equipment inventory.

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

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

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

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

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

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

26 I. The total cost of all Equipment purchases shall not exceed \$50,000 annually.
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28 **XI. FACILITIES, PAYMENTS AND SERVICES**

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

34 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
35 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Aggregate Maximum
36 Obligation for the appropriate Period as well as the Total Aggregate Maximum Obligation. The
37 reduction to the Aggregate Maximum Obligation for the appropriate Period as well as the Total

Aggregate Maximum Obligation shall be in an amount proportionate to the number of days in which CONTRACTOR was determined to be unable to provide services, staffing, facilities or supplies.

XII. INDEMNIFICATION AND INSURANCE

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

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

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

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

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

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

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

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

14 F. QUALIFIED INSURER

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

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

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

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

H. REQUIRED COVERAGE FORMS

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

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

I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 R. SUBMISSION OF INSURANCE DOCUMENTS

- 2 1. The COI and endorsements shall be provided to COUNTY as follows:
- 3 a. Prior to the start date of this Agreement.
- 4 b. No later than the expiration date for each policy.
- 5 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
- 6 changes to any of the insurance types as set forth in Subparagraph G, above.
- 7 2. The COI and endorsements shall be provided to the COUNTY at the address as specified in
- 8 the Referenced Contract Provisions of this Agreement.
- 9 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
- 10 provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall
- 11 have sole discretion to impose one or both of the following:
- 12 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
- 13 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the
- 14 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are
- 15 submitted to ADMINISTRATOR.
- 16 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
- 17 COI or endorsement for each business day, pursuant to any and all Agreements between COUNTY and
- 18 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
- 19 provisions stipulated in this Agreement are submitted to ADMINISTRATOR.
- 20 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
- 21 CONTRACTOR's monthly invoice.
- 22 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
- 23 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
- 24 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.

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26 **XIII. INSPECTIONS AND AUDITS**

27 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative

28 of the State of California, the Secretary of the United States Department of Health and Human Services,

29 the Comptroller General of the United States, or any other of their authorized representatives, shall have

30 access to any books, documents, and records, including but not limited to, financial statements, general

31 ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly

32 pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an

33 audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth

34 in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all

35 reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the

36 premises in which they are provided.

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1 B. ADMINISTRATOR shall inform providers and CONTRACTOR, at the time they enter into a
2 contract, of the following:

3 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in
4 42 C.F.R. 438.228 through 42 C.F.R. 438.424.

5 2. The beneficiary's right to file grievances and appeals and the requirements and timeframes
6 for filing that meets the requirements outlined in Article II. G of the State and County Agreement.

7 3. The availability of assistance to the beneficiary with filing grievances and appeals.

8 4. The beneficiary's right to request continuation of benefits that the ADMINISTRATOR
9 seeks to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable
10 timeframes, although the beneficiary may be liable for the cost of any continued benefits while the
11 appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

12 5. The conduction of random reviews to ensure beneficiaries are being notified in a timely
13 manner.

14 C. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,
15 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal
16 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms
17 of the Agreement or determinations of amounts payable available at any time for inspection,
18 examination of copying by the State, CMS, HHS Inspector General, the United States Comptroller
19 General, their designees, and other authorized federal and state agencies. (42 CFR §438.3(h).) This
20 audit right will exist for ten (10) years from the final date of the contract period or from the date of
21 completion of any audit, whichever is later. (42 CFR §438.230(c)(3)(iii).) The State, CMS, or the HHS
22 Inspector General may inspect, evaluate, and audit the CONTRACTOR at any time if there is a
23 reasonable possibility of fraud or similar risk, then. (42 CFR §438.230(c)(3)(iv).)

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

28 E. CONTRACTOR shall not be subject to disallowances as the result of audits of the cost of
29 services.

30 **XIV. LICENSES AND LAWS**

31 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout
32 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,
33 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and
34 required by the laws, regulations and requirements of the United States, the State of California,
35 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify
36 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the
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pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Agreement. In addition, all treatment providers shall be DMC certified by the State DHCS. Drug Medi-Cal providers must be certified as such, and must meet any additional requirements established by COUNTY as part of this certification.

B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

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

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

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

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

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

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

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

1. 21 CFR, Chapter 2, Part 1300 through 1399, Drug Enforcement Administration.

2. 21 USC §§355, and 505, Manufacture of Drugs.

3. 21 USC §§812, 823, and 958, Controlled Substances.

4. 21 USC 300x-27(a) and 300y-11.

5. 42 CFR, Public Health, Part 8 – Certification of Opioid Treatment Programs.

6. ARRA of 2009.

7. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.

8. CCR Title 9, Division 4, Chapter 4, Subchapters 1 through 6, Narcotic Treatment Programs.

9. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions, August 2015.
10. D/MC Certification Standards for Substance Abuse Clinics, July 2004.
11. Federal Medicare Cost reimbursement principles and cost reporting standards.
12. HSC, §§11758.40 through 11758.47, Medi-Cal Drug Treatment Program.
13. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
14. HSC, §11876, Narcotic Treatment Programs (inspections).
15. Orange County Medi-Cal Mental Health Managed Care Plan.
16. California Department of Health Care Services, Drug Medi-Cal Billing Manual, June 2017.
17. Title 22, CCR, §51009, Confidentiality of Records.
18. US Department of Justice, Drug Enforcement Administration.
19. Trafficking Victims Protection Act of 2000, specifically section 106(g) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104(g)) as amended by section 1702.
20. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
21. Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Document 2E).
22. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, (Document 2C).
23. Standards for Drug Treatment Programs (October 21, 1981) (Document 2F).
24. Title 9, CCR, Division 4, Chapter 4, Subchapter 1, Sections 10000, et seq.
25. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
26. Title 9, CCR, Section 1810.435.
27. Title 9, CCR, Section 1840.105.

D. CONTRACTOR shall be required that the Agreement be governed by, and construed in accordance with, all laws and regulations, and all contractual obligations under this Agreement.

XV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA

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

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

C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly available social media sites) in support of the services described within this Agreement, CONTRACTOR shall develop social media policies and procedures and have them available to

ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either directly or indirectly support the services described within this Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media developed in support of the services described within this Agreement. CONTRACTOR shall also include any required funding statement information on social media when required by ADMINISTRATOR.

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

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

XVI. MAXIMUM OBLIGATION

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

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

XVII. MINIMUM WAGE LAWS

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

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

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

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XVIII. NONDISCRIMINATION

A. EMPLOYMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

36 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
 37 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights

secured by federal or state laws, or because such person has filed a complaint, certified, assisted or otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to enforce rights secured by federal or state law.

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

XIX. NOTICES

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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

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

XX. NOTIFICATION OF DEATH

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

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

1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by telephone immediately upon becoming aware of the death due to non-terminal illness of any person

served pursuant to this Agreement; provided, however, weekends and holidays shall not be included for purposes of computing the time within which to give telephone notice and, notwithstanding the time limit herein specified, notice need only be given during normal business hours.

2. WRITTEN NOTIFICATION

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

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

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

XXI. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS

A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in whole or in 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 the public event or meeting. Any promotional materials or event related flyers must be approved by ADMINISTRATOR prior to distribution.

XXII. 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 Regulations Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
2. State of California, Department of Health Care Services ASRS Manual.
3. State of California, Department of Health Care Services DPFS Manual.
4. California Health and Safety Code §123145.
5. Title 45 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 PHI and prevent the intentional or unintentional use or disclosure of

1 PHI in violation of the HIPAA, federal and state regulations and/or CHPP. CONTRACTOR shall
 2 mitigate to the extent practicable, the known harmful effect of any use or disclosure of PHI made in
 3 violation of federal or state regulations and/or COUNTY policies.

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

7 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
 8 commencement of the contract, unless a longer period is required due to legal proceedings such as
 9 litigations and/or settlement of claims.

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

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

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

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

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

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

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

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

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

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

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

36 J. CONTRACTOR shall retain all Client and/or patient medical records for ten (10) years
 37 following discharge of the Client and/or patient, with the exception of non-emancipated minors for

whom records must be kept for at least one (1) year after such minors have reached the age of eighteen (18) years, or for ten (10) years after the last date of service, whichever is longer.

K. CONTRACTOR shall obtain an NPI for each site identified as a location for providing contractual services. Provider's site NPIs must be submitted to the ADMINISTRATOR prior to rendering services to clients. Contractors providing direct or indirect services for State reporting must also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are on file with ADMINISTRATOR in advance of providing services to clients. It is the responsibility of each contract provider site and individual staff member that bills Medi-Cal to obtain an NPI from the NPES. Each contract site, as well as every staff member that provides billable services, is responsible for notifying the NPES within thirty (30) calendar days of any updates to personal information, which may include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

XXIII. RESEARCH AND PUBLICATION

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

XXIV. REVENUE

A. CLIENT FEES – CONTRACTOR shall not charge a fee to DMC beneficiaries to whom services are provided pursuant to this Agreement, their estates and/or responsible relatives, unless a Share of Cost is determined per Medi-Cal eligibility.

B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all available third-party reimbursement for which persons served pursuant to this Agreement may be eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR's usual and customary charges. An Assignment of Benefits must be present in a Client's file when applicable.

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

XXV. SEVERABILITY

If a court of competent jurisdiction declares any provision of this Agreement or application thereof to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or

the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

XXVI. SPECIAL PROVISIONS

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

1. Making cash payments to intended recipients of services through this Agreement.
2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use of appropriated funds to influence certain federal contracting and financial transactions).
3. Fundraising.
4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's staff, volunteers, or members of the Board of Directors or governing body.
5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body for expenses or services.
6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of Directors or governing body, or its designee or authorized agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
7. Paying an individual salary or compensation for services at a rate in excess of the current Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule may be found at www.opm.gov.
8. Severance pay for separating employees.
9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building codes and obtaining all necessary building permits for any associated construction.
10. Purchasing or improving land, including constructing or permanently improving any building or facility, except for tenant improvements.
11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds (matching).
12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.
13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or alcohol.
14. Promoting the legalization of any drug or other substance included in Schedule 1 of the Controlled Substance Act (21 USC 812).
15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug.
16. Assisting, promoting, or deterring union organizing.
17. Providing inpatient hospital services or purchasing major medical equipment.

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

1. Funding travel or training (excluding mileage or parking).
2. Making phone calls outside of the local area unless documented to be directly for the purpose of Client care.
3. Payment for grant writing, consultants, certified public accounting, or legal services.
4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Agreement.
5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's Clients.

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

XXVII. STATUS OF CONTRACTOR

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

XXVIII. TERM

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

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

XXIX. TERMINATION

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

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

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

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

D. CONTINGENT FUNDING

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

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

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

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

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

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

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

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

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

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

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

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

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

30 **XXX. THIRD PARTY BENEFICIARY**

31 Neither party hereto intends that this Agreement shall create rights hereunder in third parties
32 including, but not limited to, any subcontractors or any Clients provided services pursuant to this
33 Agreement.
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XXXI. WAIVER OF DEFAULT OR BREACH

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

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

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 4
 5 SOCIAL MODEL RECOVERY SYSTEMS, INC.

6
 7 DocuSigned by:
 8 BY: Bruce Boardman DATED: 4/3/2018
 9 5EE1C7559251412...
 10 TITLE: Chief Executive Officer

11
 12
 13
 14
 15 COUNTY OF ORANGE

16
 17
 18 BY: _____ DATED: _____
 19 HEALTH CARE AGENCY

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

27
 28 DocuSigned by:
 29 BY: Massoud Shamel DATED: 4/3/2018
 30 10B3D7671A94F8...
 31 DEPUTY

32
 33
 34
 35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the
 36 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer
 37 or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her
 signature alone is required by ADMINISTRATOR.

EXHIBIT A
TO AGREEMENT FOR PROVISION OF
DRUG MEDI-CAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
SOCIAL MODEL RECOVERY SYSTEMS, INC.
JULY 1, 2018 THROUGH JUNE 30, 2020

I. COMMON TERMS AND DEFINITIONS

A. The parties agree to the following terms and definitions, and to those terms and definitions which, for convenience, are set forth elsewhere in this Agreement.

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

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

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

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

5. ASAM-Designated Levels of Care means a designation that is issued by DHCS to a residential program based on the services provided at the facility. For the purposes of this Agreement, CONTRACTOR shall provide services in accordance with one of the following ASAM-Designated Levels of Care:

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

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

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

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

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

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

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

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

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

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

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

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

15. Crisis Intervention means a service, lasting less than twenty-four (24) hours that is provided to or on the behalf of a Client for a condition that requires more timely response than a

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regularly scheduled visit. Service activities may include, but are not limited to: assessment, individual therapy, collateral therapy, family therapy, case management, and psychiatric evaluation.

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

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

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

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

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

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

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

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

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

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

26. Intensive Care Coordination (ICC) means assessment and plan development services, to children and youth that qualify under the Katie A. Subclass, that must address the child/youth's mental

1 health need(s) through the coordination of care with providers not primarily associated with mental
 2 health services such as the Social Services Agency, Probation Department, and schools (although the
 3 Client, collateral and mental health providers may also be present).

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

10 28. Intake means the initial meeting between a Client and CONTRACTOR's staff, and includes
 11 an evaluation of the Client to determine if the Client meets program criteria and is willing to seek
 12 services.

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

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

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

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

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

35 34. Licensed Psychologist means a licensed individual, pursuant to the provisions of Chapter
 36 6.6 of the California Business and Professions Code, who can provide clinical services to Clients.

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1 The license must be current and in force, and has not been suspended or revoked. Also, it is preferred
2 that the individual has at least one (1) year of experience treating children and TAY.

3 35. Linkage means connecting Clients to ancillary services such as outpatient and/or residential
4 treatment and supportive services which may include self-help groups, social services, rehabilitation
5 services, vocational services, job training services, or other appropriate services.

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

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

13 38. Medical Necessity means Diagnosis, impairment, and intervention related criteria as
14 defined in the COUNTY's MHP under Medical Necessity for Medi-Cal reimbursed Specialty Mental
15 Health Services.

16 39. Medication Support Services means services provided by licensed physicians, registered
17 nurses, or other qualified medical staff, which include: prescribing, administering, dispensing and
18 monitoring of psychiatric medications or biologicals that are necessary to alleviate symptoms of mental
19 illness. These services also include evaluation and documentation of the clinical justification and
20 effectiveness of medication, dosage, side effects, compliance, and response to medication. In addition,
21 the licensed physicians, registered nurses, or other qualified medical staff must obtain informed consent
22 from Clients prior to providing medication education and plan development related to the delivery of
23 these services and/or Assessment to Clients.

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

33 41. Mental Health Services Act (MHSA) means the State of California law that provides
34 funding for expanded community Mental Health Services. It is also known as "Proposition 63."

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

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

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

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

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

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

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

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

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

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

52. Program Director means an individual who is responsible for all aspects of administration and clinical operations of the mental health program, including development and adherence to the annual budget. This individual will also be responsible for the following: hiring, development

1 and performance management of professional and support staff, and ensuring mental health
2 treatment services are provided in concert with COUNTY and state rules and regulations.

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

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

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

16 56. Recovery Services means billable services available after the client has completed a course
17 of treatment. Recovery services emphasize the client's central role in managing their health, use
18 effective self-management support strategies, and organize internal and community resources to provide
19 ongoing self-management support to patients.

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

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

27 59. Rehabilitation Service means an activity which includes assistance to improving,
28 maintaining, or restoring a Client's or group of Clients' functional skills, daily living skills, social and
29 leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or
30 medication education.

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

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

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

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

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

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

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

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

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

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II. PAYMENTS

A. BASIS FOR REIMBURSEMENT - As compensation to CONTRACTOR for services provided pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following all State Mandated Residential DMC rates of reimbursement:

<u>Service</u>	<u>Billable Unit</u>	<u>Fee Determination</u>	<u>Rate per unit</u>
Case Management	15 minute increments	County Determined	\$26.21
Recovery Services	15 minute increments	County Determined	\$26.17
Residential Treatment 3.1	Per Bed Day	State Mandated	\$120.07
Residential Room and Board 3.1	Per Bed Day	County Determined	\$103.68
Residential Treatment 3.5	Per Bed Day	State Mandated	\$120.07
Residential Room and Board 3.5	Per Bed Day	County Determined	\$103.68

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

C. Invoices are due by the twentieth (20th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed invoice form.

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

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

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

G. In conjunction with Payments Paragraph, Subparagraph A, Units of Service shall not be entered in the IRIS system for services not rendered. If information has been entered, corrections will be made within ten (10) business days from notification of ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall create a procedure to ensure separation of duties

1 between the individual performing direct services (LPHA, clinicians, counselors, etc.), and the clerical
 2 staff who enter information into the IRIS system. Clerical staff shall enter data into IRIS using the chart
 3 information provided by the direct service staff.

4 H. CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements
 5 when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR shall withhold
 6 payment for non-compliant units of service and may reduce, withhold or delay any payment associated
 7 with non-compliant billing practices.

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

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

13 **III. RECORDS**

14
 15 A. CLIENT RECORDS - CONTRACTOR shall maintain adequate records in accordance with the
 16 ADMINISTRATOR's ODS-DMC Waiver STC's, Title 22, and Title 9 on each individual Client in
 17 sufficient detail to permit an evaluation of services, which shall include, but need not be limited to
 18 unless otherwise approved by ADMINISTRATOR:

- 19 1. SUD Diagnosis;
- 20 2. ASAM based screening tool (psycho/social);
- 21 3. Medical Questionnaire and Physical;
- 22 4. Tuberculosis clearance and other lab results as required by Title 9 and HCA Contract;
- 23 5. Emergency notification information and authorization to disclose to client's emergency
 24 contact;
- 25 6. Treatment Plan;
- 26 7. Discharge Plan if applicable and Discharge Summary; and
- 27 8. Quality Review Check Sheet.

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

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

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

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3. The Client eligibility determination and fee charged to and collected from Clients, together with a record of all billings rendered and revenues received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

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

IV. REPORTS

A. MONTHLY PROGRAMMATIC

1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR, including information required and on a form approved or provided by ADMINISTRATOR, in conjunction with the billing described in the Payments paragraph of this Exhibit A of the Agreement. These monthly programmatic reports should be received by ADMINISTRATOR no later than the twentieth (20th) business day of the month following the report month.

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

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

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

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

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

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

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

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

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

9 10 **V. SERVICES**

11 A. CONTRACTOR shall operate a licensed and certified alcohol and drug abuse residential
12 program and maintain continuous availability and accessibility of facilities and
13 personnel to include services in accordance with the standards established by the COUNTY, the
14 State, and the California Department of Social Services within the specifications stated below,
15 unless otherwise authorized by the Administrator. CONTRACTOR shall provide Substance Use
16 Disorder Adolescent Residential Recovery Services within a licensed and DMC certified adolescent
17 facility that has been designated by DHCS as capable of delivering care consistent with ASAM
18 treatment criteria. Unless otherwise authorized in writing by ADMINISTRATOR,
19 CONTRACTOR shall maintain regularly scheduled service hours, seven (7) days a week, twenty-four
20 (24) hours per day throughout the year; as specified below:

21
22 525 N. Parker St.
23 Orange, CA 92867
24

25 B. PERSONS TO BE SERVED - CONTRACTOR shall serve male and female adolescents ages
26 twelve (12) and/or eligible for ninth (9th) grade through seventeen (17) years of age, who have
27 abstained from substance use for at least twenty-four (24) hours; have a diagnosis of a substance use
28 disorder, and demonstrate a need for an alcohol and drug abuse residential treatment setting. Clients
29 who are eighteen (18) years of age, but who are admitted into the program prior to such age, may
30 continue in the program until completion or termination with the approval of ADMINISTRATOR.

31 C. CONTRACTOR's administrative staff holiday schedule shall be consistent with COUNTY's
32 holiday schedule unless otherwise approved, in advance and in writing, by ADMINISTRATOR.

33 **D. MEDI-CAL ELIGIBILITY – MEDICAL NECESSITY**

34 1. CONTRACTOR must verify the Medicaid eligibility determination of potential Clients in
35 accordance with the medical necessity criteria specified in Title 22, Section 51303 and the coverage
36 provisions of the approved state Medi-Cal plan. The verification shall be reviewed and approved by the
37 ADMINISTRATOR prior to payment for services, unless the individual is eligible to receive services

1 from tribal health programs operating under the Indian Self Determination and Education Assistance
 2 Act (ISDEAA – Pub.L 93-638, as amended) and urban Indian organizations operating under Title V of
 3 the IHCA. If the individual is eligible to receive services from tribal health programs operating under
 4 the ISDEAA, then the determination shall be conducted as set forth in the Tribal Delivery System –
 5 Attachment BB to the STCs. If services are denied, the CONTRACTOR must inform the beneficiary in
 6 accordance with Article II. G. 2 of the state Medi-Cal plan.

7 2. The initial medical necessity determination for an individual to receive a DMC-ODS
 8 benefit must be performed. After establishing a diagnosis, the ASAM Criteria shall be applied by the
 9 diagnosing individual to determine placement into the level of assessed services. ASAM criteria will be
 10 reapplied at thirty (30) days after admission and (every thirty (30) days thereafter) to reassess for
 11 appropriate level of care. It shall also be used to justify a treatment extension request if appropriate.

12 3. Individuals under age twenty-one (21) are eligible to receive Medicaid services pursuant to
 13 the EPSDT mandate. Under the EPSDT mandate, beneficiaries under the age twenty-one (21) are
 14 eligible to receive all appropriate and medically necessary services needed to correct and ameliorate
 15 health conditions that are coverable under section 1905(a) Medicaid authority.

16 4. Medical necessity for an adolescent individual [an individual under the age of twenty-one
 17 (21)] is determined using the following criteria:

- 18 a. The adolescent individual must be assessed to be at risk for developing a SUD; and
- 19 b. The adolescent individual must meet the ASAM adolescent treatment criteria.

20 E. ADMISSIONS FOR ADOLESCENT RESIDENTIAL SERVICES

21 1. CONTRACTOR shall accept any person who is physically and mentally able to comply
 22 with the program's rules and regulations. Said persons shall include persons living with HIV virus, as
 23 well as persons with a concurrent diagnosis of mental illness, i.e., those identified as having a co-
 24 occurring disorder. Person with a co-occurring disorder and others who require prescribed medication
 25 shall not be precluded from acceptance or admission solely based on their elicited use of prescribed
 26 medications. Persons having a concurrent diagnosis of mental illness will be served in accordance with
 27 Federal Substance Abuse Prevention and Treatment Block Grant Program requirements and COUNTY
 28 guidelines. Treatment program shall be accessible to people with disabilities in accordance with Title
 29 45, Code of Federal Regulations (herein referred to as CFR), Part 84 and the American with Disabilities
 30 Act.

31 2. CONTRACTOR shall have a policy that requires Client who shows signs of any
 32 communicable disease, or through medical disclosure during the intake process, admit to a health related
 33 problem that would put others at risk, to be cleared medically before services are provided by the
 34 program.

35 3. ADMISSION POLICY - CONTRACTOR shall establish and make available to the public,
 36 a written admission policy, which shall include, but not be limited to the following treatment priorities:

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- a. COUNTY administrative referrals.
 - b. First priority for admission shall be given to pregnant injection drug users.
 - c. Second priority for admission is pregnant substance abusers.
 - d. Third priority for admission is injection drug users.
 - e. Fourth priority for admission shall be given to all other substance abusers.
 - f. Referrals of Clients completing detox.
4. CONTRACTOR's Admission Policy shall reflect all applicable federal, state, and county regulations.
5. CONTRACTOR shall initiate services within reasonable promptness and shall have a documented system for monitoring and evaluating the quality, appropriateness and accessibility of care, including a system for addressing problems that develop regarding admission wait times.
6. CONTRACTOR shall have the right to refuse admission of a person only in accordance with its written admission policy; provided, however, CONTRACTOR complies with the Non-discrimination provisions of this Agreement.
7. CONTRACTOR shall have written policies and procedures for processing requests for initial and continuing authorization of services.
8. CONTRACTOR shall discharge Clients who are away from the facility for more than four (4) calendar days, unless authorized by ADMINISTRATOR.
- F. WAITING LISTS - CONTRACTOR shall maintain waiting lists which satisfy the following requirements:
1. Only individuals who have been screened to determine eligibility for admission are on the waiting list.
 2. A roster, log, file, or equivalent record with names, addresses, and telephone numbers of qualified applicants for admission, is maintained along with dates of application, eligibility criteria and dates and nature of follow up contacts.
 3. A policy shall be maintained defining what individuals on waiting lists must do to remain eligible for admission and/or how CONTRACTOR will go about ensuring that applicants for admission remain interested in entering treatment.
 4. Criteria shall be maintained defining when an individual's name is to be removed from the waiting list because of a loss of eligibility for admission or a failure to keep in contact with CONTRACTOR.
 5. All individuals who have been screened and determined to meet eligibility for admission will be enrolled in the Outpatient Treatment Program while awaiting entry into the residential program.
- G. INTERIM SERVICES - All persons who are not admitted into a residential program within fourteen (14) calendar days due to lack of capacity, and who place their names on the waiting list for admission, shall be provided interim services. Interim services shall consist of: TB counseling, voluntary testing, referral for medical evaluation, if appropriate; and HIV education, HIV risk

assessment and disclosure counseling and voluntary confidential HIV antibody testing. For pregnant adolescents, interim services shall also include counseling on the effects of alcohol and drugs on the developing fetus; and referral to prenatal medical care services. Interim services may be provide directly or by referral to the COUNTY or another appropriate CONTRACTOR and given to prospective Clients within forty-eight (48) hours. Provision of interim services shall be documented on the DATAR and reported monthly to the State.

H. UNITS OF SERVICE - shall provide a minimum of six thousand nine hundred thirty five (6,935) bed days of residential treatment to youth described above.

I. RESIDENTIAL ADOLESCENT RECOVERY SERVICES

1. CONTRACTOR shall provide an alcohol and drug-free residential program to Adolescent Clients for no more than one hundred eighty (180) days of treatment within specifications stated below, unless otherwise authorized by ADMINISTRATOR. Each Client shall be restricted to the premises of the facilities for the first thirty (30) calendar days of the program. Exceptions for restriction to the premises shall be allowed for medical and psychiatric services, or other staff-approved activities under CONTRACTOR supervision. Uninsured Clients shall be provided assistance in securing Affordable Health Care benefits.

2. CONTRACTOR shall not allow any Client to remain more one hundred eighty (180) days in its residential component without prior written approval of ADMINISTRATOR. For those Clients with Drug Medi-Cal a review will occur every thirty (30) days to determine the continued need for inpatient services. The program shall include alcohol and drug abuse education, recovery planning, recreational programming, group discussion for adolescent alcohol and other drug abusers within a supportive residential environment, linkages to school districts for the continuation of education, vocational planning referrals to appropriate ancillary services, and aftercare or continuing support as needed.

3. CO-OCCURRING DISORDERS - CONTRACTOR shall provide rehabilitative and recovery services to Clients with co-occurring disorders and ensure that such services address the relationship between the two diagnoses throughout treatment.

4. RESIDENTIAL RECOVERY PROGRAM shall consist of the following:

a. Prior Authorization - All residential treatment admissions require prior authorization from the ADMINISTRATOR.

b. Screening - Prior to admission into program, CONTRACTOR shall screen individuals for appropriate placement into program and length of stay based upon ASAM assessment.

c. Eligibility - Each Client's chart shall contain monthly evidence of DMC eligibility.

d. Program Orientation - Upon admission into the Program, CONTRACTOR shall provide an orientation of the program for both the Client and involved family members. The Program Orientation shall include, but not be limited to:

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- 1) Overview of Program structure and schedules
- 2) Program rules and regulations
- 3) Policies regarding Client fees
- 4) Client rights
- 5) Assignment of a counselor
- 6) Staff Code of Conduct
- 7) Continuing care services

e. Assessment - Within three (3) calendar days of admission, CONTRACTOR shall provide a standardized, comprehensive risk and needs assessment on each Client which both assesses alcohol/drug abuse history, medical/previous treatment history, family history, social/recreational history, mental and emotional history, financial status, legal status, educational and vocational background as well as daily living skills, stress management, literacy, employment, education, and money management. CalOMS and CES-I will be used as assessment tools.

f. Client acclimation note - the CONTRACTOR shall ensure that each Client's chart contains documentation within seventy-two (72) hours of admission as to how the Client has adjusted to the residential setting.

g. Treatment/Recovery Plan - CONTRACTOR shall develop an interim individualized treatment/recovery plan with each Client upon admission and a completed plan within fourteen (14) calendar days of admission into the Program which shall be based upon the Client's needs identified in the assessment process. Each treatment plan shall include identification of a minimum of three (3) problem areas, including a drug and/or alcohol problem, individualized long and short term goals for addressing the identified needs with, action steps, target dates and dates of resolution for each. Recovery services may include the following: outpatient counseling services, recovery monitoring, substance abuse assistance, education and job skills, family support, support groups and ancillary services. Every thirty (30) calendar days, CONTRACTOR shall review and document, with the Client, and document, in the progress notes, the Client's progress on the treatment/recovery plan. CONTRACTOR shall update the treatment plan when a change in problem identification, focus of recovery or treatment occurs or, no later than ninety (90) calendar days after signing the initial treatment plan. After the ninety (90) day review, the plan will be reviewed every thirty (30) days to assure the Client continues to meet Drug Medi-Cal residential standards.

h. Human Trafficking - each Client's chart shall contain the results of screening for victims of human trafficking (TVPA 2000).

i. Structured Therapeutic Activities - Residential Recovery services shall consist of a minimum of twenty (20) hours of structured activity per week of which Clients must engage in a minimum of fourteen (14) hours of therapeutic activity per week; and shall include, at a minimum, the following:

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1) Individual Counseling - CONTRACTOR shall provide individual counseling to Clients.

2) Group Counseling - CONTRACTOR shall provide face-to-face counseling within a group setting to Clients in which one or more therapists or counselors treat two or more Clients at the same time with a maximum number determined as required by DHCS. Group interventions and activities may include, but are not limited to process groups, seminars and educational groups, house and community group meetings, and/or practical life skills group activities.

3) CONTRACTOR shall provide access and balanced exposure to on-site and off-site self-help support meetings, non-spiritual and spiritual, such as Alcohol Anonymous, Narcotics Anonymous, and Smart Recovery. For example, if a Big Book (AA) study is offered, then a Basic Text (NA) study must also be offered. If NA or AA meetings are primarily offered on-site, Clients should also be given the opportunity, if possible, to attend NA or AA meetings off-site on those days. CONTRACTOR shall ensure that various self-help reading materials are provided on-site and easily accessible to Clients.

j. Non-Therapeutic Structured Activities - CONTRACTOR shall provide a minimum of six (6) hours of non-therapeutic structured activity per week that includes work, school, and volunteer hours outside the facility, chores, and recreation and socialization activities. Recreational and Socialization activities for Client may include, but are not limited to:

- 1) Teach the concepts of rules, teamwork, and sportsmanship.
- 2) Provide guidance on use of recreational or leisure time.

k. Treatment Activities:

1) CONTRACTOR shall design Treatment Activities to interrupt negative alcohol or other drug abuse lifestyle factors, address denial, and assist the Client's adjustment to a sober environment.

2) CONTRACTOR shall include within the Client's Treatment Plan Client-centered goals and objectives with specific measurable tasks outlining what the Client is to complete prior to advancing to Resocialization phase of treatment.

l. Transition/Exit Planning - CONTRACTOR shall begin discharge planning immediately upon enrollment. CONTRACTOR shall develop a formal exit plan no later than thirty (30) calendar days prior to Client's planned discharge from the program. The transition and exit plan shall be completed and signed by CONTRACTOR staff and Client. The transition and exit plan shall include:

1) Identifying the Client's achievements while in the Residential Recovery program such as meeting or progressing towards educational or vocational goals.

2) A strategy or strategies to assist the Client in maintaining an alcohol and drug free lifestyle.

3) A continuing treatment exit plan that includes referral and linkage and transition of the Client to an appropriate support service such as self-help groups, alumni groups, outpatient

1 treatment, other support services such as vocational rehabilitation, job training, and other services.
 2 CONTRACTOR shall make best efforts to schedule an appointment for outpatient services, if needed,
 3 and documents this in the Client's chart. The continuing treatment plan shall also include the goals
 4 identified in the Client's treatment plan.

5 4) Referrals to appropriate non-substance abuse resources such as continuing
 6 education and vocational rehabilitation.

7 5) CONTRACTOR shall provide linkage to outpatient treatment, support services
 8 such as self-help groups, social services, rehabilitation services, vocational services, job training
 9 services or other appropriate services.

10 6) CONTRACTOR shall provide or arrange for transportation of clients to aftercare
 11 destination.

12 m. Discharge Summary - CONTRACTOR shall develop written procedures regarding
 13 Client discharge. Written criteria for the discharge summary shall include:

14 1) Reason for discharge
 15 2) Description of treatment episodes or recovery services
 16 3) Current alcohol and/or drug usage at discharge
 17 4) Vocational and educational achievements
 18 5) Legal status
 19 6) Linkages and referrals made
 20 7) Clients comments regarding program satisfaction, progress and plans after
 21 discharge.

22 8) A description of the Client's goals and achievement towards those goals as
 23 described in the Client's treatment plan.

24 n. Graduation - CONTRACTOR shall consider all Clients to be graduated upon
 25 completion of their residential treatment program in accordance with the treatment plan.

26 o. Continuing Care - CONTRACTOR may operate a Continuing Care Program following
 27 graduation and Client's release to community residence. Continuing Care should consist of activities
 28 supportive of continuing sobriety and community integration.

29 p. Food and Other Services - CONTRACTOR shall provide a clean, safe environment,
 30 toiletries, clean linen, food service, storage, and supervision of medication.

31 q. Support Services - CONTRACTOR shall provide housekeeping; laundry; maintenance
 32 and arrangements for emergency and non-emergency medical services.

33 r. Collateral Services - CONTRACTOR shall provide as appropriate, individual and
 34 group sessions for Client's family members or significant others, to address varied systems dynamics,
 35 which could contribute to the Client's relapse, and potential or actual use. Collateral services shall
 36 include the Client unless determined otherwise by the Counselor.

37 //

s. Supervision - CONTRACTOR shall provide adolescent Client supervision in accordance with Community Care Licensing and CONTRACTOR's policies and procedures.

t. Education Access - CONTRACTOR shall ensure that each adolescent Client has access to educational services required by federal, state, and local Education Codes.

5. HEALTH, MEDICAL, PSYCHIATRIC, AND EMERGENCY SERVICES

a. CONTRACTOR shall ensure that all persons admitted for Residential recovery services have a health questionnaire completed using form ADP 10100-A-E, or may develop their own form provided it contains, at a minimum, the information requested in the ADP 10100-A-E.

1) The health questionnaire is a Client's self-assessment of his/her current health status and shall be completed by Client. CONTRACTOR shall review and approve the health questionnaire form prior to Client's admission to the program. The completed health questionnaire shall be signed and dated by CONTRACTOR and Client.

2) A copy of the questionnaire shall be filed in the Client's record.

b. CONTRACTOR shall, based on information provided by Client on the health questionnaire form, refer Client to licensed medical professionals for physical and laboratory examinations and reflect such on their Treatment Plan.

1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior to Client's admission to the program when applicable.

2) A copy of the referral and clearance shall be filed in the Client's file.

c. CONTRACTOR shall provide directly or by referral: HIV education, voluntary, HIV antibody testing and risk assessment and disclosure counseling.

d. The programs shall have written procedures for obtaining medical or psychiatric evaluation and emergency services.

e. The programs shall post the name, address, and telephone number for the fire department, a crisis center, local law enforcement, and a paramedical unit or ambulance service.

f. CONTRACTOR shall obtain a current tuberculosis (TB) result within seven (7) days of admission or a copy of exam completed within six (6) months prior to admission. Clients may be referred to the COUNTY or another appropriate CONTRACTOR. These TB services shall consist of the following:

1) Counseling with respect to TB;

2) Testing to determine whether the individual has been infected and to determine the appropriate form of treatment;

3) Provision for, or referral of, infected Clients for medical evaluation, treatment and clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to commencing treatment.

g. CONTRACTOR shall have policies and procedures in place to screen for emergency medical conditions and immediately refer beneficiaries to emergency medical care.

6. TRANSPORTATION SERVICES CONTRACTOR shall transport Client, in CONTRACTOR's vehicle to locations that are considered necessary and/or important to the Client's recovery plan including, but not limited to, Social Security Administration offices for Supplemental Security Income (SSI) benefits and for non-emergency medical or mental health services not identified above, that require treatment at a physician office, urgent care, or emergency room when an ambulance provider is not necessary or required for transportation based on the level of severity and/or services required by the Client.

J. ALCOHOL AND/OR DRUG SCREENING

1. CONTRACTOR shall have a written policy and procedure statement regarding drug screening that includes random drug and/or alcohol testing upon admission to the program and at a minimum of one (1) time per week for the first thirty (30) days and two (2) times per month for the remaining term of the agreement for all Clients. Additional frequency of alcohol and drug testing shall be determined individually for each youth based on clinical appropriateness and should allow for rapid response to the possibility of relapse. This policy shall be approved by ADMINISTRATOR. A Client shall not be denied admittance to treatment for a positive alcohol and/or drug screen at admission if they meet all other criteria for admission. CONTRACTOR shall:

- a. Establish procedures that protect against the falsification and/or contamination of any body specimen sample collected for drug screening; and,
- b. All urine specimen collection shall be observed by same sex staff.
- c. Document results of the drug screening in the Client's record.

2. In the event that any Client of CONTRACTOR receives a drug test result indicating any substance abuse, CONTRACTOR shall formulate and implement a plan of corrective action which shall be documented in the Client record. CONTRACTOR shall notify ADMINISTRATOR within two (2) business days of receipt of such test results via incident report and the corrective action to be taken by the Resident or Client if the Client is allowed to remain in the program.

K. PERFORMANCE OUTCOMES

1. CONTRACTOR shall achieve performance objectives for each Period, tracking and reporting Performance Outcome Objective statistics in monthly programmatic reports, as appropriate. ADMINISTRATOR recognizes that alterations may be necessary to the following services to meet the objectives, and, therefore, revisions to objectives and services may be implemented by mutual agreement between CONTRACTOR and ADMINISTRATOR. Performance outcome objectives for each Period follow:

2. Performance Outcome Objectives:

- a. Objective 1: CONTRACTOR shall provide effective residential substance abuse assessment, treatment, and counseling to adolescents with identified alcohol and/or drug problems as measured by retention and completion rates.

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1) Retention Rates shall be calculated by using the number of Clients currently enrolled in or successfully completing the treatment program divided by the total number of Clients served during the evaluation period.

2) Completion rates shall be calculated by using the number of Clients successfully completing the treatment program divided by the total number of Clients discharged during the evaluation period.

b. Objective 2: CONTRACTOR shall have the Client complete the CESI for all Clients at time of Intake and no later than fourteen (14) days after admission. The CEST shall be completed at discharge for any Client who as completed a minimum forty-five (45) calendar days of treatment.

1) CONTRACTOR shall ensure that surveys are completed timely and accurately by designated Clients. This would include, but is not limited to, ensuring surveys contain provider number, Client ID number, responses to all psychosocial questions, along with other important Client and CONTRACTOR information, and fields are filled and/or marked appropriately.

2) CONTRACTOR shall photocopy the CESI and CEST surveys and submit the originals to ADMINISTRATOR for the COUNTY, once a month, by the tenth (10th) business day of each month.

3) CONTRACTOR shall maintain the copies of the CESI and CEST documents in Client files and/or in a readily accessible and confidential central filing area for reference.

4) CONTRACTOR shall adhere to all COUNTY CESI and CEST transmission, reporting, scoring, and any other guidelines, as stipulated by ADMINISTRATOR, as they may now exist or as they may be revised and/or amended in the future, for the review, use, and analysis of the CESI and CEST.

L. MEETINGS - CONTRACTOR's Executive Director and Chief Financial Officer or designees shall participate in monthly meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to the Agreement.

M. NO PROSELYTIZING POLICY - CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

N. AUTHORITY - CONTRACTOR shall recognize the authority of Probation as officers of the court, and shall extend cooperation to Probation within the constraints of CONTRACTOR's program of Substance Use Disorder Residential Treatment Services.

O. NON-SMOKING POLICY - CONTRACTOR shall establish a written non-smoking policy, which shall be reviewed and approved by ADMINISTRATOR that specifies the facility is "smoke free," and Clients are prohibited from smoking at all times.

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1 P. VISITATION POLICY - CONTRACTOR shall establish a written visitation policy, which
 2 shall be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the
 3 following:

- 4 1. Sign in logs;
- 5 2. Visitation hours; and
- 6 3. Designated visiting areas at the facility.

7 Q. GOOD NEIGHBOR POLICY - CONTRACTOR shall establish a Good Neighbor Policy,
 8 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not be
 9 limited to, staff training to deal with neighbor complaints, staff contact information available to
 10 neighboring residents and complaint procedures. CONTRACTOR shall also contact city management
 11 in each city where Client services are provided to inform them of the nature of the services provided
 12 under this Agreement. CONTRACTOR shall work collaboratively with city management to resolve any
 13 concerns regarding community relations.

14 R. CONTRACTOR RESPONSIBILITIES

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

18 2. CONTRACTOR shall ensure that all staff complete the COUNTY's Annual Provider
 19 Training, as appropriate and agreed upon by CONTRACTOR and ADMINISTRATOR, and staff
 20 responsible for input into IRIS are to complete IRIS New User Training.

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

23 4. CONTRACTOR shall ensure that within thirty (30) days of hire and on an annual basis, all
 24 program staff including administrator, volunteers and interns having direct contact with Clients shall
 25 have training in the ASAM criteria prior to providing services.

26 5. CONTRACTOR shall conduct Supervisory Review at thirty (30) calendar day and six (6)
 27 month intervals, in accordance with procedures developed by ADMINISTRATOR. CONTRACTOR
 28 shall conduct thirty (30) day review of open cases, or previously opened with another provider.
 29 CONTRACTOR shall ensure that all chart documentation complies with all federal, state, and local
 30 guidelines and standards.

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

36 a. Designate the responsible position(s) in your organization for managing the funds
 37 allocated to the program;

- b. Maximize the use of the allocated funds;
- c. Ensure timely and accurate reporting of monthly expenditures;
- d. Maintain appropriate staffing levels;
- e. Request budget and/or staffing modifications to the Agreement;
- f. Effectively communicate and monitor the program for its success;
- g. Track and report expenditures electronically;
- h. Maintain electronic and telephone communication between CONTRACTOR and ADMINISTRATOR; and
- i. Act quickly to identify and solve problems.

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

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

9. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR'S Implementation Plan as approved by DHCS.

S. TOKENS - ADMINISTRATOR shall provide CONTRACTOR the necessary number of Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

3. 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 following conditions:

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

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

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

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

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

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VI. STAFFING

A. CONTRACTOR shall ensure that all clinical staffing, including those providing direct Client services, meet the requirements of Title 22, Title 9 of the CCR and DMC 2020 Waiver as it exists now or may hereafter be amended or changed and all standards of the Department of Health Care Services.

B. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-Time Equivalents (FTEs) continuously throughout the term of the Agreement. One (1) FTE shall be equal to an average of forty (40) hours work per week:

ADMINISTRATIVE	<u>FTEs</u>
Program Director	0.45
Program Coordinator	0.50
Administrative Assistant	<u>1.00</u>
ADMINISTRATIVE SUBTOTAL	1.95
 DIRECT TREATMENT	 <u>FTEs</u>
Program Director	0.45
Program Coordinator	0.50
Admissions Counselor	0.53
AOD Counselors	5.83
Mental Health Counselor – MFTI	0.53
Case Aide	0.53
On Call Counselors	<u>0.53</u>
DIRECT TREATMENT SUBTOTAL	8.90
 PROGRAM	 <u>FTEs</u>
Admissions Counselor	0.47
AOD Counselor	5.17
Mental Health Counselor – MFTI	0.47
Case Aide	0.47
On Call Counselor	0.47
Kitchen Manager	<u>1.00</u>
PROGRAM SUBTOTAL	8.05
 PROGRAM TOTAL	 18.90

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

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

11 E. CONTRACTOR shall provide twenty-four (24) hour supervision with at least two (2) staff
12 members on-site at all times. Co-ed residential programs shall require twenty-four (24) hour awake
13 supervision.

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

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

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

32 I. CONTRACTOR shall establish a written Policies and Procedures for employees, volunteers,
33 interns, and members of the Board of Directors which shall include, but not be limited to, standards
34 related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of sexual conduct with
35 Clients; prohibition of forging or falsifying documents or drug tests; and real or perceived conflict of
36 interest. Situations that may be perceived as a conflict of interest shall be brought to the
37 ADMINISTRATOR's attention prior to the occurrence. Prior to providing any services pursuant to this

1 Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards set
 2 forth in the said Policies and Procedures. A copy of the said Policies and Procedures shall be posted in
 3 writing in a prominent place in the treatment facility and updated annually by the Board of Directors.

4 J. CONTRACTOR shall obtain a criminal record review, in accordance with Health and Safety
 5 Code Section 1522, for all staff specified in the Staffing Paragraph of this Exhibit A to the Agreement
 6 and interns or volunteers who replace or supplement such staff in providing direct care and supervision
 7 of the adolescent Clients. CONTRACTOR shall obtain a criminal record clearance for staff who are
 8 responsible for the provision of services to the Clients prior to such staff becoming involved with the
 9 Clients. CONTRACTOR shall provide copies of the criminal record reviews to ADMINISTRATOR
 10 within ten (10) days of receiving such reviews.

11 K. CONTRACTOR shall provide pre-employment screening of any staff person providing
 12 adolescent services pursuant to the Agreement. All staff shall pass an Orange County criminal justice
 13 background check conducted by the Orange County Probation Department on a yearly basis. Program
 14 Directors, Managers, and other Supervisory staff will be requested to voluntarily submit to a more
 15 extensive background check including "live scan" fingerprinting. The results of the finger printing will
 16 be sent directly from the Department of Justice to Probation.

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

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

20 b. No person shall have been convicted of an arson offense Violation of Penal Code
 21 Sections 451, 451.1, 451.5, 452, 453.1, 453, 454, or 455;

22 c. No person shall have been convicted of any violent felony as defined in Penal Code,
 23 Section 667.5, which involves doing bodily harm to another person, for which the staff member was
 24 convicted within five (5) years prior to employment;

25 d. No person shall be on parole or probation;

26 e. No person shall have participated in the criminal activities of a criminal street gang
 27 and/or prison gang; and

28 f. No person shall have prior employment history of improper conduct, including but not
 29 limited to, forging or falsifying documents or drug tests, sexual assault or sexual harassment, or
 30 inappropriate behavior with staff or residents at another treatment facility.

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

34 L. All program staff having direct contact with Client shall, within the first ninety (90) days of
 35 employment, be trained in infectious disease recognition, crisis intervention and to recognize physical
 36 and psychiatric symptoms that require appropriate referrals to other agencies. CONTRACTOR shall
 37 develop a written plan and provide ongoing training in topics related to alcohol and drug use on an

1 annual basis. All staff training shall be documented and maintained as part of the training plan. The
 2 staff training plan shall be reviewed and approved by the ADMINISTRATOR within the first month of
 3 each fiscal year.

4 M. All staff providing services shall be registered, licensed, and/or certified in accordance with
 5 state requirements and professional guidelines as applicable.

6 N. All personnel files shall be complete and made readily accessible to ADMINISTRATOR for
 7 purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR.

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

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

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

19 Q. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of
 20 any staffing vacancies that occur during the term of the Agreement. CONTRACTOR's notification
 21 shall include at a minimum the following information: employee name(s), position title(s), date(s) of
 22 resignation, date(s) of hire, and a description of recruitment activity.

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

26 S. CONTRACTOR shall ensure that all staff, albeit paid or unpaid, complete necessary training
 27 prior to discharging duties associated with their titles and any other training necessary to assist the
 28 CONTRACTOR and COUNTY to be in compliance with prevailing standards of practice as well as
 29 State and Federal regulatory requirements.

30 T. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, albeit paid
 31 or unpaid, direct line staff or supervisors/directors, to enhance service quality and program
 32 effectiveness. Supervision methods should include debriefings and consultation as needed, individual
 33 supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor
 34 who has extensive knowledge regarding mental health issues.

35 U. STUDENT INTERNS

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

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

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

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

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

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EXHIBIT B
TO AGREEMENT FOR PROVISION OF
DRUG MEDICAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
SOCIAL MODEL RECOVERY SYSTEMS, INC.
JULY 1, 2018 THROUGH JUNE 30, 2020

I. BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

1 Privacy and the Security rules, as they may exist now or be hereafter amended,
2 with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed
3 pursuant to the Agreement.

4 B. DEFINITIONS

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

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

11 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

9 D. SECURITY RULE

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

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

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

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

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

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

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

37 //

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

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

7 E. DATA SECURITY REQUIREMENTS

8 1. Personal Controls

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

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

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

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

34 2. Technical Security Controls

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

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

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

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

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

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

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

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

1) Upper case letters (A-Z)

2) Lower case letters (a-z)

3) Arabic numerals (0-9)

4) Non-alphanumeric characters (punctuation symbols)

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

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

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

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

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

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

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

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

3 3. Audit Controls

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

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

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

17 4. Business Continuity/Disaster Recovery Control

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

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

30 5. Paper Document Controls

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

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

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

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

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

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

F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 1) The Disclosure is required by law; or

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

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

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

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

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

28 **H. PROHIBITED USES AND DISCLOSURES**

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

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

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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EXHIBIT C
TO AGREEMENT FOR PROVISION OF
DRUG MEDICAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
SOCIAL MODEL RECOVERY SYSTEMS, INC.
JULY 1, 2018 THROUGH JUNE 30, 2020

I. PERSONAL INFORMATION PRIVACY AND SECURITY CONTRACT

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

1 regulations that require such information if payment is sought under a government program
2 providing public benefits.

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

7 B. TERMS OF AGREEMENT

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

13 2. Responsibilities of CONTRACTOR
14 CONTRACTOR agrees:

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

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

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

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

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

36 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
37 CONTRACTOR shall also comply with the substantive privacy and security requirements in the

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

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

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

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

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

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

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

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