

1 AGREEMENT FOR PROVISION OF  
2 DRUG MEDI-CAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES  
3 BETWEEN  
4 COUNTY OF ORANGE  
5 AND  
6 PHOENIX HOUSE OF LOS ANGELES, INC.  
7 JULY 1, 2019 THROUGH JUNE 30, 2020  
8

9 THIS AGREEMENT entered into this 1st day of July 2019 (effective date), is by and between the  
10 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and PHOENIX  
11 HOUSE OF LOS ANGELES, INC., a California (nonprofit corporation (CONTRACTOR). COUNTY  
12 and CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as  
13 "Parties." This Agreement shall be administered by the Director of the COUNTY's Health Care Agency  
14 or an authorized designee ("ADMINISTRATOR").  
15

16 **W I T N E S S E T H:**  
17

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

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

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

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2019 through June 30, 2020

**Maximum Obligation:** \$983,801

**Basis for Reimbursement:** Negotiated Rate

**Payment Method:** Monthly in Arrears

**CONTRACTOR DUNS Number:** 07-024-0481

**CONTRACTOR TAX ID Number:** 23-7084897

**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: Phoenix House of Los Angeles, Inc.  
11600 Eldridge Avenue  
Lake View Terrace, CA 91342  
Shawna R. Morris, Senior Vice President and Executive Director  
SRMorris@phoenixhouse.org

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## I. ACRONYMS

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

4	A. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
5	B. AIDS	Acquired Immune Deficiency Syndrome
6	C. ARRA	American Recovery and Reinvestment Act of 2009
7	D. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
8	E. ASI	Addiction Severity Index
9	F. ASRS	Alcohol and Drug Programs Reporting System
10	G. BHS	Behavioral Health Services
11	H. CalOMS	California Outcomes Measurement System
12	I. CalWORKs	California Work Opportunity and Responsibility for Kids
13	J. CAP	Corrective Action Plan
14	K. CCC	California Civil Code
15	L. CCR	California Code of Regulations
16	M. CESI	Client Evaluation of Self at Intake
17	N. CEST	Client Evaluation of Self and Treatment
18	O. CFDA	Catalog of Federal Domestic Assistance
19	P. CFR	Code of Federal Regulations
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. COI	Certificate of Insurance
23	T. CPA	Certified Public Accountant
24	U. CSW	Clinical Social Worker
25	V. DHCS	California Department of Health Care Services
26	W. D/MC	Drug/Medi-Cal
27	X. DPFS	Drug Program Fiscal Systems
28	Y. DRS	Designated Record Set
29	Z. EEOC	Equal Employment Opportunity Commission
30	AA. EHR	Electronic Health Records
31	AB. EOC	Equal Opportunity Clause
32	AC. ePHI	Electronic Protected Health Information
33	AD. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
34	AF. FFS	Fee For Service
35	AG. FSP	Full Service Partnership
36	AH. FTE	Full Time Equivalent
37	AI. GAAP	Generally Accepted Accounting Principles

1	AJ. HCA	County of Orange Health Care Agency
2	AK. HHS	Federal Health and Human Services Agency
3	AL. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
4		Law 104-191
5	AM. HITECH	Health Information Technology for Economic and Clinical Health
6		Act, Public Law 111-005
7	AN. HIV	Human Immunodeficiency Virus
8	AO. HSC	California Health and Safety Code
9	AP. IRIS	Integrated Records and Information System
10	AQ. ITC	Indigent Trauma Care
11	AR. LCSW	Licensed Clinical Social Worker
12	AS. MAT	Medication Assisted Treatment
13	AT. MFT	Marriage and Family Therapist
14	AU. MH	Mental Health
15	AV. MHP	Mental Health Plan
16	AW. MHS	Mental Health Specialist
17	AX. MHSA	Mental Health Services Act
18	AY. MSN	Medical Safety Net
19	AZ. NIH	National Institutes of Health
20	BA. NPI	National Provider Identifier
21	BB. NPPES	National Plan and Provider Enumeration System
22	BC. OCR	Federal Office for Civil Rights
23	BD. OIG	Federal Office of Inspector General
24	BE. OMB	Federal Office of Management and Budget
25	BF. OPM	Federal Office of Personnel Management
26	BG. P&P	Policy and Procedure
27	BH. PA DSS	Payment Application Data Security Standard
28	BI. PATH	Projects for Assistance in Transition from Homelessness
29	BJ. PC	California Penal Code
30	BK. PCI DSS	Payment Card Industry Data Security Standards
31	BL. PCS	Post-Release Community Supervision
32	BM. PHI	Protected Health Information
33	BN. PII	Personally Identifiable Information
34	BO. PRA	California Public Records Act
35	BP. PSC	Professional Services Contract System
36	BQ. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
37	BR. SIR	Self-Insured Retention

- 1 BS. SMA Statewide Maximum Allowable (rate)
- 2 BT. SOW Scope of Work
- 3 BU. SUD Substance Use Disorder
- 4 BV. UMDAP Uniform Method of Determining Ability to Pay
- 5 BW. UOS Units of Service
- 6 BX. USC United States Code
- 7 BY. WIC Women, Infants and Children

8  
9 **II. ALTERATION OF TERMS**

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

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

17  
18 **III. ASSIGNMENT OF DEBTS**

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

26  
27 **IV. COMPLIANCE**

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

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

34 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
35 compliance program, code of conduct and any compliance related policies and procedures.  
36 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall  
37 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required

1 elements by ADMINISTRATOR’s Compliance Officer as described in this Compliance Paragraph to  
2 this Agreement. These elements include:

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

10 3. If CONTRACTOR does not provide proof of its own compliance program to  
11 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR’s Compliance  
12 Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within  
13 thirty (30) calendar days of execution of this Agreement a signed acknowledgement that  
14 CONTRACTOR will internally comply with ADMINISTRATOR’s Compliance Program and Code of  
15 Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete  
16 ADMINISTRATOR’s annual compliance training to ensure proper compliance.

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

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

35 B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or  
36 retained to provide services related to this Agreement monthly to ensure that they are not designated as  
37 Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General

1 Services Administration's Excluded Parties List System or System for Award Management, the Health  
2 and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the  
3 California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death  
4 Master File, and/or any other list or system as identified by ADMINISTRATOR.

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

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

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

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

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

21 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to  
22 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its  
23 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State  
24 of California health programs and have not been excluded or debarred from participation in any federal  
25 or state health care programs, and to further represent to CONTRACTOR that they do not have any  
26 Ineligible Person in their employ or under contract.

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

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

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

8 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General  
9 Compliance Training available to Covered Individuals.

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

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

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

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

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

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

25 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered  
26 Individuals relative to this Agreement. This includes compliance with federal and state healthcare  
27 program regulations and procedures or instructions otherwise communicated by regulatory agencies;  
28 including the Centers for Medicare and Medicaid Services or their agents.

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

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

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

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

E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

7  
8 2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims  
9 for payment or reimbursement of any kind.

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

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

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

18 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and  
19 participate in the quality improvement activities developed in the implementation of the Quality  
20 Management Program.

21 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural  
22 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural  
23 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,  
24 §1810.410.subds.(c)-(d).

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

31  
32 **V. CONFIDENTIALITY**

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

37 //

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

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

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

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

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

22  
23 **VI. CONFLICT OF INTEREST**

24 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions  
25 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation  
26 shall apply to CONTRACTOR’s employees, agents, and subcontractors associated with the provision of  
27 goods and services provided under this Agreement. CONTRACTOR’s efforts shall include, but not be  
28 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from  
29 providing or offering gifts, entertainment, payments, loans or other considerations which could be  
30 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of  
31 their duties.

32  
33 **VII. COST REPORT**

34 A. CONTRACTOR shall submit a Cost Report to COUNTY no later than forty-five (45) calendar  
35 days following termination of this Agreement. CONTRACTOR shall prepare the Cost Report in  
36 accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special  
37 Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and

1 between programs, cost centers, services, and funding sources in accordance with such requirements and  
2 consistent with prudent business practice, which costs and allocations shall be supported by source  
3 documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon  
4 reasonable notice.

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

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

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

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

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

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

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

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

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

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

14  
15 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and  
16 supporting documentation prepared by \_\_\_\_\_ for the cost report period  
17 beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my  
18 knowledge and belief, costs reimbursed through this Agreement are reasonable and  
19 allowable and directly or indirectly related to the services provided and that this Cost  
20 Report is a true, correct, and complete statement from the books and records of  
21 (provider name) in accordance with applicable instructions, except as noted. I also  
22 hereby certify that I have the authority to execute the accompanying Cost Report.  
23

24 Signed \_\_\_\_\_  
25 Name \_\_\_\_\_  
26 Title \_\_\_\_\_  
27 Date \_\_\_\_\_"

28  
29 **VIII. DEBARMENT AND SUSPENSION CERTIFICATION**

30 A. CONTRACTOR certifies that it and its principals:

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

33 2. Have not within a three-year period preceding this Agreement been convicted of or had a  
34 civil judgment rendered against them for commission of fraud or a criminal offense in connection with  
35 obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract  
36 under a public transaction; violation of federal or state antitrust statutes or commission of  
37 //

1 embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or  
2 receiving stolen property.

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

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

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

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

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

20 B. An individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at  
21 48 CFR 2.101, of a person described in this section, (42.CFR §438.610(a)(2)).

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

24  
25 **IX. DISPUTE RESOLUTION**

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

30 1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a  
31 final decision regarding the disposition of any dispute between the Parties arising under, related to, or  
32 involving this Agreement, unless COUNTY, on its own initiative, has already rendered such a final  
33 decision.

34 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if  
35 such demand involves a cost adjustment to the Agreement, CONTRACTOR shall include with the  
36 demand a written statement signed by an authorized representative indicating that the demand is made in  
37 //

1 good faith, that the supporting data are accurate and complete, and that the amount requested accurately  
2 reflects the Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

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

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

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

18  
19 **X. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

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

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

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

33 2. If CONTRACTOR is a for-profit organization, any change in the business structure,  
34 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of  
35 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a  
36 change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR

37 //

1 at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or  
2 delegation in derogation of this subparagraph shall be void.

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

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

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

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

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

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

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

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

31  
32 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

33 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and  
34 regulations regarding the employment of aliens and others and to ensure that employees, subcontractors,  
35 and forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,  
36 subcontractors, and consultants performing work hereunder, all verification and other documentation of  
37 employment eligibility status required by federal or state statutes and regulations including, but not

1 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently  
2 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all  
3 covered employees, subcontractors, and consultants for the period prescribed by the law.

4  
5 **XII. EQUIPMENT**

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

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

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

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

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

35 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure  
36 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,

37 //

1 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of  
2 Equipment are moved from one location to another or returned to COUNTY as surplus.

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

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

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

10  
11 **XIII. FACILITIES, PAYMENTS AND SERVICES**

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

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

22  
23 **XIV. INDEMNIFICATION AND INSURANCE**

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

34 B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all  
35 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary  
36 to satisfy COUNTY that the insurance provisions of this Agreement have been complied with.  
37 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements

1 on deposit with COUNTY during the entire term of this Agreement. In addition, all subcontractors  
2 performing work on behalf of CONTRACTOR pursuant to this Agreement shall obtain insurance  
3 subject to the same terms and conditions as set forth herein for CONTRACTOR.

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

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

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

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

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

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

29 F. QUALIFIED INSURER

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

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

1 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum  
2 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 Passenger vehicles (8 passengers or more)	\$1,000,000 per occurrence \$5,000,000 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

22 H. REQUIRED COVERAGE FORMS

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

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

27 I. REQUIRED ENDORSEMENTS

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

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

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

37 //

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

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

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

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

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

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

18 M. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy  
19 cancellation and within ten (10) days for non-payment of premium and provide a copy of the  
20 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a  
21 breach of CONTRACTOR’s obligation hereunder and ground for COUNTY to suspend or terminate  
22 this Agreement.

23 N. If CONTRACTOR’s Professional Liability, Technology Errors & Omissions and/or Network  
24 Security & Privacy Liability are “Claims -Made” policies, CONTRACTOR shall agree to maintain  
25 coverage for two (2) years following the completion of the Agreement.

26 O. The Commercial General Liability policy shall contain a “severability of interests” clause also  
27 known as a “separation of insureds” clause (standard in the ISO CG 0001 policy).

28 P. Insurance certificates should be forwarded to the agency/department address listed on the  
29 solicitation.

30 Q. If the Contractor fails to provide the insurance certificates and endorsements within seven (7)  
31 days of notification by CEO/Purchasing or the agency/department purchasing division, award may be  
32 made to the next qualified vendor.

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

37 //

1 S. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
2 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with  
3 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, this  
4 Agreement may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled  
5 to all legal remedies.

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

9 U. SUBMISSION OF INSURANCE DOCUMENTS

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

- 11 a. Prior to the start date of this Agreement.
- 12 b. No later than the expiration date for each policy.
- 13 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
14 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

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

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

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

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

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

30 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
31 insurance

32  
33 **XV. INSPECTIONS AND AUDITS**

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

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

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

9 |            1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in  
10 | 42 C.F.R. 438.228 through 42 C.F.R. 438.424.

11 |            2. The beneficiary’s right to file grievances and appeals and the requirements and timeframes  
12 | for filling that meets the requirements outlined in Article II. G of the State and County Agreement.

13 |            3. The availability of assistance to the beneficiary with filling grievances and appeals.

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

18 |            5. The conduction of random reviews to ensure beneficiaries are being notified in a timely  
19 | manner.

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

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

34 |        E. CONTRACTOR shall not be subject to disallowances as the result of audits of the cost of  
35 | services.

36 | //

37 | //

**XVI. LICENSES AND LAWS**

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Agreement. In addition, all treatment providers will be certified by the State Department of Health Care Services as a Drug Medi-Cal provider 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. ARRA of 2009.
- 2. Trafficking Victims Protection Act of 2000.

- 1 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 2 4. CCC §§1798.80 through 1798.84, Customer Records.
- 3 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 4 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
- 5 Security.
- 6 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse
- 7 Master Plans.
- 8 8. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 9 9. HSC, §11876, Narcotic Treatment Programs.
- 10 10. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 11 11. Code of Federal Regulations, Title 42, Public Health.
- 12 12. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 13 13. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 14 14. 41 CFR 50, Public Contracts and Property Management.
- 15 15. 42 CFR 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 16 16. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
- 17 prevention and treatment block grants and/or projects for assistance in transition from homelessness
- 18 grants.
- 19 17. 45 CFR 93, New Restrictions on Lobbying.
- 20 18. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 21 19. 45 CFR 96.132, Additional Agreements.
- 22 20. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 23 21. 45 CFR 160, General Administrative Requirements.
- 24 22. 45 CFR 162, Administrative Requirements.
- 25 23. 45 CFR 164, Security and Privacy.
- 26 24. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 27 25. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 28 26. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 29 Contracting and Financial Transactions.
- 30 27. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism;
- 31 National Institute on Drug Abuse.
- 32 28. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 33 Administration.
- 34 29. 42 USC §290dd-2, Confidentiality of Records.
- 35 30. 42 USC §1320(a), Uniform reporting systems for health services facilities and
- 36 organizations.
- 37 31. 42 USC §§1320d through 1320d-9, Administrative Simplification.

- 1 32. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 2 33. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 3 34. 42 USC §2000d, Civil Rights Act of 1964.
- 4 35. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
- 5 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 6 36. U.S. Department of Health and Human Services, National Institutes of Health (NIH),
- 7 Grants Policy Statement (10/13).
- 8 37. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for
- 9 Co-Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
- 10 38. State of California, Department of Alcohol and Drug Programs Audit Assistance Guide
- 11 Manual.
- 12 39. State of California, Department of Alcohol and Drug Programs, Alcohol and/or Other Drug
- 13 Program Certification Standards, March 2004.
- 14 40. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and
- 15 77143(a).
- 16 41. State of California, Department of Health Care Services ASRS Manual.
- 17 42. State of California, Department of Health Care Services DPFS Manual.
- 18 43. HSC §123145.
- 19 44. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
- 20 45. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions,
- 21 August 2015
- 22 46. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
- 23 47. Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Document 2E).
- 24 48. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, (Document 2C).
- 25 49. Standards for Drug Treatment Programs (October 21, 1981) (Document 2F);
- 26 50. Title 9, CCR, Division 4, Chapter 4, Subchapter 1, Sections 10000, et seq.;
- 27 51. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
- 28 52. Title 9, CCR, Section 1810.435.
- 29 53. Title 9, CCR, Section 1840.105.

30 CONTRACTOR shall at all times be capable and authorized by the State of California to provide  
 31 treatment and bill for services provided to Medi-Cal eligible Clients while working under the terms of  
 32 this Agreement.

33  
 34 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

35 A. Any written information or literature, including educational or promotional materials,  
 36 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related  
 37 to this Agreement must be approved at least thirty (30) days in advance and in writing by

1 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written  
2 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,  
3 and electronic media such as the Internet.

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

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

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

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

21  
22 **XVIII. MAXIMUM OBLIGATION**

23 A. The Maximum Obligation of COUNTY for services provided in accordance with this  
24 Agreement is as specified in the Referenced Contract Provisions of this Agreement, except as allowed  
25 for in Subparagraph B. below.

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

28  
29 **XIX. MINIMUM WAGE LAWS**

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

37 //

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

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

8  
9 **XX. NONDISCRIMINATION**

10 **A. EMPLOYMENT**

11 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals (as  
12 defined in the “Compliance” paragraph of this Agreement) shall not unlawfully discriminate against any  
13 employee or applicant for employment because of his/her race, religious creed, color, national origin,  
14 ancestry, physical disability, mental disability, medical condition, genetic information, marital status,  
15 sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.  
16 Additionally, during the term of this Agreement, CONTRACTOR and its Covered Individuals shall  
17 require in its subcontracts that subcontractors shall not unlawfully discriminate against any employee or  
18 applicant for employment because of his/her race, religious creed, color, national origin, ancestry,  
19 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,  
20 gender identity, gender expression, age, sexual orientation, or military and veteran status.

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

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

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

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

37 //

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

6 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not  
7 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities  
8 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental  
9 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender  
10 expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the  
11 Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights  
12 Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division  
13 4, Chapter 6, Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information  
14 Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and  
15 regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all  
16 may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination  
17 paragraph, discrimination includes, but is not limited to the following based on one or more of the  
18 factors identified above:

- 19 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 20 2. Providing any service or benefit to a Client which is different or is provided in a different  
21 manner or at a different time from that provided to other Clients.
- 22 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by  
23 others receiving any service and/or benefit.
- 24 4. Treating a Client differently from others in satisfying any admission requirement or  
25 condition, or eligibility requirement or condition, which individuals must meet in order to be provided  
26 any service and/or benefit.
- 27 5. Assignment of times or places for the provision of services.

28 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all Clients  
29 through a written statement that CONTRACTOR's and/or subcontractor's Clients may file all  
30 complaints alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and  
31 ADMINISTRATOR.

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

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

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

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

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

17  
18 **XXI. NOTICES**

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

- 21 1. When written and deposited in the United States mail, first class postage prepaid and  
22 addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed  
23 by ADMINISTRATOR;
- 24 2. When faxed, transmission confirmed;
- 25 3. When sent by Email; or
- 26 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel  
27 Service, or any other expedited delivery service.

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

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

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

**XXII. 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; 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, within forty-eight (48) hours of becoming aware of the death due to terminal illness of any person served pursuant to this Agreement.

c. When notification via encrypted email is not possible or practical CONTRACTOR may hand deliver or fax to a known number said notification.

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.

**XXIII. 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.

**XXIV. PATIENT’S RIGHTS**

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

1 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an  
2 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have  
3 access.

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

7 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a  
8 statutory rights violation or a denial or abuse complaint with the County Patients' Rights Office. The  
9 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,  
10 which involve ADMINISTRATOR'S Director of Behavioral Health Care and the State Patients' Rights  
11 Office.

12 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to  
13 CONTRACTOR, appeal to the County Patients' Rights Office, file a grievance, and file a Title IX  
14 complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the  
15 grievance, and attempt to resolve the matter.

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

18  
19 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

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

- 23 1. California Code of Regulations Title 22, §§70751(c), 71551(c), 73543(a), 74731(d),  
24 75055(a), 75343(a), and 77143(a).
- 25 2. State of California, Department of Health Care Services ASRS Manual.
- 26 3. State of California, Department of Health Care Services DPFS Manual.
- 27 4. California Health and Safety Code §123145.
- 28 5. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).

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

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

37 //

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

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

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

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

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

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

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

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

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

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

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

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

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

34 K. CONTRACTOR shall obtain an NPI for each site identified as a location for providing  
35 contractual services. Provider's site NPIs must be submitted to the ADMINISTRATOR prior to  
36 rendering services to clients. Contractors providing direct or indirect services for State reporting must  
37 also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member

1 providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are  
2 on file with ADMINISTRATOR in advance of providing services to clients. It is the responsibility of  
3 each contract provider site and individual staff member that bills Medi-Cal to obtain an NPI from the  
4 NPES. Each contract site, as well as every staff member that provides billable services, is responsible  
5 for notifying the NPES within thirty (30) calendar days of any updates to personal information, which  
6 may include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

7  
8 **XXVI. RESEARCH AND PUBLICATION**

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

12  
13 **XXVII. REVENUE**

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

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

21 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately  
22 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically  
23 provide for the identification of delinquent accounts and methods for pursuing such accounts.

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

26  
27 **XXVIII. SEVERABILITY**

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

33  
34 **XXIX. SPECIAL PROVISIONS**

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

- 37 1. Making cash payments to intended recipients of services through this Agreement.

1 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications  
2 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on  
3 use of appropriated funds to influence certain federal contracting and financial transactions).

4 3. Fundraising.

5 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
6 CONTRACTOR’s staff, volunteers, interns, consultants, subcontractors, and members of the Board of  
7 Directors or governing body.

8 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing  
9 body for expenses or services.

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

13 7. Paying an individual salary or compensation for services at a rate in excess of the current  
14 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary  
15 Schedule may be found at [www.opm.gov](http://www.opm.gov).

16 8. Severance pay for separating employees.

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

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

21 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal  
22 funds (matching).

23 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.

24 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or  
25 alcohol.

26 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the  
27 Controlled Substance Act (21 USC 812).

28 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic  
29 injection of any illegal drug.

30 16. Assisting, promoting, or deterring union organizing.

31 17. Providing inpatient hospital services or purchasing major medical equipment.

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

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

35 2. Making phone calls outside of the local area unless documented to be directly for the  
36 purpose of Client care.

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

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

3 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
4 CONTRACTOR's Clients.

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

9  
10 **XXX. STATUS OF CONTRACTOR**

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

22  
23 **XXXI. TERM**

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

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

32  
33 **XXXII. TERMINATION**

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

36 B. Unless otherwise specified in this Agreement, COUNTY may terminate this Agreement upon  
37 five (5) calendar days' written notice if CONTRACTOR fails to perform any of the terms of this

1 Agreement. At ADMINISTRATOR’s sole discretion, CONTRACTOR may be allowed up to thirty  
2 (30) calendar days for corrective action.

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

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

19 D. CONTINGENT FUNDING

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

26  
27 **XXXIII. THIRD PARTY BENEFICIARY**

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

31  
32 **XXXIV. WAIVER OF DEFAULT OR BREACH**

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

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

3  
4  
5 PHOENIX HOUSE OF LOS ANGELES, INC.

6  
7 DocuSigned by:  
8 BY: Shawna Norria DATED: 4/12/2019  
9 4AAFF22F351D44E...

10 TITLE: SR VP & Executive Director  
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: 4/12/2019  
30 79055CA571A94F8...

31  
32  
33  
34 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the  
35 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer  
36 or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution  
37 or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her  
signature alone is required by ADMINISTRATOR.

1 EXHIBIT A  
2 TO AGREEMENT FOR PROVISION OF  
3 DRUG MEDI-CAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 PHOENIX HOUSE OF LOS ANGELES, INC.  
8 JULY 1, 2019 THROUGH JUNE 30, 2020  
9

10 **I. COMMON TERMS AND DEFINITIONS**

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

13 1. Access Log means entering each person’s initial contact date, intake date and date of first  
14 service, level of care and any other information requested by County into the Access Log as an IRIS  
15 component.

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

19 3. ASAM-Designated Levels of Care means a designation that is issued by State Department  
20 of Health Care Services (DHCS) to a residential program based on the services provided at the facility.  
21 For the purposes of this Agreement, CONTRACTOR shall provide services in accordance with the  
22 following ASAM-Designated Levels of Care:

23 a. 3.1 - Clinically Managed Low-Intensity Residential Services means a twenty-four (24)  
24 hour structure with available trained personnel; at least five (5) hours of clinical service/week and  
25 preparation for outpatient treatment. A minimum of one clinical service must be provided for each  
26 client daily.

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

30 c. 3.5 - Clinically Managed High-Intensity Residential Services means a twenty-four (24)  
31 hour residential care for Clients who require a twenty-four (24) hour supportive treatment environment  
32 in order to develop sufficient recovery skills to avoid relapse or continued AOD use. At least five (5)  
33 hours of clinical service/week and preparation for outpatient treatment. A minimum of one clinical  
34 service must be provided for each client daily.

35 4. Bed Day means one (1) calendar day during which CONTRACTOR provides Residential  
36 Treatment Services as described in this Agreement. A Bed Day will include the day of admission; but,  
37 //

1 not the day of discharge. If admission and discharge occur on the same day, one (1) Bed Day will be  
2 charged.

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

6 6. Case Management means services that assist a Client to access needed medical, educational,  
7 social, prevocational, vocational, rehabilitative, or other community services.

8 7. Client means a person who has a substance use disorder, for whom a COUNTY-approved  
9 intake and admission for Residential Treatment Services as appropriate have been completed pursuant to this  
10 Agreement.

11 8. Clinical Component means services designed to improve a Client’s ability to structure and  
12 organize tasks of daily living and recovery.

13 9. Collateral Services means sessions with therapists or counselors and significant persons in  
14 the life of a Client, focused on the treatment needs of the Client in terms of supporting the achievement  
15 of the Client's treatment goals. Significant persons are individuals that have a personal, not official or  
16 professional, relationship with the Client.

17 10. Co-Occurring is when a person has at least one substance use disorder and one mental  
18 health disorder that can be diagnosed independently of each other.

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

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

24 13. Early Periodic Screening, Diagnostic and Treatment (EPSDT) means the federally  
25 mandated Medicaid benefit that entitles full-scope Medi-Cal-covered beneficiaries less than twenty-one  
26 (21) years of age to receive any Medicaid service necessary to correct or help to improve a defect,  
27 mental illness, or other condition, such as a substance-related disorder, that is discovered during a health  
28 screening.

29 14. Intake the initial face-to-face meeting between a Client and CONTRACTOR staff in which  
30 specific information about the Client is gathered and standard admission forms completed pursuant to this  
31 Agreement.

32 15. Integrated Records Information System (IRIS) means the ADMINISTRATOR’s database  
33 system that collects Clients’ information such as registration, scheduled appointments, laboratory  
34 information system, invoice and reporting capabilities, compliance with regulatory requirements,  
35 electronic medical records, and other relevant applications.

36 //

37 //

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

4 17. Licensed Practitioner of the Healing Arts (LPHA) means any Physician, Nurse  
5 Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical  
6 Psychologists, Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Licensed  
7 Marriage and Family Therapists, or Licensed Eligible Practitioners working under the supervision of  
8 Licensed Clinicians.

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

12 19. Notice of Adverse Benefit Determination (NOABD) means a formal communication of any  
13 action and consistent with 42 CFR 438.404 and 438.10.

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

18 21. Residential Treatment Authorization means the approval that is provided by the COUNTY  
19 for a Client to receive residential services after the Diagnostic and Statistical Manual (DSM) and ASAM  
20 Criteria are reviewed to ensure that the Client meets the requirements for the service. Decisions for  
21 service authorization are provided within twenty-four (24) hours of the authorization request being  
22 submitted by the CONTRACTOR.

23 22. Residential Treatment Services (RTS) means alcohol and other drug treatment services that  
24 are provided to Clients at a twenty-four (24) hour residential program. Services are provided in an  
25 alcohol and drug free environment and support recovery from alcohol and/or other drug related  
26 problems. These services are provided in a non-medical, residential setting that has been licensed and  
27 certified by DHCS.

28 23. Self-Help Meetings means a non-professional, peer participatory meeting formed by people  
29 with a common problem or situation offering mutual support to each other towards a goal or healing or  
30 recovery.

31 24. Structured Therapeutic Activities means organized program activities that are designed to  
32 meet treatment goals and objectives for increased social responsibility, self-motivation, and integration  
33 into the larger community. Such activities would include participation in the social structure of the  
34 residential program. It also includes the Client's progression, with increasing levels of responsibility and  
35 independence through job and other assignments culminating in employment seeking and employment-  
36 initiation activities in the community.

37 //

1 25. Substance Use Disorder (SUD) means a condition in which the use of one or more  
2 substances leads to a clinically significant impairment or distress as specified in the most current edition  
3 of the DSM published by the American Psychiatric Association.

4 26. Telehealth between provider and beneficiary means office or outpatient visits via  
5 interactive audio and video telecommunication systems. Telehealth between providers means  
6 communication between two providers for purpose of consultation, performed via interactive audio and  
7 video telecommunication systems.

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

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

12  
13 **II. PAYMENTS**

14 A. BASIS FOR REIMBURSEMENT - As compensation to CONTRACTOR for services provided  
15 pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following  
16 rates of reimbursement; provided, that CONTRACTOR's costs are allowable pursuant to applicable  
17 COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to provide  
18 services due to non-compliance with licensure and/or certification standards of the state, COUNTY,  
19 ADMINISTRATOR may elect to reduce COUNTY'S maximum obligation proportionate to the length  
20 of time that CONTRACTOR is ineligible to provide services. CONTRACTOR shall ensure compliance  
21 with all DMC billing and documentation requirements when entering Units of Service into COUNTY  
22 IRIS system. ADMINISTRATOR may reduce, withhold or delay any payment associated with non-  
23 compliant billing practices. If Corrective Action Plans (CAP) are not completed within timeframes as  
24 determined by ADMINISTRATOR, payments may be reduced accordingly.

25 1. For Medi-Cal services provided pursuant to the Agreement, COUNTY shall claim  
26 reimbursement to the State Medi-Cal unit on behalf of CONTRACTOR to the extent these services are  
27 eligible. CONTRACTOR shall assume responsibility for any audit disallowances or penalties imposed  
28 on COUNTY by the State related to amounts or services claimed by COUNTY on behalf of  
29 CONTRACTOR. CONTRACTOR shall reimburse COUNTY for any such disallowances or penalties  
30 within thirty (30) days of written notification by COUNTY.

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<u>Service</u>	<u>Billable Unit</u>	<u>Fee Determination</u>	<u>Interim Rate per unit</u>
Case Management	15 minute increments	Negotiated Rate	\$26.21
Recovery Services	15 minute increments	Negotiated Rate	\$26.17
Residential Treatment 3.1	Per Bed Day	Negotiated Rate	\$119.95
Residential Room and Board 3.1	Per Bed Day	Negotiated Rate	\$59.74

B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears the actual cost of the services. CONTRACTOR’s invoices shall be on a form approved or provided by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR. 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.

C. Monthly payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of this Agreement. Invoices received after the due date may not be paid in accordance with Subparagraph II.B of this Exhibit A to the Agreement.

D. All invoices to COUNTY shall be supported, at CONTRACTOR’s facility, by supporting documentation that clearly show CONTRACTOR is entitled to compensation as a result of and in the performance of duties for COUNTY. Source documentation includes, but is not limited to, ledgers, books, vouchers, journals, time sheets, payrolls, appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks, receipts, receiving records, and records of services provided.

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.

G. In conjunction with Subparagraph II.A above, CONTRACTOR shall not enter Units of Service into the COUNTY IRIS system for services not rendered. If information has been entered, corrections shall be made within ten (10) calendar days from notification by ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall create a procedure to ensure separation of duties between the individual performing direct services (LPHA, clinicians, counselors, etc.), and the

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1 clerical staff who enter information into the IRIS system. Clerical staff shall enter data into IRIS using  
2 the chart information provided by the direct service staff.

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

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

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

12  
13 **III. RECORDS**

14 A. CLIENT RECORDS - CONTRACTOR shall maintain adequate records in accordance with the  
15 licensing authority, DHCS, Youth Treatment Guidelines, the COUNTY guidelines, and  
16 ADMINISTRATOR’s DMC-ODS Waiver Special Terms and Conditions (STC) on each individual  
17 Client in sufficient detail to permit an evaluation of services. Documentation of treatment episode  
18 information shall include documentation of all activities, services, sessions, and assessments, including  
19 but not limited to:

- 20 1. Documentation of ADMINISTRATOR’s Residential Treatment Authorization(s) for  
21 Residential Treatment Services (RTS).
- 22 2. Documentation that RTS for substance use disorders are appropriate for the Client. This  
23 shall include the Medical Director or LPHA’s initial medical necessity determination for the DMC-ODS  
24 benefit. Additionally, if the initial assessment is completed by a counselor, this includes a progress note  
25 documenting the face-to-face review or telehealth between the Medical Director or LPHA and the  
26 counselor to establish a beneficiary meets medical necessity criteria. Additionally, the ASAM Criteria  
27 assessment will be applied to determine placement into the level of assessed services and documented in  
28 the Client record.
- 29 3. Intake and admission data, including, if applicable, a physical examination;
- 30 4. Treatment Plans;
- 31 5. Reassessments of client functioning based on ASAM criteria;
- 32 6. Progress notes;
- 33 7. Continuing services justifications;
- 34 8. Laboratory test orders and results;
- 35 9. Referrals;
- 36 10. Counseling notes;
- 37 11. Discharge Plan;

- 1 12. Discharge Summary;
- 2 13. Any other information relating to the treatment services rendered to the Client; and
- 3 14. A sign-in sheet for every group counseling session.

4 B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete  
 5 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the  
 6 type of service for which payment is claimed in accordance with generally accepted accounting  
 7 principles.

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

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

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

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

18  
 19 **IV. REPORTS**

20 **A. MONTHLY PROGRAMMATIC**

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

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

31 **B. FISCAL**

32 1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and  
 33 Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by  
 34 ADMINISTRATOR and shall report actual costs and revenues for each of the CONTRACTOR’s  
 35 program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Agreement.  
 36 CONTRACTOR shall submit these reports by no later than twenty (20) calendar days following the end  
 37 of the month reported.

1 C. MONTHLY IRIS - CONTRACTOR shall input all Units of Service provided in COUNTY's  
2 IRIS database for the preceding month no later than the fifth (5th) calendar day of the month following  
3 the report month.

4 D. CalOMS - CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission  
5 record in IRIS within seven (7) calendar days of Client admission. CONTRACTOR shall complete a  
6 CalOMS discharge record in IRIS within seven (7) calendar days of Client discharge. CONTRACTOR  
7 shall run a CalOMS error report and correct any errors within two (2) business days of submitting the  
8 CalOMS admission or discharge, and continue to recheck until error free. Annuals are due thirty (30)  
9 days prior to the anniversary date. Any individual provider of services must have an NPI number and be  
10 listed in IRIS as the provider of the service conducted prior to performing any clinical services.

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

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

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

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

24 I. CONTRACTOR shall collect data on beneficiary characteristics as specified by the  
25 ADMINISTRATOR, and on all services through an encounter data system or other method as specified  
26 by ADMINISTRATOR.

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

30 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
31 Reports Paragraph of this Exhibit A to the Agreement.

32  
33 **V. SERVICES**

34 A. FACILITY - CONTRACTOR shall operate a licensed and DMC certified substance use  
35 disorder residential program and maintain continuous availability and accessibility of facilities and  
36 personnel to include services in accordance with the standards established by the COUNTY, the State,  
37 DHCS, and the California Department of Social Services. CONTRACTOR shall provide Substance Use

1 Disorder Adolescent Residential Recovery Services within a licensed and DMC certified adolescent  
2 facility that has been designated by DHCS as capable of delivering care consistent with ASAM  
3 treatment criteria. The environment shall be healthy and safe and the facility shall be clean and in good  
4 repair. Unless otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall  
5 maintain regularly scheduled service hours, seven (7) days a week, twenty-four (24) hours per day, three  
6 hundred sixty-five (365) days a year. The facility will have, at a minimum: a kitchen, dining room, and  
7 laundry facilities, with enough space for leisure time and group activities. Services shall be provided at  
8 the following location:

9  
10 11600 Eldridge Avenue  
11 Lake View Terrace, CA 91342  
12

13 B. LENGTH OF STAY - Adolescents, under the age of twenty-one (21), shall receive continuous  
14 residential services for a maximum of thirty (30) days. Adolescent beneficiaries may receive up to a  
15 thirty (30) day extension if that extension is determined to be medically necessary by the Medical  
16 Director or LPHA. Adolescent beneficiaries are limited to one extension per year. Adolescent  
17 beneficiaries receiving residential treatment shall be stabilized as soon as possible and moved down to a  
18 less intensive level of treatment. Nothing in the DMC-ODS or in this paragraph overrides any EPSDT  
19 requirements. Adolescent beneficiaries may receive a longer length of stay based on medical necessity.

20 C. PERSONS TO BE SERVED - CONTRACTOR shall serve male and female adolescents ages  
21 twelve (12) through seventeen (17) years of age, who have abstained from substance use for at  
22 least twenty-four (24) hours; have a diagnosis of a substance use disorder, and demonstrate a need for an  
23 alcohol and drug abuse residential treatment setting. A Child Welfare dependent is eligible for these  
24 services if they meet all other eligibility requirements under this contract.

25 D. MEDI-CAL ELIGIBILITY – MEDICAL NECESSITY

26 1. CONTRACTOR must verify the Medicaid eligibility determination of potential Clients.  
27 The verification shall be reviewed and approved by the ADMINISTRATOR prior to payment for  
28 services, unless the individual is eligible to receive services from tribal health programs operating under  
29 the Indian Self Determination and Education Assistance Act (ISDEAA – Pub.L 93-638, as amended)  
30 and urban Indian organizations operating under Title V of the IHCA. If the individual is eligible to  
31 receive services from tribal health programs operating under the ISDEAA, then the determination shall  
32 be conducted as set forth in the Tribal Delivery System – Attachment BB to the STCs.

33 2. The initial medical necessity determination for an individual to receive a DMC-ODS  
34 benefit must be performed through a face-to-face review or telehealth by a Medical Director or an  
35 LPHA. After establishing a diagnosis, the ASAM Criteria shall be applied by the diagnosing individual  
36 to determine placement into the level of assessed services. ASAM criteria will be used to justify a  
37 //

1 treatment extension request, if appropriate, thirty (30) days after admission and every thirty (30) days  
2 thereafter.

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

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

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

11            E. ADMISSIONS FOR ADOLESCENT RESIDENTIAL SERVICES

12            1. CONTRACTOR shall accept any person with Orange County Medi-Cal who is physically  
13 and mentally able to comply with the program's rules and regulations. Said persons shall include  
14 persons living with Human Immunodeficiency Virus (HIV), as well as persons with a concurrent  
15 diagnosis of mental illness, i.e., those identified as having a co-occurring disorder. Persons with a co-  
16 occurring disorder and others who require prescribed medication shall not be precluded from acceptance  
17 or admission solely based on their illicit use of prescribed medications. Treatment program shall be  
18 accessible to people with disabilities in accordance with Title 45, Code of Federal Regulations (herein  
19 referred to as CFR), Part 84 and the Americans with Disabilities Act.

20            2. Beneficiaries may contact CONTRACTOR directly to request services. Beneficiaries may  
21 also be referred to CONTRACTOR by the 24/7 Beneficiary Access Line, network providers, and other  
22 access points determined by ADMINISTRATOR. CONTRACTOR shall enter data regarding requests  
23 for service into an access log established by ADMINISTRATOR.

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

26            4. CONTRACTOR shall have a policy that requires a Client who shows signs of any  
27 communicable disease, or through medical disclosure during the intake process admits to a health  
28 related problem that would put others at risk, to be cleared medically before services are provided by the  
29 program.

30            6. ADMISSION POLICY - CONTRACTOR shall establish and make available to the public,  
31 a written Admission Policy.

32            7. CONTRACTOR's Admission Policy shall reflect all applicable federal, state, and county  
33 regulations.

34            8. CONTRACTOR shall have the right to refuse admission of a person only in accordance  
35 with its written admission policy; provided, however, CONTRACTOR complies with the Non-  
36 discrimination provisions of this Agreement.

37 //

1 9. CONTRACTOR shall discharge Clients who are away from the facility for more than one  
2 (1) calendar day, unless authorized by ADMINISTRATOR. When clinically indicated, CONTRACTOR  
3 may request an extended bed hold, not to exceed four (4) calendar days. Room and Board will not be  
4 paid to CONTRACTOR for days beds are held, unless authorized by ADMINISTRATOR.

5 F. RESIDENTIAL TREATMENT AUTHORIZATION

6 1. All residential treatment admissions require prior authorization from the  
7 ADMINISTRATOR.

8 2. Admission into a residential bed shall require a LPHA to verify medical necessity.  
9 CONTRACTOR shall complete the DSM diagnosis and ASAM criteria assessment level of care  
10 determination to ensure that the Client meets the requirements for residential treatment.

11 3. If it is determined during the ASAM criteria assessment that a different level or type of  
12 treatment is more appropriate to meet a Client’s needs, a referral will be made to an appropriate provider  
13 by CONTRACTOR. Information will be shared between programs in compliance with 42 CFR Part 2  
14 requirements.

15 4. If after assessing the beneficiary it is determined that the medical necessity criteria,  
16 pursuant to DMC-ODS STCs. 128 (e), has not been met, then a written Notice of Adverse Benefit  
17 Determination shall be issued in accordance with 42 CFR 438.404.

18 5. Upon admission or within three (3) calendar days of admission, upon verifying ASAM  
19 level of care, CONTRACTOR will FAX or email via secure email to the Residential Placement  
20 Coordinator (RPC):

- 21 a. A copy of a legible individualized treatment authorization request,
- 22 b. Proof of Drug Medi-Cal eligibility, and
- 23 c. A completed ASAM assessment tool for Client.

24 6. The RPC will make a determination for admission authorization within twenty-four (24)  
25 hours of the request.

26 7. CONTRACTOR shall have a COUNTY-approved process in place to ensure standards for  
27 timely access to care and services are met, considering the urgency of the service needed. Medical  
28 attention for emergency and crisis medical conditions must be addressed immediately.

29 8. If the RPC denies admission to residential services and determines that a different level or  
30 type of treatment is more appropriate to meet a Client’s needs, a referral will be made to an appropriate  
31 provider by CONTRACTOR. Information will be shared between programs in compliance with 42 CFR  
32 Part 2 requirements.

33 G. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing materials  
34 and provider lists that meet the content requirements of 42 CRF 438.100 to beneficiaries when they first  
35 access SUD services through the DMC-ODS and on request. Informing materials will be provided by  
36 ADMINISTRATOR.

37 //

1 H. INTERIM SERVICES - All persons who are not admitted into a residential program within 10  
2 (ten) business days due to lack of capacity, shall be provided interim services. Interim services shall  
3 consist of: TB counseling, voluntary drug and/or alcohol testing, referral for medical evaluation, if  
4 appropriate; and HIV education, HIV risk assessment and disclosure counseling and voluntary  
5 confidential HIV antibody testing. For pregnant adolescents, interim services shall also include  
6 counseling on the effects of alcohol and drugs on the developing fetus; and referral to prenatal medical  
7 care services. Interim services may be provided directly or by referral to the COUNTY or another  
8 appropriate CONTRACTOR and given to prospective Clients within forty-eight (48) hours. Provision  
9 of interim services shall be documented on the DATAR and reported monthly to the State.

10 I. RESIDENTIAL ADOLESCENT RECOVERY SERVICES – CONTRACTOR shall provide a  
11 non-institutional, twenty-four (24) hour non-medical, short-term residential program that provides  
12 rehabilitation services to Clients in accordance with an individualized treatment plan. Each Client shall  
13 live on the premises and shall be supported in their efforts to restore, maintain, and apply interpersonal  
14 and independent living skills, and access community support systems. CONTRACTOR shall provide a  
15 range of activities and services. The program shall include alcohol and drug abuse education, recovery  
16 planning, recreational programming, group discussion for adolescents who have abused alcohol and  
17 other drugs within a supportive residential environment, linkages to school districts for the continuation  
18 of education, vocational planning referrals to appropriate ancillary services, and aftercare or continuing  
19 support as needed. CONTRACTOR shall provide services to Clients with co-occurring disorders and  
20 ensure that such services address the relationship between the two diagnoses throughout treatment.  
21 Residential treatment shall include twenty-four (24) hour structure with available trained personnel,  
22 seven days a week, including a minimum of five (5) hours of clinical service a week to prepare Client  
23 for outpatient treatment. A minimum of one clinical service must be provided daily for each Client.  
24 Residential Treatment program shall consist of the following:

25 1. Intake – The process of determining that a Client meets the medical necessity criteria and a  
26 Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or  
27 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of  
28 treatment needs to provide medically necessary services. Intake may include a physical examination and  
29 laboratory testing necessary for substance use disorder treatment.

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

- 33 a. Overview of Program structure and schedules
- 34 b. Program rules and regulations
- 35 c. Policies regarding Client fees
- 36 d. Client rights
- 37 e. Assignment of a counselor

- 1 f. Staff Code of Conduct
- 2 g. Continuing care services
- 3 3. Individual Counseling – Contacts between a Client and a therapist or counselor.
- 4 4. Group Counseling – Face-to-face counseling in which one or more therapists or counselors
- 5 treat two or more clients at the same time with a maximum of twelve (12) in the group, focusing on the
- 6 needs of the individuals served.
- 7 5. Family Therapy – Including a Client’s family members and loved ones in the treatment
- 8 process and providing education about factors that are important to the Client’s recovery as well as to
- 9 their own recovery.
- 10 6. Client Education – Provide research-based education on addiction, treatment, recovery and
- 11 associated health risks.
- 12 7. Medication Storage – Facilities will store all Client medication and facility staff members
- 13 will oversee Client’s self-administration of medication.
- 14 8. Collateral Services – Sessions with therapists or counselors and significant persons in the
- 15 life of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of
- 16 the Client’s treatment goals. Significant persons are individuals that have a personal, not official or
- 17 professional relationship with the client.
- 18 9. Crisis Intervention Services – Contact between a therapist or counselor and a Client in a
- 19 crisis. CONTRACTOR shall provide crisis intervention services when needed. Services shall focus on
- 20 alleviating crisis problems. “Crisis” means an actual relapse or an unforeseen event or circumstance
- 21 which presents to the Client an imminent threat of relapse. Crisis intervention services shall be limited
- 22 to the stabilization of the Client’s emergency situation.
- 23 10. Treatment Planning – CONTRACTOR shall prepare an individualized written treatment
- 24 plan, based upon information obtained in the intake and assessment process. The treatment plan will be
- 25 completed within ten (10) days of admission and then updated every subsequent ninety (90) days unless
- 26 there is a change in treatment modality or significant event that would then require a new treatment plan.
- 27 When completed by a counselor, treatment plans are to be reviewed and signed by a Medical Director or
- 28 LPHA. The treatment plan shall include:
- 29 a. A statement of problems identified through the ASAM (including but not limited to a
- 30 drug and/or alcohol problem, mental health, education, family, medical illness, legal issues);
- 31 b. Goals to be reached which address each problem;
- 32 c. Action steps which will be taken by the CONTRACTOR and/or Client to accomplish
- 33 identified goals;
- 34 d. Target dates for accomplishment of action steps and goals;
- 35 e. A description of services, including the type of counseling, to be provided and the
- 36 frequency thereof;
- 37 //

- 1 f. Treatment plans have specific quantifiable goal/treatment objectives related to the
- 2 Client’s substance use disorder diagnosis and multidimensional assessment;
- 3 g. The treatment plan will identify the proposed type(s) of interventions/modality that
- 4 includes a proposed frequency and duration;
- 5 h. The assignment of a primary therapist or counselor;
- 6 i. The Client’s diagnosis as documented by the Medical Director or LPHA;
- 7 j. If a Client has not had a physical examination within the 12-month period prior to the
- 8 Client’s admission to treatment date, a goal that the Client have a physical examination.
- 9 k. Human Trafficking - each Client’s chart shall contain the results of screening for
- 10 victims of human trafficking (TVPA 2000).
- 11 l. Structured Therapeutic Activities – Residential Treatment Services shall consist of a
- 12 minimum of twenty (20) hours of structured activity per week.
- 13 m. Evidence Based Practices (EBPs) – CONTRACTOR will implement at least two of the
- 14 following EBPs. The required EBP include:
- 15 1) Motivational Interviewing: A Client-centered, empathetic, but directive counseling
- 16 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
- 17 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
- 18 successes.
- 19 2) Cognitive-Behavioral Therapy: Based on the theory that most emotional and
- 20 behavioral reactions are learned and that new ways of reacting and behaving can be learned.
- 21 3) Relapse Prevention: A behavioral self-control program that teaches individuals
- 22 with substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention
- 23 can be used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
- 24 achieved during initial substance use treatment.
- 25 4) Trauma-Informed Treatment: Services must take into account an understanding of
- 26 trauma, and place priority on trauma survivors’ safety, choice and control.
- 27 5) Psycho-Education: Psycho-educational groups are designed to educate Clients
- 28 about substance abuse, and related behaviors and consequences. Psycho-educational groups provide
- 29 information designed to have a direct application to Clients’ lives; to instill self-awareness, suggest
- 30 options for growth and change, identify community resources that can assist Clients in recovery,
- 31 develop an understanding of the process of recovery, and prompt people using substances to take action
- 32 on their own behalf.
- 33 n. Case Management – Case Management services shall be provided by a LPHA or
- 34 registered/ certified counselor and will be provided based on the frequency documented in the
- 35 individualized treatment plan. Case management shall provide advocacy and care coordination to
- 36 physical health, mental health, transportation, housing, vocational, educational, and transition services
- 37 for reintegration into the community. CONTRACTOR shall provide Case Management services for the

1 Client during treatment, transition to other levels of care and follow-ups, to encourage the Client to  
2 engage and participate in an appropriate level of care or Recovery Services after discharge. Case  
3 Management becomes the responsibility of the next treating provider after successful transition to a  
4 different level of care. Contractor shall ensure that Case Management services focus on coordination of  
5 SUD care, integration around primary care especially for beneficiaries with a chronic SUD, and  
6 interaction with the criminal justice system, if needed. Case Management services may be provided  
7 face-to-face, by telephone, or by telehealth with the Client and may be provided anywhere in the  
8 community.

9 o. Physician Consultation – Physician Consultation Services include DMC physicians’  
10 consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician  
11 consultation services are designed to assist DMC physicians by allowing them to seek expert advice  
12 with regards to designing treatment plans for specific DMC-ODS beneficiaries.

13 p. Discharge Services – The process to prepare the Client for referral into another level of  
14 care, post treatment return or reentry into the community, and/or the linkage of the individual to  
15 essential community treatment, housing and human services. CONTRACTOR shall begin discharge  
16 planning immediately upon enrollment.

17 q. Discharge Plan – CONTRACTOR shall develop a formal discharge plan within thirty  
18 (30) calendar days prior to Client’s planned discharge from the program. A discharge plan is to be  
19 completed for each Client, except a Client with whom the provider loses contact. The discharge plan  
20 shall be completed and signed by the LPHA or counselor and the Client. A copy of the discharge plan  
21 shall be provided to the Client and retained in the Client’s record. The discharge plan shall include, but  
22 not be limited to, all of the following:

- 23 1) A description of each of the Client’s relapse triggers;
- 24 2) A plan to assist the Client to avoid relapse when confronted with each trigger;
- 25 3) A support plan;
- 26 4) Goals identified in the treatment plan; and
- 27 5) Referrals to appropriate resources.

28 r. Discharge Summary – CONTRACTOR shall develop written procedures regarding  
29 Client discharge. The discharge summary is to be completed by the LPHA or counselor within thirty  
30 (30) calendar days of the date of the last face-to-face treatment contact with the Client. The discharge  
31 summary shall include all of the following:

- 32 1) The duration of the Client’s treatment as determined by the dates of admission and  
33 discharge from treatment;
- 34 2) The reason for discharge, including whether the discharge was voluntary or  
35 involuntary and whether the client successfully completed the program;
- 36 3) A narrative summary of the treatment episode;
- 37 4) The Client’s prognosis;

- 1 5) Current alcohol and/or drug usage;
- 2 6) Vocational and educational achievements;
- 3 7) Legal status;
- 4 8) Linkages and referrals made;
- 5 9) Clients comments; and
- 6 10) A description of the Client’s goals and achievement towards those goals as
- 7 described in the Client’s treatment plan.

8 s. Recovery Services – Clients may access recovery services after completing their course  
 9 of treatment to prevent relapse. Recovery services may be provided face-to-face, by telephone, or by  
 10 telehealth with the Client and may be provided anywhere in the community. Recovery services shall be  
 11 made available to DMC-ODS beneficiaries when a Medical Director or LPHA has determined that  
 12 recovery services are medically necessary in accordance with their individualized treatment plan. The  
 13 components of Recovery Services are:

- 14 1) Outpatient counseling services in the form of individual or group counseling to
- 15 stabilize the Client and then reassess if the Client needs further care;
- 16 2) Recovery Monitoring: Recovery coaching, monitoring via telephone and internet;
- 17 3) Substance Abuse Assistance: Peer-to-peer services and relapse prevention;
- 18 4) Education and Job Skills: Linkages to life skills, employment services, job training,
- 19 and education services;
- 20 5) Family Support: Linkages to childcare, parent education, child development
- 21 support services, family/marriage education;
- 22 6) Support Groups: Linkages to self-help and support, spiritual and faith-based
- 23 support;
- 24 7) Ancillary Services: Linkages to housing assistance, transportation, case
- 25 management, individual services coordination.

26 t. Food and Other Services – CONTRACTOR shall provide a clean, safe environment,  
 27 toiletries, clean linen, food service, storage, and supervision of medication.

28 u. Support Services – CONTRACTOR shall provide housekeeping; laundry; maintenance  
 29 and arrangements for emergency and non-emergency medical services.

30 v. Supervision – CONTRACTOR shall provide adolescent Client supervision in  
 31 accordance with Community Care Licensing and CONTRACTOR’s policies and procedures.

32 w. Education Access – CONTRACTOR shall ensure that each adolescent Client has  
 33 access to educational services required by federal, state, and local Education Codes.

34 x. Health, Medical, Psychiatric, And Emergency Services – CONTRACTOR shall ensure  
 35 that all persons admitted for Residential recovery services have a health questionnaire completed using  
 36 form DHCS 5103, or may develop their own form provided it contains, at a minimum, the information  
 37 requested in the DHCS 5103 form.

1 1) The health questionnaire is a Client's self-assessment of his/her current health  
2 status and shall be completed by Client.

3 a) CONTRACTOR shall review and approve the health questionnaire form prior  
4 to Client's admission to the program. The completed health questionnaire shall be signed and dated by  
5 CONTRACTOR and Client.

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

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

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

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

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

15 4) The programs shall have written procedures for obtaining medical or psychiatric  
16 evaluation and emergency services.

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

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

23 a) Counseling with respect to TB;

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

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

29 7) CONTRACTOR shall have policies and procedures in place to screen for  
30 emergency medical conditions and immediately refer beneficiaries to emergency medical care.

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

37 //

1 CONTRACTOR is to arrange for transportation of client upon discharge. If necessary, CONTRACTOR  
2 will transport client back to their residence upon discharge.

3 J. ALCOHOL AND/OR DRUG SCREENING

4 1. CONTRACTOR shall have a written policy and procedure statement regarding drug  
5 screening that includes random drug and/or alcohol testing upon admission to the program and  
6 throughout the course of treatment. Additional frequency of alcohol and drug testing shall be  
7 determined individually for each youth based on clinical appropriateness and should allow for rapid  
8 response to the possibility of relapse. This policy shall be approved by ADMINISTRATOR. A Client  
9 shall not be denied admittance to treatment for a positive alcohol and/or drug screen at admission if they  
10 meet all other criteria for admission. CONTRACTOR shall:

11 a. Establish procedures that protect against the falsification and/or contamination of any  
12 body specimen sample collected for drug screening; and,

13 b. All urine specimen collection shall be observed by same sex staff.

14 c. Document results of the drug screening in the Client's record.

15 2. Drug and/or alcohol test results should be used to assist in diagnosis, confirm clinical  
16 impressions, help modify the treatment plan, and determine the extent of the Client's reduction in  
17 substance use. Clinical decisions should not be based solely on these results.

18 K. PERFORMANCE OUTCOMES

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

25 2. Performance Outcome Objectives:

26 a. Objective 1: CONTRACTOR shall provide effective residential substance abuse  
27 assessment, treatment, and counseling to adolescents with identified alcohol and/or drug problems as  
28 measured by successful transitions to appropriate level of care for clients.

29 1) DMC level of care for clients shall be calculated by providing an ASAM  
30 assessment within three (3) calendar days of enrollment and at a minimum of every thirty (30) days  
31 thereafter. CONTRACTOR will use the ASAM criteria and provide linkage to the appropriate level of  
32 care. Level of care information is to be input into the IRIS system within five (5) days of an ASAM  
33 assessment.

34 a) Daily Note Requirements – Per service notes for clinical services with a  
35 minimum of one clinical service note per day.

36 b. Objective 2: CONTRACTOR shall have the Client complete the outcome measures as  
37 determined by ADMINISTRATOR for all Clients at time of intake, and no later than fourteen (14) days

1 after admission. The measures as determined by ADMINISTRATOR shall be completed every thirty  
2 (30) days and at discharge for all Clients. CONTRACTOR shall enter the measures into IRIS and  
3 maintain the copies of the measures as determined by ADMINISTRATOR in Client files and/or in a  
4 readily accessible and confidential central filing area for reference.

5 1) CONTRACTOR shall adhere to all COUNTY transmission, reporting, scoring, and  
6 any other guidelines, as stipulated by ADMINISTRATOR, as they may now exist or as they may be  
7 revised and/or amended in the future, for the review, use, and analysis of the measures as determined by  
8 ADMINISTRATOR

9 c. Objective 3: CONTRACTOR shall ensure that surveys are completed timely and  
10 accurately by designated Clients. This would include, but is not limited to, ensuring surveys contain  
11 provider number, Client ID number, responses to all psychosocial questions, along with other important  
12 Client and CONTRACTOR information, and fields are filled and/or marked appropriately.

13 d. Objective 4: Ninety percent (90%) of Clients who complete satisfaction survey will  
14 agree or strongly agree that they are “overall satisfied with the services received” and ninety percent  
15 (90%) of Clients surveyed will agree or strongly agree that they would recommend the program to  
16 someone they know.

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

20 M. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.  
21 CONTRACTOR shall make its best effort to provide services pursuant to the Agreement in a manner  
22 that is culturally and linguistically appropriate for the population(s) served. CONTRACTORS must  
23 ensure that their policies, procedures, and practices are consistent with the principles outlined and are  
24 embedded in the organizational structure, as well as being upheld in day-to-day operations.  
25 CONTRACTOR shall maintain documentation of such efforts which may include; but not be limited to:  
26 records of participation in COUNTY-sponsored or other applicable training; recruitment and hiring  
27 policies and procedures; copies of literature in multiple languages and formats, as appropriate; and  
28 descriptions of measures taken to enhance accessibility for, and sensitivity to, individuals who are  
29 physically challenged.

30 N. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold  
31 languages as determined by COUNTY. Language Translation services must be available for  
32 beneficiaries and their involved family members, as needed. Whenever possible, bilingual/bicultural  
33 staff should be retained. Any clinical vacancies occurring at a time when bilingual and bicultural  
34 composition of the clinical staffing does not meet the above requirement must be filled with bilingual  
35 and bicultural staff unless ADMINISTRATOR consents, in advance and in writing, to the filling of  
36 those positions with non-bilingual staff. Salary savings resulting from such vacant positions may not be  
37 //

1 used to cover costs other than salaries and employees benefits unless otherwise authorized, in advance  
2 and in writing, by ADMINISTRATOR.

3 O. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 4 1. State Licensure and Certification
- 5 2. Business License
- 6 3. Conditional Use Permit (if applicable)
- 7 4. Fire clearance
- 8 5. Client rights
- 9 6. Grievance procedure
- 10 7. Employee Code of Conduct
- 11 8. Evacuation floor plan
- 12 9. Equal Employment Opportunity notices
- 13 10. Name, address, telephone number for fire department, crisis program, local law  
14 enforcement, and ambulance service.
- 15 11. List of resources within Orange County which shall include medical, dental, mental health,  
16 public health, social services and where to apply for determination of eligibility for Federal, State, or  
17 County entitlement programs.
- 18 12. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

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

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

27 R. NON-SMOKING POLICY - CONTRACTOR shall establish a written non-smoking policy,  
28 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy  
29 shall specify that the facility is “smoke free” and Clients are prohibited from smoking at all times. The  
30 policy shall also specify that vaping is prohibited at all times.

31 S. VISITATION POLICY - CONTRACTOR shall establish a written visitation policy, which  
32 shall be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the  
33 following:

- 34 1. Sign in logs;
- 35 2. Visitation hours; and
- 36 3. Designated visiting areas at the facility.

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

8 U. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy, which  
9 shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited to  
10 the securing, handling, and administration of medication(s) prescribed to the Client. The policy shall  
11 address Medications that are prescribed for substance and mental health disorders and medications  
12 disallowed by CONTRACTOR. Clients shall be allowed to have Medications during their stay with the  
13 program, and/or to have the ability to get refill(s).

14 V. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of  
15 Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

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

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

22 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
23 conditions:

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

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

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

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

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37 //

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

4 X. CONTRACTOR shall ensure that all staff responsible for input into IRIS are to complete IRIS  
5 New User Training.

6 Y. CONTRACTOR shall conduct Supervisory Review at admission, thirty (30) calendar day  
7 intervals, and discharge in accordance with procedures developed by ADMINISTRATOR.  
8 CONTRACTOR shall ensure that all chart documentation complies with all federal, state, and local  
9 guidelines and standards.

10 Z. CONTRACTOR shall provide effective Administrative management of the budget, staffing,  
11 recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities  
12 are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the  
13 qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but  
14 are not limited, to the following:

- 15 1. Designate the responsible position(s) in your organization for managing the funds allocated  
16 to the program;
- 17 2. Maximize the use of the allocated funds;
- 18 3. Ensure timely and accurate reporting of monthly expenditures;
- 19 4. Maintain appropriate staffing levels;
- 20 5. Request budget and/or staffing modifications to the Agreement;
- 21 6. Effectively communicate and monitor the program for its success;
- 22 7. Track and report expenditures electronically;
- 23 8. Maintain electronic and telephone communication between CONTRACTOR and  
24 ADMINISTRATOR; and
- 25 9. Act quickly to identify and solve problems.

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

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

34 AC. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR’S  
35 Implementation Plan as approved by DHCS.

36 AD. CONTRACTOR’s administrative staff holiday schedule shall be consistent with COUNTY’S  
37 holiday schedule unless otherwise approved, in advance and in writing, by ADMINISTRATOR.

1 AE. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of  
2 any significant program changes.

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

5  
6 **VI. STAFFING**

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

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

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

15 D. Professional staff shall be licensed, registered, certified or recognized under California scope of  
16 practice statutes. Professional staff shall provide services within their individual scope of practice and  
17 receive supervision required under their scope of practice laws.

18 E. Non-professional staff shall receive appropriate onsite orientation and training prior to  
19 performing assigned duties. Non-professional staff shall be supervised by professional and/or  
20 administrative staff.

21 F. Professional and Non-professional staff are required to have appropriate experience and any  
22 necessary training at the time of hiring.

23 G. LPHAs shall receive a minimum of five (5) hours of continuing education related to addiction  
24 medicine each year.

25 H. Registered and certified SUD counselors shall adhere to all requirements in CCR, Title 9,  
26 Division 4, Chapter 8.

27 I. Pursuant to the CCR, Title 9, Division 4, Chapter 8, Subchapter 2, at least thirty percent (30%)  
28 of CONTRACTOR staff providing counseling services shall be licensed or certified. All other  
29 counseling staff shall be registered.

30 J. CONTRACTOR must have a Substance Use Medical Director who, prior to the delivery of  
31 services under this AGREEMENT with COUNTY has enrolled with DHCS under applicable state  
32 regulations, has been screened in accordance with 42 CFR 455.450(a) as a "limited" categorical risk  
33 within a year prior to serving as a Medical Director under this AGREEMENT.

34 1. The Medical Director's responsibilities shall, at a minimum include all of the following:

35 a. Ensure that medical care provided by physicians, registered nurse practitioners, and  
36 physician assistants meets the applicable standard of care;

37 b. Ensure that physicians do not delegate their duties to non-physician personnel;

- 1 c. Develop and implement medical policies and standards for the provider;
- 2 d. Ensure that physicians, registered nurse practitioners, and physician assistants follow
- 3 the provider's medical policies and standards;
- 4 e. Ensure that the medical decisions made by physicians are not influenced by fiscal
- 5 considerations;
- 6 f. Ensure that provider's physicians and LPHAs are adequately trained to perform
- 7 diagnosis of substance use disorders for beneficiaries, determine the medical necessity of treatment for
- 8 beneficiaries;
- 9 g. Ensure that provider's physicians are adequately trained to perform other physician
- 10 duties, as outlined in this section.
- 11 h. Ensuring the physical examination requirements are met for Clients as follows: if a
- 12 Client had a physical examination within the twelve month period prior to the Client's admission to
- 13 treatment date, the physician or registered nurse practitioner or physician's assistant (physician
- 14 extenders) shall review documentation of the Client's most recent physical examination within 30
- 15 calendar days of the Client's admission to treatment date. As an alternative, the physician or physician
- 16 extender may perform a physical examination of the Client within 30 calendar days of the Client's
- 17 admission to treatment date. Written roles and responsibilities and a code of conduct for the medical
- 18 director shall be clearly documented, signed and dated by a provider representative and the physician by
- 19 way of a subcontractor agreement.
- 20 2. The substance use disorder medical director may delegate his/her responsibilities to a
- 21 physician consistent with the provider's medical policies and standards; however, the substance use
- 22 disorder medical director shall remain responsible for ensuring all delegated duties are properly
- 23 performed.
- 24 3. Written roles and responsibilities and a code of conduct for the Medical Director shall be
- 25 clearly documented, signed and dated by a provider representative and the physician.
- 26 K. CONTRACTOR's certification to participate in the DMC program shall automatically
- 27 terminate in the event that the CONTRACTOR or its owners, officers or directors are convicted of Medi-
- 28 Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty
- 29 or nolo contendere.
- 30 L. VOLUNTEERS/STUDENT INTERNS
- 31 1. CONTRACTOR may augment the above paid staff with volunteers or student interns upon
- 32 written approval of ADMINISTRATOR.
- 33 a. Unless waived by ADMINISTRATOR, prior to providing services pursuant to this
- 34 Agreement, interns shall be Master's Candidates in Counseling or Social Work or have a Bachelor's
- 35 Degree in a related field or be participating in any state recognized counselor certification program.
- 36 b. CONTRACTOR shall meet minimum requirements for supervision of each Student
- 37 Intern as required by the State Licensing Board and/or school program descriptions or work contracts.

1 c. Student Intern services shall not comprise more than twenty percent (20%) of total  
2 services provided.

3 2. CONTRACTOR shall provide a minimum of one (1) hour of supervision for each ten (10)  
4 hours of treatment for Student Interns providing substance abuse services. CONTRACTOR shall  
5 provide supervision to volunteers as specified in the respective job descriptions or work contracts.

6 3. If utilizing the services of volunteers or student interns, CONTRACTOR shall implement  
7 procedures with address the following: recruitment; screening; selection; training and orientation; duties  
8 and assignments; scope of practice; supervision; evaluation; and Client confidentiality.

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

15 N. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, albeit paid  
16 or unpaid, direct line staff or supervisors/directors, to enhance service quality and program  
17 effectiveness. Supervision methods should include debriefings and consultation as needed, individual  
18 supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor  
19 who has extensive knowledge regarding substance use disorders.

20 O. STAFF CONDUCT – CONTRACTOR shall establish a written Policies and Procedures for  
21 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be  
22 limited to: standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of  
23 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; providing  
24 services beyond scope; unlawful discrimination; verbal, physical, or sexual harassment or abuse; Client  
25 confidentiality; elements found in the code of conduct(s) for the certifying organization(s) the programs  
26 counselors are certified under; cooperation with compliance investigations; and real or perceived  
27 conflict of interest. Situations that may be perceived as a conflict of interest shall be brought to the  
28 ADMINISTRATOR’s attention prior to the occurrence. Prior to providing any services pursuant to this  
29 Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards set  
30 forth in the said Policies and Procedures. A copy of the said Code of Conduct shall be posted in writing  
31 in a prominent place in the treatment facility and updated annually by the Board of Directors.

32 P. STAFF/VOLUNTEER/INTERN SCREENING

33 1. CONTRACTOR shall obtain a criminal record review, in accordance with Health and  
34 Safety Code Section 1522, for all staff specified in the Staffing Paragraph of this Exhibit A to the  
35 Agreement and interns or volunteers who replace or supplement such staff in providing direct care and  
36 supervision of the adolescent Clients. CONTRACTOR shall obtain a criminal record clearance for staff  
37 who are responsible for the provision of services to the Clients prior to such staff becoming involved

1 with the Clients. CONTRACTOR shall provide copies of the criminal record reviews to  
2 ADMINISTRATOR within ten (10) business days of receiving such reviews.

3 2. CONTRACTOR shall provide pre-employment screening of any staff person providing  
4 adolescent services pursuant to the Agreement. All new staff, volunteers, and interns shall pass a one-  
5 time “live scan” finger printing background check prior to employment. All staff shall be subject to  
6 sanction screening as referenced in the Compliance paragraph on a bi-annual basis. All staff shall also  
7 be screened by Megan’s Law, OC Courts and OC Sheriff’s Department on an annual basis. The results  
8 of the finger printing will be sent directly from the Department of Justice to CONTRACTOR. Results  
9 must remain in staff file.

10 3. All staff/volunteers/interns, prior to hiring, shall meet the following requirements:

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

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

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

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

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

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

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

27 Q. STAFF TRAINING – CONTRACTOR shall develop a written plan for staff training. All staff  
28 training shall be documented and maintained as part of the training plan. The staff training plan shall be  
29 reviewed and approved by the ADMINISTRATOR within the first month of each fiscal year.

30 1. All program staff having direct contact with Client shall, within the first ninety (90) days of  
31 employment, be trained in infectious disease recognition, crisis intervention and to recognize physical  
32 and psychiatric symptoms that require appropriate referrals to other agencies.

33 2. All personnel shall be trained or shall have experience which provides knowledge of the  
34 skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and  
35 effective job performance:

36 a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of  
37 recovery;

- 1 b. Housekeeping and sanitation principles;
- 2 c. Principles of communicable disease prevention and control;
- 3 d. Recognition of early signs of illness and the need for professional assistance;
- 4 e. Availability of community services and resources;
- 5 f. Recognition of individuals under the influence of alcohol and/or drugs;
- 6 g. Principles of nutrition, food preparation and storage, and menu planning;
- 7 3. CONTRACTOR shall ensure that within thirty (30) days of hire and on an annual basis, all
- 8 program staff including administrator, volunteers and interns having direct contact with Clients shall
- 9 have:
  - 10 a. Annual County Compliance Training;
  - 11 b. A minimum of one (1) hour training in cultural competence.
- 12 4. In addition to the above, CONTRACTOR shall ensure that all treatment staff complete:
  - 13 a. Training in the ASAM criteria prior to providing services;
  - 14 b. New Provider Training/Annual Provider Training;
  - 15 c. DMC documentation training on an annual basis;
  - 16 d. Training in the two minimum evidence based practices utilized at the program, one of
  - 17 which shall be Motivational Interviewing; and
  - 18 e. CPR Training.
- 19 5. CONTRACTOR shall ensure that all staff, albeit paid or unpaid, complete necessary
- 20 training prior to discharging duties associated with their titles and any other training necessary to assist
- 21 the CONTRACTOR and COUNTY to be in compliance with prevailing standards of practice as well as
- 22 State and Federal regulatory requirements.
- 23 R. CONTRACTOR shall maintain a current signature list including each supervisor and provider
- 24 of direct services who signs chart documentation. The list shall include the printed/type staff name and
- 25 title, followed by the legal signature with title as it appears on all chart documents. For licensed or
- 26 registered clinical staff, the name must match the name on the license or registration.
- 27 S. CONTRACTOR shall establish clear policy and procedures pertaining to staff's work location
- 28 options (i.e. office vs. field/home) and equipment usage (e.g., cell phones, texting devices, and
- 29 computers). The policy and procedures shall address at the minimum the following:
  - 30 1. Eligibility and selection criteria;
  - 31 2. Staff's field/home on-duty conduct and responsibilities;
  - 32 3. Supervision plan of staff and equipment including emergency procedure; and
  - 33 4. Confidentiality and records keeping.
- 34 T. PERSONNEL FILES – CONTRACTOR shall maintain personnel files for each staff persons,
- 35 including management and other administrative positions, and volunteers/interns, both direct and
- 36 indirect to the Agreement, which shall include, but not be limited to: application for employment and/or
- 37 resume; signed employment confirmation statement/duty statement; job description; salary schedule and

1 salary adjustment information; performance evaluations; health records/status as required by the  
2 provider, AOD Certification or Title 9; other personnel actions (e.g. commendations, discipline, status  
3 change, employment incidents and/or injuries); training documentation relative to substance use  
4 disorders and treatment; current registration, certification, intern status, or licensure; proof of continuing  
5 education required by licensing or certifying agency and program; and CONTRACTOR's Code of  
6 Conduct and for registered, certified, and licensed staff, a copy of the certifying/licensing body's code of  
7 conduct as well. All personnel files shall be complete and made readily accessible to  
8 ADMINISTRATOR for purposes of audits and investigations or any other reason deemed necessary by  
9 ADMINISTRATOR.

10 U. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of  
11 any staffing vacancies, staffing changes that are reported to the State, including but not limited to: name  
12 changes or staff becoming licensed that occur during the term of the Agreement. CONTRACTOR's  
13 notification shall include at a minimum the following information: employee name(s), position title(s),  
14 date(s) of resignation or licensing, date(s) of hire, and a description of recruitment activity.

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

18 W. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
19 Staffing Paragraph of this Exhibit A to the Agreement.

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1 EXHIBIT B  
2 TO AGREEMENT FOR PROVISION OF  
3 DRUG MEDI-CAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 PHOENIX HOUSE OF LOS ANGELES, INC.  
8 JULY 1, 2019 THROUGH JUNE 30, 2020  
9

10 **I. BUSINESS ASSOCIATE CONTRACT**

11 A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

33 6. The parties understand that the HIPAA Privacy and Security rules, as defined below in  
34 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the  
35 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the  
36 terms of this Business Associate Contract, as it exists now or be hereafter updated with notice to  
37 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, with respect to PHI and  
2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement.

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

37 //

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

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

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

9 D. SECURITY RULE

10 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish  
11 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with  
12 45 CFR § 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,

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.

37 //

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

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

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

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

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

22 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

13 1) The Disclosure is required by law; or

14 2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI  
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  
37 42 USC § 17935(d)(2).

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

35 //

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37 //

1 EXHIBIT C  
2 TO AGREEMENT FOR PROVISION OF  
3 DRUG MEDI-CAL ADOLESCENT RESIDENTIAL RECOVERY SERVICES  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 PHOENIX HOUSE OF LOS ANGELES, INC.  
8 JULY 1, 2019 THROUGH JUNE 30, 2020  
9

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

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

13 A. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

6 B. TERMS OF AGREEMENT

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

11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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