

1 AGREEMENT FOR PROVISION OF
2 MENTAL HEALTH INPATIENT SERVICES
3 BETWEEN
4 COUNTY OF ORANGE
5 AND
6 ROYALE HEALTH CARE CENTER, INC.
7 JULY 1, 2017 THROUGH JUNE 30, 2022
8

9 THIS AGREEMENT entered into this 1st day of July 2017 (effective date), is by and between the
10 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and
11 ROYALE HEALTH CARE CENTER, INC., a California for profit corporation, (CONTRACTOR).
12 COUNTY and CONTRACTOR may sometimes be referred to herein individually as "Party" or
13 collectively as "Parties." This Agreement shall be administered by the County of Orange Health Care
14 Agency (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 Mental Health
19 Rehabilitation Center (MHRC) Services, Mental Health Skilled Nursing (SNF), and Special Treatment
20 Program (STP) described herein to the residents of Orange County; and

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

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

25 //
26 //
27 //
28 //
29 //
30 //
31 //
32 //
33 //
34 //
35 //
36 //
37 //

CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
Title Page.....	1
Contents.....	2
Referenced Contract Provisions	4
I. Acronyms	5
II. Alteration of Terms	7
III. Assignment of Debts.....	8
IV. Compliance	8
V. Confidentiality.....	12
VI. Cost Report.....	12
VII. Delegation, Assignment and Subcontracts.....	14
VIII. Employee Eligibility Verification	16
IX. Equipment	16
X. Facilities, Payments and Services.....	17
XI. Indemnification and Insurance	17
XII. Inspections and Audits.....	22
XIII. Licenses and Laws	23
XIV. Literature and Advertisements.....	25
XV. Maximum Obligation.....	25
XVI. Minimum Wage Laws	25
XVII. Nondiscrimination.....	26
XVIII. Notices.....	28
XIX. Notification of Death	29
XX. Notification of Public Events and Meetings	29
XXI. Records Management and Maintenance	30
XXII. Research and Publication.....	31
XXIII. Revenue	31
XXIV. Severability.....	32
XXV. Special Provisions	32
XXVI. Status of Contractor	33
XXVII. Term	33
XXVIII. Termination	34
XXIX. Third Party Beneficiary	35
XXX. Waiver of Default or Breach.....	36
Signature Page.....	37

CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

<u>EXHIBIT A</u>	<u>PAGE</u>
I. Common Terms and Definitions	1
II. Budget	3
III. Issue Resolution	3
IV. Patient Rights	4
V. Payments	5
VI. Quality Improvement	8
VII. Records	9
VIII. Reports	9
IX. Responsibilities	10
X. Services	12
XI. Staffing	15

<u>EXHIBIT B</u>	<u>PAGE</u>
I. Common Terms and Definitions	1
II. Budget	3
III. Issue Resolution	4
IV. Patient Rights	4
V. Payments	5
VI. Quality Improvement	8
VII. Records	8
VIII. Reports	9
IX. Responsibilities	10
X. Services	12
XI. Staffing	17

<u>EXHIBIT C</u>	<u>PAGE</u>
I. Business Associate Contract	1

<u>EXHIBIT D</u>	<u>PAGE</u>
I. Personal Information Privacy and Security Contract	1

//
//
//
//

REFERENCED CONTRACT PROVISIONS

1
2
3 Term: July 1, 2017 through June 30, 2022
4 Period One means the period from July 1, 2017 through June 30, 2018
5 Period Two means the period from July 1, 2018 through June 30, 2019
6 Period Three means the period from July 1, 2019 through June 30, 2020
7 Period Four means the period from July 1, 2020 through June 30, 2021
8 Period Five means the period from July 1, 2021 through June 30, 2022

9 **Maximum Obligation:**

10	Period One Maximum Obligation:	\$ 13,692,481
11	Period Two Maximum Obligation:	13,692,481
12	Period Three Maximum Obligation:	13,692,481
13	Period Four Maximum Obligation:	13,692,481
14	Period Five Maximum Obligation:	<u>13,692,481</u>
15	TOTAL MAXIMUM OBLIGATION:	\$ 68,462,405

16
17 **Basis for Reimbursement:** Negotiated Amount

18 **Payment Method:** Monthly in Advance

19
20 **CONTRACTOR DUNS Number:** 07-953-4772

21
22 **CONTRACTOR TAX ID Number:** 33-0604791

23
24 **Notices to COUNTY and CONTRACTOR:**

25
26 **COUNTY:** County of Orange
27 Health Care Agency
28 Contract Services
29 405 West 5th Street, Suite 600
30 Santa Ana, CA 92701-4637

31
32 **CONTRACTOR:** Attn: Mitchell A. Kantor
33 Royale Health Care Center, Inc.
34 1030 West Warner Avenue
35 Santa Ana, CA 92707
36 MitchKantor@aol.com

37 //

I. ACRONYMS

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

1		
2		
3		
4	A. AA	Alcoholics Anonymous
5	B. ABC	Allied Behavioral Care
6	C. ADL	Activities of Daily Living
7	D. AIS	Additional Income Sources
8	E. AMA	Against Medical Advice
9	F. AMHS	Adult Mental Health Services
10	G. ARRA	American Recovery and Reinvestment Act of 2009
11	H. ASO	Administrative Service Organization
12	I. ASRS	Alcohol and Drug Programs Reporting System
13	J. AWOL	Absent Without Leave
14	K. BBS	Board of Behavioral Sciences
15	L. BHS	Behavioral Health Services
16	M. CAT	Centralized Assessment Team
17	N. CCC	California Civil Code
18	O. CCR	California Code of Regulations
19	P. CFR	Code of Federal Regulations
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. CSW	Clinical Social Worker
23	T. CYS	Child Youth Services
24	U. D/MC	Drug/Medi-Cal
25	V. DCR	Data Collection and Reporting
26	W. DD	Dual Disorders
27	X. DHCS	California Department of Health Care Services
28	Y. DPFS	Drug Program Fiscal Systems
29	Z. DRS	Designated Record Set
30	AA. DSH	Direct Service Hours
31	AB. DSM-V	Diagnostic and Statistical Manual of Mental Disorders, 5th Edition
32	AC. EBP	Evidence-Based Practice
33	AD. EHR	Electronic Health Record
34	AE. ETS	Evaluation and Treatment Services
35	AF. FAX	Facsimile Machine
36	AG. FSP	Full Service Partnership
37	AH. FTE	Full Time Equivalent

1	AI. GAAP	Generally Accepted Accounting Principles
2	AJ. HCA	County of Orange Health Care Agency
3	AK. HHS	Federal Health and Human Services Agency
4	AL. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
5		Law 104-191
6	AM. HITECH Act	Health Information Technology for Economic and Clinical Health
7		Act, Public Law 111-005
8	AN. HSC	California Health and Safety Code
9	AO. IRIS	Integrated Records and Information System
10	AP. KET	Key Events Tracking
11	AQ. LPS	Lanterman/Petris/Short (Act)
12	AR. LPT	Licensed Psychiatric Technician
13	AS. LTC	Long Term Care
14	AT. MFT	Marriage and Family Therapist
15	AU. MHP	Mental Health Plan
16	AV. MHRC	Mental Health Rehabilitation Center
17	AW. MHS	Mental Health Specialist
18	AX. MHSA	Mental Health Services Act
19	AY. MIHS	Medical and Institutional Health Services
20	AZ. MIO	Mentally Ill Offender
21	BA. MIOP	Mentally Ill Offender Pedophile
22	BB. MORS	Milestones of Recovery Scale
23	BC. MTP	Master Treatment Plan
24	BD. NA	Narcotics Anonymous
25	BE. NOA	Notice of Action
26	BF. NP	Nurse Practitioner
27	BG. NPI	National Provider Identifier
28	BH. NPP	Notice of Privacy Practices
29	BI. OCJS	Orange County Jail System
30	BJ. OCPD	Orange County Probation Department
31	BK. OCR	Office for Civil Rights
32	BL. OCSD	Orange County Sheriff's Department
33	BM. OIG	Federal Office of Inspector General
34	BN. OMB	Federal Office of Management and Budget
35	BO. OPM	Federal Office of Personnel Management
36	BP. P&P	Policies and Procedures
37	BQ. PA DSS	Payment Application Data Security Standard

1	BR. PAF	Partnership Assessment Form
2	BS. PBM	Pharmaceutical Benefits Management
3	BT. PC	California Penal Code
4	BU. PCI DSS	Payment Card Industry Data Security Standard
5	BV. PEI	Prevention and Early Intervention
6	BW. PHI	Protected Health Information
7	BX. PII	Personally Identifiable Information
8	BY. PRA	California Public Record Act
9	BZ. PSC	Professional Services Coordinator
10	CA. QIC	Quality Improvement Committee
11	CB. RN	Registered Nurse
12	CC. SNC	Skilled Nursing Care
13	CD. SNF	Skilled Nursing Facility
14	CE. STEPS	Striving Towards Enhanced Partnerships
15	CF. STP	Special Treatment Program
16	CG. SRAS	Suicide Risk Assessment Standards
17	CH. SSA	County of Orange Social Services Agency
18	CI. SSD	Social Services Department
19	CJ. SSI	Supplemental Security Income
20	CK. TAR	Treatment Authorization Request
21	CL. TAY	Transitional Age Youth
22	CM. UMDAP	Uniform Method of Determining Ability to Pay
23	CN. USC	United States Code
24	CO. W&IC	California Welfare and Institutions Code
25	CP. WRAP	Wellness Recovery Action Plan
26	CQ. XML	Extensible Markup Language

II. ALTERATION OF TERMS

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

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

//
//

III. ASSIGNMENT OF DEBTS

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

IV. COMPLIANCE

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

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

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

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

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

4. If CONTRACTOR elects to have its own Compliance Program, Code of Conduct and any Compliance related policies and procedures review by ADMINISTRATOR, then CONTRACTOR shall

1 submit a copy of its compliance Program, code of Conduct and all relevant policies and procedures to
2 ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement.
3 ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a
4 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if
5 CONTRACTOR's proposed compliance program and code of conduct contain all required elements to
6 the ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of
7 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and
8 CONTRACTOR shall revise its compliance program and code of conduct to meet
9 ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's
10 Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

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

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

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

35 2. An Ineligible Person shall be any individual or entity who:
36 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
37 federal and state health care programs; or

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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 online completion of training while CONTRACTOR shall
18 provide copies of the certifications upon request.

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

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

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

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

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

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

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

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

9
10 **V. CONFIDENTIALITY**

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

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

19 2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written
20 consents for the release of information from all persons served by CONTRACTOR pursuant to this
21 Agreement. Such consents shall be obtained by CONTRACTOR in accordance with CCC, Division 1,
22 Part 2.6, relating to confidentiality of medical information.

23 3. In the event of a collaborative service agreement between Mental Health services providers,
24 CONTRACTOR acknowledges and agrees that it is responsible for obtaining releases of information,
25 from the collaborative agency, for clients receiving services through the collaborative agreement.

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

33
34 **VI. COST REPORT**

35 A. CONTRACTOR shall submit separate Cost Reports for Period One, Period Two, Period Three,
36 Period Four, and Period Five, or for a portion thereof, to COUNTY no later than sixty (60) calendar
37 days following the period for which they are prepared or termination of this Agreement.

1 CONTRACTOR shall prepare the Cost Report in accordance with all applicable federal, state and
2 COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement.
3 CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services,
4 and funding sources in accordance with such requirements and consistent with prudent business
5 practice, which costs and allocations shall be supported by source documentation maintained by
6 CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice.

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

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

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

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

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

26 B. The individual and/or consolidated Cost Report prepared for each period shall be the final
27 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
28 for final settlement to CONTRACTOR for that period.

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 **VII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

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

37 //

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

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

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

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

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

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

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

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

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

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

4
5 **VIII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

15
16 **IX. EQUIPMENT**

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

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

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

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

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

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

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

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

19
20 **X. FACILITIES, PAYMENTS AND SERVICES**

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

26 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
27 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Total Maximum
28 Obligation for the appropriate Period as well as the Total Maximum Obligation. The reduction to the
29 Maximum Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an
30 amount proportionate to the number of days in which CONTRACTOR was determined to be unable to
31 provide services, staffing, facilities or supplies.

32
33 **XI. INDEMNIFICATION AND INSURANCE**

34 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
35 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
36 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
37 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,

1 including but not limited to personal injury or property damage, arising from or related to the services,
2 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is
3 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
4 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
5 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall
6 request a jury apportionment.

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

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

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

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

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

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

1 E. If CONTRACTOR fails to maintain insurance as required in this Paragraph XI
 2 (INDEMNIFICATION AND INSURANCE) for the full term of this Agreement, such failure shall
 3 constitute a breach of CONTRACTOR’s obligation hereunder and ground for COUNTY to terminate
 4 this Agreement.

5 F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims made
Professional Liability Insurance	\$5,000,000 per claims made \$5,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

35 H. REQUIRED COVERAGE FORMS

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

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

3 I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

13 R. SUBMISSION OF INSURANCE DOCUMENTS

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

- 15 a. Prior to the start date of this Agreement.
- 16 b. No later than the expiration date for each policy.
- 17 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
18 changes to any of the insurance types as set forth in Subparagraph G, above.

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

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

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

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

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

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

37 //

XII. INSPECTIONS AND AUDITS

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

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

C. AUDIT RESPONSE

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

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

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

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

//
//

XIII. 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.

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. Title 22, CCR, §51009, Confidentiality of Records.
3. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
4. D/MC Certification Standards for Substance Abuse Clinics, July 2004.

- 1 5. D/MC Billing Manual (March 23, 2010).
- 2 6. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 3 7. State of California-Health and Human Services Agency, Department of Health Care
- 4 Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October
- 5 2013 Orange County Medi-Cal Mental Health Managed Care Plan.
- 6 8. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case
- 7 Management.
- 8 9. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted
- 9 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter
- 10 No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
- 11 10. WIC, Division 5, Community Mental Health Services.
- 12 11. WIC, Division 6, Admissions and Judicial Commitments.
- 13 12. WIC, Division 7, Mental Institutions.
- 14 13. HSC, §§1250 et seq., Health Facilities.
- 15 14. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
- 16 15. CCR, Title 9, Rehabilitative and Developmental Services.
- 17 16. CCR, Title 17, Public Health.
- 18 17. CCR, Title 22, Social Security.
- 19 18. CFR, Title 42, Public Health.
- 20 19. CFR, Title 45, Public Welfare.
- 21 20. USC Title 42. Public Health and Welfare.
- 22 21. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 23 22. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 24 23. 42 USC §1857, et seq., Clean Air Act.
- 25 24. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 26 25. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 27 26. Policies and procedures set forth in Mental Health Services Act.
- 28 27. Policies and procedures set forth in DHCS Letters.
- 29 28. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 30 29. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
- 31 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
- 32 Federal Awards.

33 D. CONTRACTOR shall at all times be capable and authorized by the State of California to
 34 provide treatment and bill for services provided to Medi-Cal eligible clients while working under the
 35 terms of this Agreement.

36 //
 37 //

1 CONTRACTOR also pay their employees no less than the greater of the federal or California Minimum
2 Wage.

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

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

10
11 **XVII. NONDISCRIMINATION**

12 A. EMPLOYMENT

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

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

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

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

33 5. All solicitations or advertisements for employees placed by or on behalf of
34 CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration
35 for employment without regard to race, religious creed, color, national origin, ancestry, physical
36 disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender

37 //

1 identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements
2 shall be deemed fulfilled by use of the term EOE.

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

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

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

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

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

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

3 b. Throughout the problem resolution and grievance process, client rights shall be
4 maintained, including access to the Patients' Rights Office at any point in the process. Clients shall be
5 informed of their right to access the Patients' Rights Office at any time.

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

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

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

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

24
25 **XVIII. NOTICES**

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

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

31 2. When faxed, transmission confirmed;

32 3. When sent by Email; or

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

35 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
36 this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,

37 //

1 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
2 Parcel Service, or any other expedited delivery service.

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

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

9
10 **XIX. NOTIFICATION OF DEATH**

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

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

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

21 2. WRITTEN NOTIFICATION

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

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

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

33
34 **XX. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

5
6 **XXI. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

15
16 **XXII. RESEARCH AND PUBLICATION**

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

20
21 **XXIII. REVENUE**

22 A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to
23 clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other
24 third party health plans, are provided pursuant to this Agreement, their estates and responsible relatives,
25 according to their ability to pay as determined by the State Department of Health Care Services’
26 “Uniform Method of Determining Ability to Pay” (UMDAP) procedure or by any other payment
27 procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title
28 9 of the California Code of Regulations. Such fee shall not exceed the actual cost of services provided.
29 No client shall be denied services because of an inability to pay.

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

34 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately
35 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically
36 provide for the identification of delinquent accounts and methods for pursuing such accounts.
37 CONTRACTOR shall provide ADMINISTRATOR, monthly, a written report specifying the current

1 status of fees which are billed, collected, transferred to a collection agency, or deemed by
2 CONTRACTOR to be uncollectible.

3 D. OTHER REVENUES – CONTRACTOR shall charge for services, supplies, or facility use by
4 persons other than individuals or groups eligible for services pursuant to this Agreement.
5

6 **XXIV. SEVERABILITY**

7 If a court of competent jurisdiction declares any provision of this Agreement or application thereof
8 to any person or circumstances to be invalid or if any provision of this Agreement contravenes any
9 federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or
10 the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain
11 in full force and effect, and to that extent the provisions of this Agreement are severable.
12

13 **XXV. SPECIAL PROVISIONS**

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

- 16 1. Making cash payments to intended recipients of services through this Agreement.
- 17 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
18 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on
19 use of appropriated funds to influence certain federal contracting and financial transactions).
- 20 3. Fundraising.
- 21 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
22 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 23 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing
24 body for expenses or services.
- 25 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
26 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
27 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 28 7. Paying an individual salary or compensation for services at a rate in excess of the current
29 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
30 Schedule may be found at www.opm.gov.
- 31 8. Severance pay for separating employees.
- 32 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
33 codes and obtaining all necessary building permits for any associated construction.
- 34 10. Supplanting current funding for existing services.

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

- 37 1. Funding travel or training (excluding mileage or parking).

1 2. Making phone calls outside of the local area unless documented to be directly for the
2 purpose of client care.

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

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

6 5. Purchasing or improving land, including constructing or permanently improving any
7 building or facility, except for tenant improvements.

8 6. Providing inpatient hospital services or purchasing major medical equipment.

9 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
10 funds (matching).

11
12 **XXVI. STATUS OF CONTRACTOR**

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

24
25 **XXVII. TERM**

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

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

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

XXVIII. TERMINATION

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

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

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

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

D. CONTINGENT FUNDING

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

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

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

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

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

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

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

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

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

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

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

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

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

30
31 **XXIX. THIRD PARTY BENEFICIARY**

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

35 //

36 //

37 //

XXX. WAIVER OF DEFAULT OR BREACH

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

1 //
2 //
3 //
4 //
5 //
6 //
7 //
8 //
9 //
10 //
11 //
12 //
13 //
14 //
15 //
16 //
17 //
18 //
19 //
20 //
21 //
22 //
23 //
24 //
25 //
26 //
27 //
28 //
29 //
30 //
31 //
32 //
33 //
34 //
35 //
36 //
37 //

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

3
4 ROYALE HEALTH CARE CENTER, INC.

5
6 DocuSigned by:
7 BY: Mitch Kantor 981C4797E3164DE... DATED: 4/20/2017

8
9 TITLE: President

10
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: Eric Divine C4E3886C1E6D4FD... DATED: 4/20/2017
30 DEPUTY

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 AGREEMENT FOR PROVISION OF
3 MENTAL HEALTH INPATIENT SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7 ROYALE HEALTH CARE CENTER, INC.
8 JULY 1, 2017 THROUGH JUNE 30, 2022
9

10 **I. COMMON TERMS & DEFINITIONS**

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

13 A. ADL means diet, personal hygiene, clothing care, grooming, money and household
14 management, personal safety, symptom monitoring, etc.

15 B. Additional Income Source means all income other than SSI and includes such sources of
16 income as retirement income, disability income, trust fund income, Social Security income, Veteran's
17 Affairs disability income, etc.

18 C. Client or Consumer means an individual, referred by COUNTY or enrolled in
19 CONTRACTOR's program for services under this Agreement, who is dealing with a chronic mental
20 illness.

21 D. Diagnosis means the definition of the nature of the client's disorder. When formulating the
22 diagnosis of client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most
23 current edition of the DSM published by the American Psychiatric Association.

24 E. LPS means the Act that went into effect July 1, 1972 in California. The Act in effect ended all
25 hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted
26 sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or
27 shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for
28 involuntary detentions.

29 F. Medical Necessity means the requirements as defined in the MHP Medical Necessity for
30 Medi-Cal reimbursed Specialty Mental Health Services that includes Diagnosis, Impairment Criteria and
31 Intervention Related Criteria.

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

35 1. Assessment means a service activity, which may include a clinical analysis of the history
36 and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural issues
37 and history, diagnosis and the use of testing procedures.

1 2. Medication Support Services means those services provided by a licensed physician,
2 registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing
3 and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the
4 symptoms of mental illness. These services also include evaluation and documentation of the clinical
5 justification and effectiveness for use of the medication, dosage, side effects, compliance and response
6 to medication, as well as obtaining informed consent, providing medication education and plan
7 development related to the delivery of the service and/or assessment of the beneficiary.

8 3. Rehabilitation Service means an activity which includes assistance in improving,
9 maintaining, or restoring a client’s or group of clients’ functional skills, daily living skills, social and
10 leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or
11 medication education.

12 4. Therapy means a service activity which is a therapeutic intervention that focuses primarily
13 on symptom reduction as a means to improve functional impairments. Therapy may be delivered to an
14 individual or group of beneficiaries which may include family therapy in which the beneficiary is
15 present.

16 H. MHSA means the law that provides funding for expanded community mental health services. It
17 is also known as “Proposition 63.”

18 I. NPI means the standard unique health identifier that was adopted by the Secretary of HHS
19 under HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and
20 organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The
21 NPI is assigned for life.

22 J. NPP means a document that notifies individuals of uses and disclosures of PHI that may be
23 made by or on behalf of the health plan or health care provider as set forth in the HIPAA.

24 K. PHI means individually identifiable health information usually transmitted by electronic media,
25 maintained in any medium as defined in the regulations, or for an entity such as a health plan,
26 transmitted or maintained in any other medium. It is created or received by a covered entity and relates
27 to the past, present, or future physical or mental health or condition of an individual, provision of health
28 care to an individual, or the past, present, or future payment for health care provided to an individual.

29 L. Psychiatrist means an individual who meets the minimum professional and licensure
30 requirements set forth in Title 9, CCR, Section 623.

31 M. Psychologist means an individual who meets the minimum professional and licensure
32 requirements set forth in Title 9, CCR, Section 624.

33 N. Recovery means a “deeply personal, unique process of changing one’s attitudes, values,
34 feelings, goals, skills and/or roles. It is a way of living a satisfying, hopeful and contributing life even
35 with limitations caused by the illness. Recovery involves the development of new meaning and purpose
36 in one’s life as one grows beyond the catastrophic effects of mental illness. Ultimately, because
37 recovery is a personal and unique process, everyone with a psychiatric illness develops his or her own

1 definition of recovery. However, certain concepts or factors are common to recovery.” (William
2 Anthony, 1993).

3 O. Referral means providing the effective linkage of a client to another service, when indicated;
4 with follow-up to be provided within five (5) working days to assure that the client has made contact
5 with the referred service.

6 P. SNF/STP means a facility that provides twenty-four (24)-hour/day skilled nursing care and
7 supervision and at least twenty-seven (27) hours of therapeutic programming to clients with a primary
8 psychiatric diagnosis, who may also have co-existing medical conditions. In most cases, clients are
9 conserved under LPS.

10 Q. SSI means income from a United States government program that provides stipends to low-
11 income people who are either aged (65 or older), blind, or disabled.

12 R. SSP means additional cash benefits to supplement the federal SSI payment.

13 S. Unit of Service means one (1) calendar day during which CONTRACTOR provides all of the
14 SNF-STP described hereunder, which day shall begin at twelve o’clock midnight. The number of
15 billable Units of Service shall include the day of admission and exclude the day of discharge unless
16 admission and discharge occur on the same day.

17 T. HIPAA means the federal law that establishes standards for the privacy and security of health
18 information, as well as standards for electronic data interchange of health information. HIPAA law has
19 two main goals, as its name implies: making health insurance more portable when persons change
20 employers, and making the health care system more accountable for costs-trying, especially to reduce
21 waste and fraud.

22
23 **II. BUDGET**

24 A. The following budget is set forth for informational purposes only and may be adjusted by
25 mutual written agreement by CONTRACTOR and ADMINISTRATOR:

<u>Mission Viejo</u>	<u>Period</u> <u>One</u>	<u>Period</u> <u>Two</u>	<u>Period</u> <u>Three</u>	<u>Period</u> <u>Four</u>	<u>Period</u> <u>Five</u>
Total Program Costs	\$7,539,625	\$7,637,905	\$7,737,657	\$7,838,904	\$ 7,941,672
Total Revenue	<u>\$ 835,000</u>	<u>\$ 840,000</u>	<u>\$ 845,000</u>	<u>\$ 850,000</u>	<u>\$ 855,000</u>
State/County					
Funds Required (Maximum Obligation)	\$6,644,286	\$6,644,286	\$6,644,286	\$6,644,286	\$6,644,286

37 //

III. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation and operation of the Agreement or COUNTY’s P&P’s regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Agreement or COUNTY’s P&P’s regarding services described herein.

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

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

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

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

IV. PATIENT RIGHTS

A. CONTRACTOR shall post the current Patients’ Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients without having to ask permission to obtain it.

B. In addition to those processes provided by ADMINISTRATOR and the resident County, CONTRACTOR shall have complaint resolution and grievance processes approved by ADMINISTRATOR, to which the Client shall have access.

1. CONTRACTOR’s complaint resolution processes shall emphasize informal, easily understood steps designed to resolve disputes as quickly and simply as possible in all threshold languages.

2. CONTRACTOR’s complaint resolution and grievance processes shall incorporate COUNTY’s and the resident County’s grievance, patients' rights, and utilization management guidelines and procedures.

//

1 C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and
2 grievance procedures in concert with the resident County that shall include the components outlined
3 below. The resident County will handle such complaints that may include allegations of denial of rights,
4 dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the
5 physical plant. COUNTY will handle such complaints regarding access to care or regarding
6 COUNTY's Public Administrator/Public Guardian Office services.

7 1. Complaint Resolution. This process will specifically address and attempt to resolve Client
8 complaints and concerns at CONTRACTOR's facility.

9 2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's
10 facility and the Client or Client representative requests it, the complaint becomes a formal grievance.
11 The request is made to the respective resident County or ADMINISTRATOR and represents the first
12 step in the formal grievance process.

13 3. Title IX Rights Advocacy. This process may be initiated by a Client who registers a
14 statutory rights violation or a denial or abuse complaint with the County Patients' Rights Office. The
15 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,
16 which involve the COUNTY Behavioral Health Director and the State Patients' Rights Office.

17 D. CONTRACTOR agrees that Clients have recourse to initiate a complaint to CONTRACTOR,
18 appeal to the respective resident County or COUNTY's Patients' Rights Office, to file a formal
19 grievance, file a Title IX complaint. The Patients' Advocate shall advise and assist the Client,
20 investigate the cause of the complaint or grievance, and attempt to resolve the matter.

21 E. CONTRACTOR agrees that no provision of this Agreement shall be construed as to replacing
22 or conflicting with the duties of COUNTY Patients' Rights Office pursuant to WIC Section 5500.

23 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify Patient
24 Rights Paragraph of this Exhibit A to the Agreement.

25
26 **V. PAYMENTS**

27 A. COUNTY shall pay CONTRACTOR for services provided in accordance with this Agreement
28 during Period One, Period Two, Period Three, Period Four, and Period Five as specified in the
29 Referenced Contract Provisions of this Agreement.

30 **B. REVENUE**

31 1. "Revenue" means Medi-Cal and any third party or private reimbursement actually received
32 by CONTRACTOR for Mental Health Inpatient Services provided to patients served pursuant to this
33 Agreement.

34 2. "Period One Revenue" means revenue actually received during Period One, which revenue
35 is anticipated by the parties to be \$835,000.

36 3. "Period Two Revenue" means revenue actually received during Period Two, which revenue
37 is anticipated by the parties to be \$840,000.

1 4. "Period Three Revenue" means revenue actually received during Period Three, which
2 revenue is anticipated by the parties to be \$845,000.

3 5. "Period Four Revenue" means revenue actually received during Period Four, which revenue
4 is anticipated by the parties to be \$850,000.

5 6. "Period Five Revenue" means revenue actually received during Period Five, which revenue
6 is anticipated by the parties to be \$855,000.

7 7. "Total Revenue" means the total of Revenues received during Period One through Period
8 Five.

9 8. "Prior Years' Excess Revenue" means the amount of revenue generated above \$4,225,000
10 for the period July 1, 2017 through June 30, 2022.

11 9. If the Total Revenue received by CONTRACTOR is greater than \$4,225,000, then the
12 excess shall be either paid to COUNTY or included in whole or in part in a subsequent Agreement
13 between COUNTY and CONTRACTOR and deemed as Prior Years' Excess Revenue and separately
14 identified as such.

15 10. Prior Years' Excess Revenue

16 a. CONTRACTOR has agreed to utilize the amount of \$4,225,000, representing prior
17 years' excess revenue, to offset proposed program costs for the period July 1, 2018 through June 30,
18 2022. This amount is inclusive of the total excess revenue that CONTRACTOR estimates to be
19 generated over the budgeted amount of \$4,225,000, for the period July 1, 2017 through June 30, 2022.

20 b. CONTRACTOR shall submit in writing to ADMINISTRATOR, prior to utilizing
21 Medi-Cal Revenue, a request to utilize funds for program costs. The request shall be submitted on a
22 report that will include a complete breakdown of funds that will be utilized for the program. Prior to
23 any requests, ADMINISTRATOR will approve a form developed by CONTRACTOR.

24 c. ADMINISTRATOR shall review the request and respond to CONTRACTOR within
25 two (2) weeks after receiving the request, or three (3) days if deemed an emergency.
26 ADMINISTRATOR shall approve the request after proper documentation has been submitted by
27 CONTRACTOR.

28 d. CONTRACTOR shall submit to ADMINISTRATOR no later than August 31st a final
29 report of the total amount of revenue generated at the end of each Period as specified in the Referenced
30 Contract Provisions of this Agreement.

31 e. In the event the revenue generated for each Period is more than \$4,225,000, the excess
32 revenue shall be paid to COUNTY by September 16th after the end of each Period.

33 f. In the event that MHRC generates less than \$4,225,000 in excess revenue than
34 previously budgeted, CONTRACTOR may use the excess revenue from the Therapeutic Residential
35 Center (TRC) program to cover MHRC costs, upon approval from ADMINISTRATOR.

36 //

37 //

C. In the event that this Agreement terminates before June 30, 2022, the Revenues and Total Revenue stipulated in subparagraph V above shall be proportionately modified by ADMINISTRATOR, based upon the number of days this Agreement was in effect.

D. It is understood by the parties that the State Department of Mental Health and Department of Health Services are in the process of modifying Treatment Authorization Request processes and Medi-Cal billing procedures to include the direct involvement of, or control by, County which may impact the way CONTRACTOR bills and collects the Revenues specified herein. CONTRACTOR agrees to comply with any and all state requirements related to Medi-Cal billing, as well as the Orange County Medi-Cal Mental Health Managed Care Plan and related policies and procedures.

E. For provision of the services described herein, COUNTY shall pay CONTRACTOR in advance, for each month during which CONTRACTOR provides the services herein, at the following rates, provided such payments of this Exhibit A and Exhibit B to the Agreement do not exceed COUNTY's Maximum Obligations for each period as specified in the Referenced Contract Provisions of this Agreement:

	<u>PAYMENTS PER MONTH</u>		
	<u>MHRC</u>	<u>STEPS</u>	<u>TOTAL</u>
PERIOD ONE			
July 1, 2017 through June 30, 2018	\$382,837	\$170,854	\$553,691
PERIOD TWO			
July 1, 2018 through June 30, 2019	\$382,837	\$170,854	\$553,691
PERIOD THREE			
July 1, 2019 through June 30, 2020	\$382,837	\$170,854	\$553,691
PERIOD FOUR			
July 1, 2020 through June 30, 2021	\$382,837	\$170,854	\$553,691
PERIOD FIVE			
July 1, 2021 through June 30, 2022	\$382,837	\$170,854	\$553,691

F. If the Agreement terminates at a time other than at the end of a full calendar month, COUNTY shall continue to pay CONTRACTOR in the manner specified in this Payments paragraph at the following rates for any portion of a month during which services are provided.

//
//
//
//
//
//
//

	<u>RATE PER DAY</u>
1	
2	PERIOD ONE \$18,204
3	PERIOD TWO \$18,204
4	PERIOD THREE \$18,204
5	PERIOD FOUR \$18,204
6	PERIOD FIVE \$18,204
7	

8 G. CONTRACTOR’s invoices shall be on a form approved or supplied by COUNTY and provide
9 such information as is required by ADMINISTRATOR. Invoices should not be submitted before the
10 first (1st) day of the month for which services are being invoiced and are due no later than the tenth
11 (10th) day of the month. Invoices received after the due date may not be paid within the same month.
12 Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days
13 after receipt of the correctly completed and approved invoice.

14 H. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other
15 revenues due the Client, conservator/guardian, or legally responsible person to determine a client share
16 of cost.

17 I. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
18 with any provision of this Agreement.

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

21
22 style="text-align: center;">**VI. QUALITY IMPROVEMENT**

23 A. CONTRACTOR shall maintain a written Quality Improvement Plan, which shall meet the SSD
24 guidelines for inpatient services. These shall include the definition of specific levels of care for MHRC
25 utilization review and monitoring processes to evaluate the appropriateness of Client admission,
26 treatment, and the length of stay based on specified behavioral criteria. The plan will also include
27 procedures addressing the quality of clinical records, peer review, medication monitoring, and medical
28 care evaluation studies.

29 B. CONTRACTOR shall maintain on file at its facility documentation of minutes and the
30 implementation of the Quality Improvement Plan in the form of minutes and records of all quality
31 improvement, utilization review, and medication monitoring processes. Such records and minutes will
32 be subject to review by ADMINISTRATOR.

33 C. CONTRACTOR shall allow ADMINISTRATOR to participate in utilization review and quality
34 improvement activities.

35 D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Quality
36 Improvement Paragraph of this Exhibit A to the Agreement.

37 //

VII. RECORDS

A. CLIENT RECORDS - CONTRACTOR shall maintain adequate medical records on each individual Client which shall include legal status; diagnosis; psychiatric evaluation; medical history; individual treatment plan; records of Client interviews; progress notes; recommended continuing care plan; discharge summary and records of service provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with generally accepted principles of accounting, the CRDC Manual, and Medicare regulations. The Client eligibility determination and fee charged to and collected from Clients, together with a record of all billings rendered and revenues received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

C. RECORDS LOCATION - All CONTRACTOR'S books of accounts and records related to the costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1) location within the limits of the COUNTY or other local location approved, in writing, by ADMINISTRATOR.

VIII. REPORTS

A. CONTRACTOR shall submit reports as needed to ADMINISTRATOR concerning its activities as they relate to the duties and purposes contained herein, provided CONTRACTOR is given at least thirty (30) days prior written notification thereof.

B. CONTRACTOR shall submit to COUNTY'S Consumers' Rights Advocate monthly reports of Clients' Rights Denials, and separate quarterly reports of Involuntary Detentions for the quarters ending September 30, December 31, March 31, and June 30, of each fiscal year. Quarterly reports are due thirteen (13) business days following the period reported.

C. CONTRACTOR shall submit a monthly report including client's revenue. These reports must be on a form acceptable to ADMINISTRATOR and submitted to ADMINISTRATOR by the twentieth (20th) day of the month following services.

D. CONTRACTOR shall, for persons served pursuant to the Agreement, complete such forms and input data as specified by ADMINISTRATOR for input to COUNTY's IRIS System. Such forms shall be provided by COUNTY, together with training in their completion.

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

//

//

IX. RESPONSIBILITIES

A. CONTRACTOR shall provide, or cause to be provided, medical services as required to Clients treated pursuant to the Agreement. CONTRACTOR shall follow all mutually agreed upon COUNTY P&P's for arranging medical care for medical emergencies and non-emergencies.

B. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all P&Ps. CONTRACTOR shall provide signature confirmation of the P&P's training for each staff member and placed in their personnel files.

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

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

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

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

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

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

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

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

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

E. CONTRACTOR shall obtain a NPI – The standard unique health identifier adopted by the Secretary of HHS under HIPAA of 1996 for health care providers.

1. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

2. CONTRACTOR, including each employee that provides services under the Agreement, will obtain a NPI upon commencement of the Agreement or prior to providing services under the Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by ADMINISTRATOR, all NPI as soon as they are available.

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

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

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

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

27 I. COUNTY shall assist CONTRACTOR in monitoring CONTRACTOR's program to ensure
28 compliance with workload standards and productivity.

29 J. COUNTY shall review Client charts to assist CONTRACTOR in ensuring compliance with
30 HCA P&Ps and Medi-Cal documentation requirements.

31 K. COUNTY shall review and approve all admissions, discharges from the program and extended
32 stays in the program.

33 L. COUNTY shall monitor CONTRACTOR's completion of corrective action plans.

34 M. COUNTY shall monitor CONTRACTOR's compliance with COUNTY P&P's.

35 N. ADMINISTRATOR shall meet regularly, and when requested, with CONTRACTOR's Medical
36 Director/Program Director to discuss program issues, problematic cases, linkage issues, and the results
37 of ADMINISTRATOR'S chart review.

1 O. ADMINISTRATOR shall provide consultation and assistance in the development of the
2 facility's Quality Improvement Plan.

3 P. ADMINISTRATOR shall provide a hearing officer for probable cause hearings, shall assist in
4 screening of individuals for all board and care home placements in COUNTY, and shall provide case
5 management services to individuals discharged from CONTRACTOR's facility.

6 Q. ADMINISTRATOR shall pay for ambulance or medical van transportation to another mental
7 health facility in accordance with COUNTY's Medical Transportation Contract. CONTRACTOR shall
8 provide an accompanying escort with Client if a return trip is intended.

9 R. ADMINISTRATOR shall provide legal representation in all legal proceedings required for the
10 hospitalization, admission or treatment of Clients provided services hereunder, including but not limited
11 to Habeas Corpus, Riese hearings, conservatorship, seventy-two (72)-hour treatment and evaluation,
12 court-ordered evaluation, and appeal and post-certification proceedings.

13 S. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
14 Responsibilities Paragraph of this Exhibit A to the Agreement.

15
16 **X. SERVICES**

17 CONTRACTOR shall provide MHRC services as specified in this Exhibit A to the Agreement
18 within a locked facility with a total capacity of eighty (80) MHRC beds, located at:

19
20 23228 Madero
21 Mission Viejo, CA 92691
22

23 A. CONTRACTOR shall provide a secure long-term inpatient program, herein referred to as
24 "MHRC," to provide physician, nursing, pharmaceutical, and dietary services and shall maintain the
25 capability of providing such services to eighty (80) persons. The MHRC shall provide a Recovery
26 based rehabilitation and activity program services as specified in the MHRC regulations and shall be
27 designed to assist Clients considered seriously disabled due to a mental illness to develop skills to
28 become self-sufficient and capable of increasing levels of independent functioning in the community.
29 The program will be based upon a recovery model therapeutic milieu with a primary rehabilitation focus
30 using cognitive behavioral programming to serve the severe, persistent, and chronic mental health
31 symptoms of consumers.

32 1. MHRC admissions and discharges shall occur Monday through Friday during the hours of
33 7 a.m. to 7 p.m.

34 2. The rehabilitation program services shall include psychiatric and psychological services,
35 pre-vocational and vocational counseling, development of independent living skills, self-help and social
36 skills, substance use, symptom management and community outreach to develop linkages with other
37 //

1 support and service systems, including family members. Learning disability assessment and educational
2 services may be included.

3 3. CONTRACTOR shall dedicate fifteen (15) of the eighty (80) beds to a specialized program,
4 Striving Towards Enhanced Partnerships (STEPS), which assists clients in transitioning to lower levels
5 of care and provides wrap around services to assist in this process.

6 4. Each Client shall be assigned a primary Psychiatrist for ongoing medication evaluation and
7 treatment; and appropriate program staff for on-going therapy and case management.

8 5. The Client's family and outpatient Plan Coordinator shall be actively involved in the
9 treatment process in order to facilitate support of the consumer after discharge.

10 6. CONTRACTOR shall make its best effort to maintain an average length of stay no greater
11 than six (6) months.

12 7. CONTRACTOR shall initiate a discharge planning conference with ADMINISTRATOR
13 for each Client whose length of stay exceeds nine (9) months. CONTRACTOR shall seek a discharge
14 planning update on a monthly basis thereafter until the Client is discharged.

15 B. CONTRACTOR shall provide the following:

- 16 1. Rooms for group and activities therapies, visiting, and Client recreation.
- 17 2. Office space for confidential medical examinations and Client interviews.
- 18 3. A secure outside Client recreational area.
- 19 4. Access to public transportation.
- 20 5. Office space for nursing, psychiatric, and social service staff.
- 21 6. Space for Dining.
- 22 7. Van transportation for the transfer of COUNTY Clients from CONTRACTOR's facility to

23 alternative treatment facilities, non-emergency medical treatment and supervised therapeutic outings.

24 C. CONTRACTOR shall meet the requirements set forth in Title 9 of the CCR to be certified to
25 provide an MHRC.

26 D. CONTRACTOR shall cause to be provided psychiatric treatment and other services in
27 accordance with physicians' orders and/or guidelines established by CONTRACTOR and
28 ADMINISTRATOR, which shall include, but not be limited to the following:

- 29 1. Seven (7) days per week evaluation and treatment services to include a psychiatric and
30 medical history, psychiatric diagnosis including a secondary substance abuse disorder as defined in the
31 most current version of the DSM, and a physical examination of each newly admitted Client within
32 twenty-four (24) hours of admission. CONTRACTOR shall also provide on a seven (7) day per week
33 basis an individual treatment service plan, initiation of certification and conservatorship as well as
34 reappointment of conservatorship processes including declarations in support of reappointment of
35 Conservatorship as well as including declarations in support of termination of Conservatorship as
36 clinically indicated, discharge planning, continuing care planning and referral services for each Client.

37 //

1 2. Access to twenty-four (24)-hour psychiatric services for MHRC and on-site coverage to
2 comply with applicable regulatory minimum requirements.

3 3. The names of the Attending Psychiatrist(s) and Medical Director will be posted within each
4 Nursing Unit.

5 4. Psychiatric, psychological, recreational, occupational and vocational therapy services
6 consistent with the individualized treatment service plan.

7 5. Discharge planning will begin on admission and placement, and/or referral shall be
8 provided seven (7) days per week.

9 6. Expert Witness testimony by appropriate mental health professionals in all legal
10 proceedings required for the hospitalization, admission, or treatment of Clients provided services herein.
11 These services shall include, but are not limited to, Writs of Habeas Corpus, conservatorship, court-
12 ordered evaluation, and appeal and post-certification proceedings.

13 7. Medical Director, or appropriate psychiatric designee, attendance at all treatment service
14 team meetings held for all programs.

15 8. Availability of Medical Director, Program Director, or appropriate psychiatric designee,
16 either directly or by pager or cell phone, twenty-four (24)-hours per day, every day for unresolved
17 emergencies in all programs.

18 9. Laboratory services limited to an initial CBC, UA, RPR, comprehensive metabolic panel,
19 thyroid panel, urine pregnancy as indicated, and if needed, a drug or alcohol screen.

20 10. Appropriate laboratory services for any psychiatric medication which requires additional
21 pre-screening or regular tests.

22 11. Radiology services, primarily for the evaluation and treatment of psychiatric disorders.

23 12. Pharmaceutical services primarily for the evaluation and treatment of psychiatric disorders
24 including medications provided to Clients.

25 13. Daily Utilization Review of psychiatric inpatient services to assure that the medical
26 necessity is clearly documented.

27 E. CONTRACTOR shall interface with the Client's health plan, Primary Care Physician, and/or
28 CalOptima if Client is a COUNTY Medi-Cal Beneficiary to obtain authorization for medical services
29 and to exchange relevant clinical information.

30 F. CONTRACTOR shall link with the Client's outpatient Plan Coordinator if the Client has been
31 receiving services from COUNTY, and involve the Plan Coordinator in treatment service planning and
32 discharge planning.

33 G. CONTRACTOR shall notify ADMINISTRATOR of all admissions who qualify for COUNTY
34 services.

35 H. CONTRACTOR shall coordinate all discharges that are referred to COUNTY, including
36 COUNTY contractors, and link with outpatient Plan Coordinators.

37 //

1 I. CONTRACTOR shall develop specialized treatment service modules focusing on the needs of
2 the dually diagnosed (i.e. psychiatric and substance use disorders), and on the needs of multicultural
3 populations served by the program.

4 J. CONTRACTOR shall develop a tobacco use prevention and cessation program based on "best
5 practices" for those Clients who use tobacco and are served by the program. CONTRACTOR shall serve
6 Clients in a smoke free environment.

7 K. CONTRACTOR shall provide those services required by Title 9 CCR for MHRC which shall
8 include, but not be limited to the following:

9 1. Direct Services - Room and dietetic services, nursing services including drug administration
10 and Client care, Client activities to include occupational/recreational/vocational services, and provision
11 of a therapeutic milieu.

12 2. Support Services - Housekeeping, laundry, maintenance, medical records, drug order
13 processing, written procedures for obtaining emergency and non-emergency medical services and
14 ambulance services.

15 L. CONTRACTOR shall:

16 1. Serve and treat chronic and persistently mentally ill Clients who are medically stable,
17 including those with co-existing substance use disorders and require long-term stabilization and
18 rehabilitation presenting high risk of further decompensation if not treated.

19 2. Admit and treat only those persons referred and/or approved by COUNTY, excluding
20 consumers who present themselves primarily as acutely intoxicated, and/or those who require
21 emergency medical assessment or treatment. CONTRACTOR shall not refuse admission of consumers
22 referred by COUNTY, provided, however, such consumers meet the COUNTY's medical criteria for
23 admission to the COUNTY CSU.

24 3. Provide services to persons eighteen (18) years of age or older and emancipated minors as
25 defined in Section 62 of the California Civil Code, with a psychiatric diagnosis as defined in the current
26 DSM who meet CONTRACTOR's admissions criteria, and who are admitted pursuant to WIC §6000,
27 §5350, §5353, and §5358. In the event no other inpatient treatment resource is available, persons less
28 than eighteen (18) years old may be admitted by CONTRACTOR, on a case by case basis.

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

31
32 **XI. STAFFING**

33 A. CONTRACTOR shall provide the following staffing, expressed in Full-Time Equivalent (FTE)
34 which shall be equal to an average of forty (40) hours work per week including sick leaves, holidays,
35 vacation, and "on-call" time.

36 //

37 //

	<u>MISSION VIEJO – MHRC</u>	<u>FTEs</u>
1		
2	Adjunctive Therapy Director	1.00
3	Adjunctive Therapy Staff	3.00
4	Clerical/Driver	1.00
5	Dietary Staff	8.00
6	Dietary Supervisor	1.00
7	Director of Nursing	1.00
8	Facility Director	1.00
9	General Clerical	1.00
10	Hair Dresser	0.40
11	Housekeeping Staff	3.60
12	LVN/LPT	16.80
13	Maintenance Director	1.00
14	Maintenance Staff	1.00
15	Medical Director	0.10
16	Medical Records	1.00
17	MHW/MHA	26.80
18	Peer Mentor	1.00
19	Pre-Vocational Specialist	1.00
20	Program Director	1.00
21	Social Services	2.00
22	Substance Abuse	0.20
23	Ward Clerk	<u>2.00</u>
24	TOTAL MHRC	74.90
25		

26 B. CONTRACTOR will hire bilingual/bicultural staff in sufficient number to meet the needs of
 27 Clients serviced pursuant to the Agreement.

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

34 D. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to
 35 ADMINISTRATOR.

36 E. CONTRACTOR shall provide ADMINISTRATOR a list of current staff on a quarterly basis.

37 //

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

3 //
4 //
5 //
6 //
7 //
8 //
9 //
10 //
11 //
12 //
13 //
14 //
15 //
16 //
17 //
18 //
19 //
20 //
21 //
22 //
23 //
24 //
25 //
26 //
27 //
28 //
29 //
30 //
31 //
32 //
33 //
34 //
35 //
36 //
37 //

1 EXHIBIT B
2 AGREEMENT FOR PROVISION OF
3 MENTAL HEALTH INPATIENT SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7 ROYALE HEALTH CARE CENTER, INC.
8 JULY 1, 2017 THROUGH JUNE 30, 2022
9

10 **I. COMMON TERMS & DEFINITIONS**

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

13 A. ADL means diet, personal hygiene, clothing care, grooming, money and household
14 management, personal safety, symptom monitoring, etc.

15 B. Additional Income Source means all income other than SSI and includes such sources of
16 income as retirement income, disability income, trust fund income, Social Security income, Veteran's
17 Affairs disability income, etc.

18 C. Client or Consumer means an individual, referred by COUNTY or enrolled in
19 CONTRACTOR's program for services under this Agreement, who is dealing with a chronic mental
20 illness.

21 D. Diagnosis means the definition of the nature of the client's disorder. When formulating the
22 diagnosis of client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most
23 current edition of the DSM published by the American Psychiatric Association.

24 E. LPS means the Act that went into effect July 1, 1972 in California. The Act in effect ended all
25 hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted
26 sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or
27 shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for
28 involuntary detentions.

29 F. Medical Necessity means the requirements as defined in the MHP Medical Necessity for Medi-
30 Cal reimbursed Specialty Mental Health Services that includes Diagnosis, Impairment Criteria and
31 Intervention Related Criteria.

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

35 1. Assessment means a service activity, which may include a clinical analysis of the history
36 and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural issues
37 and history, diagnosis and the use of testing procedures.

1 2. Medication Support Services means those services provided by a licensed physician,
2 registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing
3 and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the
4 symptoms of mental illness. These services also include evaluation and documentation of the clinical
5 justification and effectiveness for use of the medication, dosage, side effects, compliance and response
6 to medication, as well as obtaining informed consent, providing medication education and plan
7 development related to the delivery of the service and/or assessment of the beneficiary.

8 3. Rehabilitation Service means an activity which includes assistance in improving,
9 maintaining, or restoring a client’s or group of clients’ functional skills, daily living skills, social and
10 leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or
11 medication education.

12 4. Therapy means a service activity which is a therapeutic intervention that focuses primarily
13 on symptom reduction as a means to improve functional impairments. Therapy may be delivered to an
14 individual or group of beneficiaries which may include family therapy in which the beneficiary is
15 present.

16 H. MHSA means the law that provides funding for expanded community mental health services. It
17 is also known as “Proposition 63.”

18 I. NPI means the standard unique health identifier that was adopted by the Secretary of HHS
19 under HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and
20 organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The
21 NPI is assigned for life.

22 J. NPP means a document that notifies individuals of uses and disclosures of PHI that may be
23 made by or on behalf of the health plan or health care provider as set forth in the HIPAA.

24 K. PHI means individually identifiable health information usually transmitted by electronic media,
25 maintained in any medium as defined in the regulations, or for an entity such as a health plan,
26 transmitted or maintained in any other medium. It is created or received by a covered entity and relates
27 to the past, present, or future physical or mental health or condition of an individual, provision of health
28 care to an individual, or the past, present, or future payment for health care provided to an individual.

29 L. Psychiatrist means an individual who meets the minimum professional and licensure
30 requirements set forth in Title 9, CCR, Section 623.

31 M. Psychologist means an individual who meets the minimum professional and licensure
32 requirements set forth in Title 9, CCR, Section 624.

33 N. Recovery means a “deeply personal, unique process of changing one’s attitudes, values,
34 feelings, goals, skills and/or roles. It is a way of living a satisfying, hopeful and contributing life even
35 with limitations caused by the illness. Recovery involves the development of new meaning and purpose
36 in one’s life as one grows beyond the catastrophic effects of mental illness. Ultimately, because
37 recovery is a personal and unique process, everyone with a psychiatric illness develops his or her own

1 definition of recovery. However, certain concepts or factors are common to recovery.” (William
2 Anthony, 1993).

3 O. Referral means providing the effective linkage of a client to another service, when indicated;
4 with follow-up to be provided within five (5) working days to assure that the client has made contact
5 with the referred service.

6 P. SNF/STP means a facility that provides twenty-four (24)-hour/day skilled nursing care and
7 supervision and at least twenty-seven (27) hours of therapeutic programming to clients with a primary
8 psychiatric diagnosis, who may also have co-existing medical conditions. In most cases, clients are
9 conserved under LPS.

10 Q. SSI means income from a United States government program that provides stipends to low-
11 income people who are either aged (65 or older), blind, or disabled.

12 R. SSP means additional cash benefits to supplement the federal SSI payment.

13 S. Unit of Service means one (1) calendar day during which CONTRACTOR provides all of the
14 SNF-STP described hereunder, which day shall begin at twelve o’clock midnight. The number of
15 billable Units of Service shall include the day of admission and exclude the day of discharge unless
16 admission and discharge occur on the same day.

17 T. HIPAA means the federal law that establishes standards for the privacy and security of health
18 information, as well as standards for electronic data interchange of health information. HIPAA law has
19 two main goals, as its name implies: making health insurance more portable when persons change
20 employers, and making the health care system more accountable for costs-trying, especially to reduce
21 waste and fraud.

22 **II. BUDGET**

23 A. The following budget is set forth for informational purposes only and may be adjusted by
24 mutual written agreement by CONTRACTOR and ADMINISTRATOR:

26 <u>Santa Ana</u>	<u>Period One</u>	<u>Period Two</u>	<u>Period Three</u>	<u>Period Four</u>	<u>Period Five</u>
28 Total Program Costs	\$17,303,242	\$17,535,998	\$ 17,772,243	\$18,012,031	\$18,255,409
30 Total Revenue	<u>10,315,386</u>	<u>10,641,422</u>	<u>10,972,419</u>	<u>11,308,454</u>	<u>11,649,600</u>
31 State/County Funds					
32 Required	\$ 7,048,195	\$ 7,048,195	\$ 7,048,195	\$7,048,195	\$ 7,048,195
33 (Maximum Obligation)					
34 //					
35 //					
36 //					
37 //					

III. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation and operation of the Agreement or COUNTY’s P&P’s regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Agreement or COUNTY’s P&P’s regarding services described herein.

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

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

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

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

IV. PATIENT RIGHTS

A. CONTRACTOR shall post the current Patients’ Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients without having to ask permission to obtain it.

B. In addition to those processes provided by ADMINISTRATOR and the resident County, CONTRACTOR shall have complaint resolution and grievance processes approved by ADMINISTRATOR, to which the Client shall have access.

1. CONTRACTOR’s complaint resolution processes shall emphasize informal, easily understood steps designed to resolve disputes as quickly and simply as possible in all threshold languages.

2. CONTRACTOR’s complaint resolution and grievance processes shall incorporate COUNTY’s and the resident County’s grievance, patients' rights, and utilization management guidelines and procedures.

//

1 C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and
2 grievance procedures in concert with the resident County that shall include the components outlined
3 below. The resident County will handle such complaints that may include allegations of denial of rights,
4 dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the
5 physical plant. COUNTY will handle such complaints regarding access to care or regarding
6 COUNTY's Public Administrator/Public Guardian Office services.

7 1. Complaint Resolution. This process will specifically address and attempt to resolve Client
8 complaints and concerns at CONTRACTOR's facility.

9 2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's
10 facility and the Client or Client representative requests it, the complaint becomes a formal grievance.
11 The request is made to the respective resident County or ADMINISTRATOR and represents the first
12 step in the formal grievance process.

13 3. Title IX Rights Advocacy. This process may be initiated by a Client who registers a
14 statutory rights violation or a denial or abuse complaint with the County Patients' Rights Office. The
15 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,
16 which involve the COUNTY Behavioral Health Director and the State Patients' Rights Office.

17 D. CONTRACTOR agrees that Clients have recourse to initiate a complaint to CONTRACTOR,
18 appeal to the respective resident County or COUNTY's Patients' Rights Office, to file a formal
19 grievance, file a Title IX complaint. The Patients' Advocate shall advise and assist the Client,
20 investigate the cause of the complaint or grievance, and attempt to resolve the matter.

21 E. CONTRACTOR agrees that no provision of this Agreement shall be construed as to replacing
22 or conflicting with the duties of COUNTY Patients' Rights Office pursuant to WIC Section 5500.

23 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify Patient
24 Rights Paragraph of this Exhibit B to the Agreement.

25
26 **V. PAYMENTS**

27 A. COUNTY shall pay CONTRACTOR for services provided in accordance with this Agreement
28 during Period One, Period Two, Period Three, Period Four, and Period Five as specified in the
29 Referenced Contract Provisions of this Agreement.

30 **B. REVENUE**

31 1. "Revenue" means Medi-Cal and any third party or private reimbursement actually received
32 by CONTRACTOR for Mental Health Inpatient Services provided to patients served pursuant to this
33 Agreement.

34 2. "Period One Revenue" means revenue actually received during Period One, which revenue
35 is anticipated by the parties to be \$10,315,386.

36 3. "Period Two Revenue" means revenue actually received during Period Two, which revenue
37 is anticipated by the parties to be \$10,641,422.

1 4. "Period Three Revenue" means revenue actually received during Period Three, which
2 revenue is anticipated by the parties to be \$10,972,419.

3 5. "Period Four Revenue" means revenue actually received during Period Four, which revenue
4 is anticipated by the parties to be \$11,308,454.

5 6. "Period Five Revenue" means revenue actually received during Period Five, which revenue
6 is anticipated by the parties to be \$11,649,600.

7 7. "Total Revenue" means the total of Revenues received during Period One through Period
8 Five.

9 8. "Prior Years' Excess Revenue" means the amount of revenue generated above \$54,887,281
10 for the period July 1, 2017 through June 30, 2022.

11 9. If the Total Revenue received by CONTRACTOR is greater than \$54,887,281, then the
12 excess shall be either paid to COUNTY or included in whole or in part in a subsequent Agreement
13 between COUNTY and CONTRACTOR and deemed as Prior Years' Excess Revenue and separately
14 identified as such.

15 10. Prior Years' Excess Revenue

16 a. CONTRACTOR has agreed to utilize the amount of \$54,887,281, representing prior
17 years' excess revenue, to offset proposed program costs for the period July 1, 2018 through June 30,
18 2022. This amount is inclusive of the total excess revenue that CONTRACTOR estimates to be
19 generated over the budgeted amount of \$54,887,281, for the period July 1, 2017 through June 30, 2022.

20 b. CONTRACTOR shall submit in writing to ADMINISTRATOR, prior to utilizing
21 Medi-Cal Revenue, a request to utilize funds for program costs. The request shall be submitted on a
22 report that will include a complete breakdown of funds that will be utilized for the program. Prior to
23 any requests, ADMINISTRATOR will approve a form developed by CONTRACTOR.

24 c. ADMINISTRATOR shall review the request and respond to CONTRACTOR within
25 two (2) weeks after receiving the request, or three (3) days if deemed an emergency.
26 ADMINISTRATOR shall approve the request after proper documentation has been submitted by
27 CONTRACTOR.

28 d. CONTRACTOR shall submit to ADMINISTRATOR no later than August 31st a final
29 report of the total amount of revenue generated at the end of each Period as specified in the Referenced
30 Contract Provisions of this Agreement.

31 e. In the event the revenue generated for each Period is more than \$54,887,281, the excess
32 revenue shall be paid to COUNTY by September 16th after the end of each Period.

33 f. CONTRACTOR may use the excess revenue from the TRC program to cover MHRC
34 costs in the event that MHRC generates less than \$4,225,000 in excess revenue than previously
35 budgeted, upon approval from ADMINISTRATOR.

36 //

37 //

C. In the event that this Agreement terminates before June 30, 2022, the Revenues and Total Revenue stipulated in subparagraph V above shall be proportionately modified by ADMINISTRATOR, based upon the number of days this Agreement was in effect.

D. It is understood by the parties that the State Department of Mental Health and Department of Health Services are in the process of modifying Treatment Authorization Request processes and Medi-Cal billing procedures to include the direct involvement of, or control by, County which may impact the way CONTRACTOR bills and collects the Revenues specified herein. CONTRACTOR agrees to comply with any and all state requirements related to Medi-Cal billing, as well as the Orange County Medi-Cal Mental Health Managed Care Plan and related policies and procedures.

E. For provision of the services described herein, COUNTY shall pay CONTRACTOR in advance, for each month during which CONTRACTOR provides the services herein, at the following rates, provided such payments of this Exhibit B and Exhibit A to the Agreement do not exceed COUNTY's Maximum Obligations for each period specified in the Referenced Contract Provisions of this Agreement:

PAYMENTS PER MONTH

PERIOD ONE	
July 1, 2017 through June 30, 2018	\$587,350
PERIOD TWO	
July 1, 2018 through June 30, 2019	\$587,350
PERIOD THREE	
July 1, 2019 through June 30, 2020	\$587,350
PERIOD FOUR	
July 1, 2020 through June 30, 2021	\$587,350
PERIOD FIVE	
July 1, 2021 through June 30, 2022	\$587,350

F. If the Agreement terminates at a time other than at the end of a full calendar month, COUNTY shall continue to pay CONTRACTOR in the manner specified in this Payments paragraph at the following rates for any portion of a month during which services are provided.

RATE PER DAY

PERIOD ONE	\$19,310
PERIOD TWO	\$19,310
PERIOD THREE	\$19,310
PERIOD FOUR	\$19,310
PERIOD FIVE	\$19,310

1 G. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide
2 such information as is required by ADMINISTRATOR. Invoices should not be submitted before the
3 first (1st) day of the month for which services are being invoiced and are due no later than the tenth
4 (10th) day of the month. Invoices received after the due date may not be paid within the same month.
5 Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days
6 after receipt of the correctly completed and approved invoice.

7 H. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other
8 revenues due the Client, conservator/guardian, or legally responsible person to determine a client share
9 of cost.

10 I. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
11 with any provision of this Agreement.

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

14
15 **VI. QUALITY IMPROVEMENT**

16 A. CONTRACTOR shall maintain a written Quality Improvement Plan, which shall meet the State
17 DHCS guidelines for inpatient services. These shall include the definition of specific levels of care for
18 Unit I, Unit II, and Unit III utilization review and monitoring processes to evaluate the appropriateness
19 of Client admission, treatment, and the length of stay based on the medical necessity for Unit I, and
20 specified behavioral criteria for Unit II and Unit III. The plan will also include procedures addressing
21 the quality of clinical records, peer review, medication monitoring, and medical care evaluation studies.

22 B. CONTRACTOR shall maintain on file at its facility documentation of minutes and the
23 implementation of the Quality Improvement Plan in the form of minutes and records of all quality
24 improvement, utilization review, and medication monitoring processes. CONTRACTOR shall provide
25 ADMINISTRATOR a semi-annual summary of such records and minutes upon request.

26 C. CONTRACTOR shall allow ADMINISTRATOR to participate in utilization review and quality
27 improvement activities.

28 D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Quality
29 Improvement Paragraph of this Exhibit B to the Agreement.

30
31 **VII. RECORDS**

32 A. CLIENT RECORDS - CONTRACTOR shall maintain adequate medical records on each
33 individual Client which shall include legal status; diagnosis; psychiatric evaluation; medical history;
34 individual treatment plan; records of Client interviews; progress notes; recommended continuing care
35 plan; discharge summary and records of service provided by various professional and paraprofessional
36 personnel in sufficient detail to permit an evaluation of services.

37 //

1 B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete
2 financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type
3 of service for which payment is claimed. Any apportionment of or distribution of costs, including
4 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and
5 shall be made in accordance with generally accepted principles of accounting, the CRDC Manual, and
6 Medicare regulations. The Client eligibility determination and fee charged to and collected from
7 Clients, together with a record of all billings rendered and revenues received from any source, on behalf
8 of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

9 C. RECORDS LOCATION - All CONTRACTOR'S books of accounts and records related to the
10 costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1)
11 location within the limits of the COUNTY or other local location approved, in writing, by
12 ADMINISTRATOR.

13
14 **VIII. REPORTS**

15 A. CONTRACTOR shall submit reports as needed to ADMINISTRATOR concerning its activities
16 as they relate to the duties and purposes contained herein, provided CONTRACTOR is given at least
17 thirty (30) days prior written notification thereof.

18 B. CONTRACTOR shall submit to COUNTY'S Consumers' Rights Advocate monthly reports of
19 Clients' Rights Denials, and separate quarterly reports of Involuntary Detentions including 5270 data
20 reports, Probable Cause hearings and Riese hearings for the quarters ending September 30, December
21 31, March 31, and June 30, of each fiscal year. Quarterly reports are due thirteen (13) business days
22 following the period reported.

23 C. CONTRACTOR shall submit a monthly report including client's revenue. These reports must
24 be on a form acceptable to ADMINISTRATOR and submitted to ADMINISTRATOR by the twentieth
25 (20th) day of the month following services.

26 D. CONTRACTOR shall, for persons served pursuant to the Agreement, complete such forms and
27 input data as specified by ADMINISTRATOR for input to COUNTY'S IRIS System. Such forms shall
28 be provided by COUNTY, together with training in their completion.

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

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

37 //

1 E. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to
2 ADMINISTRATOR.

3
4 **IX. RESPONSIBILITIES**

5 A. CONTRACTOR shall provide, or cause to be provided, medical services as required to Clients
6 treated pursuant to the Agreement. CONTRACTOR shall follow all mutually agreed upon COUNTY
7 P&P's for arranging medical care for medical emergencies and non-emergencies.

8 B. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all
9 P&Ps. CONTRACTOR shall provide signature confirmation of the P&P's training for each staff
10 member and placed in their personnel files.

11 C. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of
12 Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

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

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

19 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
20 conditions:

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

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

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

30 D. CONTRACTOR shall input all IRIS data following COUNTY procedure and practice. All
31 statistical data used to monitor CONTRACTOR shall be compiled using only COUNTY IRIS reports, if
32 available, and if applicable.

33 E. CONTRACTOR shall obtain a NPI - The standard unique health identifier adopted by the
34 Secretary of HHS under HIPAA of 1996 for health care providers.

35 1. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI
36 for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

37 //

1 2. CONTRACTOR, including each employee that provides services under the Agreement,
2 will obtain a NPI upon commencement of the Agreement or prior to providing services under this
3 Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by
4 ADMINISTRATOR, all NPI as soon as they are available.

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

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

15 H. CONTRACTOR shall provide effective Administrative management of the budget, staffing,
16 recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities
17 are delegated to subcontractors, the CONTRACTOR must ensure that any subcontractor(s) possess the
18 qualifications and capacity to perform all delegated responsibilities. Including but not limited to the
19 following:

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

31 I. COUNTY shall assist CONTRACTOR's in monitoring CONTRACTOR's program to ensure
32 compliance.

33 J. COUNTY shall review Client charts to assist CONTRACTOR in ensuring compliance with
34 HCA P&Ps and Medi-Cal documentation requirements.

35 K. COUNTY shall review and approve all admissions, discharges from the program and extended
36 stays in the program.

37 L. COUNTY shall monitor CONTRACTOR's completion of corrective action plans.

- 1 M. COUNTY shall monitor CONTRACTOR's compliance with COUNTY P&P's.
- 2 N. ADMINISTRATOR shall meet regularly, including upon request, with CONTRACTOR's
- 3 Medical Director/Program Director to discuss program issues, problematic cases, linkage issues, and the
- 4 results of ADMINISTRATOR'S chart review.
- 5 O. ADMINISTRATOR will authorize certifications for STP services.
- 6 P. ADMINISTRATOR shall provide consultation and assistance in the development of the
- 7 facility's Quality Improvement Plan.
- 8 Q. ADMINISTRATOR shall provide a hearing officer for probable cause hearings, shall assist in
- 9 screening of individuals for all board and care home placements in COUNTY, and shall provide case
- 10 management services to individuals discharged from CONTRACTOR's facility.
- 11 R. ADMINISTRATOR shall pay for ambulance or medical van transportation to another mental
- 12 health facility in accordance with COUNTY's Medical Transportation Contract. CONTRACTOR shall
- 13 provide an accompanying escort with Client if a return trip is intended.
- 14 S. ADMINISTRATOR shall provide legal representation in all legal proceedings required for the
- 15 hospitalization, admission or treatment of Clients provided services hereunder, including but not limited
- 16 to Habeas Corpus, Riese hearings, conservatorship, seventy-two (72)-hour treatment and evaluation,
- 17 court-ordered evaluation, and appeal and post-certification proceedings.
- 18 T. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
- 19 Responsibilities Paragraph of this Exhibit B to the Agreement.

20
21 **X. SERVICES**

22 CONTRACTOR shall provide the SNF/STP services within a locked, skilled nursing facility, with a
23 total capacity of one hundred twenty-four (124) beds, located at:

24
25 1030 West Warner Avenue
26 Santa Ana, CA 92707
27

28 1. CONTRACTOR shall provide a separate, secure forty (40) bed designated short-term
29 inpatient program, herein referred to as "Unit I," to include skilled nursing, and psychiatric services as
30 well as recreational, occupational, and vocational therapy, and shall maintain the capability of providing
31 such services to forty (40) persons. Unit I shall be designed to stabilize individuals as quickly as
32 possible followed by referral to the COUNTY'S Mental Health Services, the private sector, or other
33 community resources. The program will be based upon a therapeutic community model.

- 34 a. CONTRACTOR shall provide, within Unit I, two (2) seclusion rooms.
- 35 b. Unit I admissions and discharges shall occur twenty-four (24) hours per day, seven (7)
- 36 days per week.

37 //

1 c. Each Client will be assigned a primary psychiatrist for ongoing medication evaluation
2 and treatment; and appropriate program staff for on-going therapy and case management.

3 d. The Client’s family and outpatient Plan Coordinator will be actively involved in the
4 treatment process in order to facilitate support of the Client after discharge.

5 e. CONTRACTOR shall make its best effort to maintain an average length of stay of five
6 (5) to nine (9) days.

7 g. Lengths of stay in excess of seventeen (17) days require the approval of
8 ADMINISTRATOR based on documented medical necessity or the documented inability of the
9 CONTRACTOR to transfer the Client to a clinical setting determined to be more appropriate.

10 2. CONTRACTOR shall provide a separate, secure forty-eight (48) bed intermediate term
11 inpatient program, herein referred to as "Unit II", and a thirty-six (36) bed intermediate term inpatient
12 program herein referred to as “Unit III”. Both will include skilled nursing and psychiatric services, as
13 well as recreational, occupational, and vocational therapy, and shall maintain the capability of providing
14 such services to eighty-four (84) persons. Unit II and Unit III shall be designed based upon a
15 therapeutic milieu with a primary rehabilitation focus and behavioral management program. The
16 program will be based upon a therapeutic community model and emphasize the development of skills
17 for self-care, development of behaviors for re-entry into a lower level of care, and placement to that
18 lower level of care within the community when appropriate.

19 a. CONTRACTOR shall provide one (1) seclusion room or designated quiet or relaxation
20 room within Unit II and one (1) within Unit III.

21 b. The majority of Unit II and Unit III admissions and discharges shall occur during the
22 hours of 7 a.m. to 4 p.m.

23 c. Consumers will be provided with skills training which will enable them to better
24 function within a community setting.

25 d. Each Client will participate in individual, group, and other milieu therapies.

26 e. The Client's family and outpatient Plan Coordinator shall be actively involved in the
27 treatment process.

28 f. CONTRACTOR shall maintain an average length of stay of three (3) to six (6) months.

29 g. CONTRACTOR may approve lengths of stay up to six (6) months.

30 h. CONTRACTOR shall initiate a discharge planning conference with
31 ADMINISTRATOR for each Client hospitalized more than six (6) months. CONTRACTOR shall seek
32 monthly discharge planning conferences with ADMINISTRATOR thereafter until the consumer is
33 discharged.

34 i. The majority of referrals to Unit II and Unit III will come from Unit I and other
35 contract hospitals.

36 3. In addition, CONTRACTOR shall provide the following:

37 a. Rooms for group and activities therapies, visiting, and Client recreation.

- 1 b. Office space for confidential medical examinations, and Client interviews.
- 2 c. An entrance separate from CONTRACTOR's geriatric program, and a secure enclosed
- 3 passageway from Unit I and Unit II to COUNTY's outpatient CSU facility.
- 4 d. A secure outside Client recreational area.
- 5 e. Access to public transportation.
- 6 f. Office space for nursing, psychiatric, and social service staff.
- 7 g. Space for Dining.
- 8 h. Van transportation for the transfer of COUNTY Clients from CONTRACTOR's facility
- 9 or the ETS to alternative treatment facilities, non-emergency medical treatment and supervised
- 10 therapeutic outings.
- 11 4. CONTRACTOR shall meet the requirements set forth in Title 22 of the CCR to be certified
- 12 to provide a STP.
- 13 5. CONTRACTOR shall cause to be provided psychiatric treatment and other services in
- 14 accordance with physicians' orders and/or guidelines established by CONTRACTOR and
- 15 ADMINISTRATOR, which shall include, but not be limited to the following:
- 16 a. Seven (7) days per week evaluation and treatment services to include a psychiatric and
- 17 medical history, psychiatric diagnosis including a secondary substance abuse disorder as defined in the
- 18 current DSM, and a physical examination of each newly admitted Client. This will be accomplished
- 19 within twenty-four (24) hours of admission for Unit I and seventy-two (72) hours of admission for Units
- 20 II and III. CONTRACTOR shall also provide on a seven (7) day per week basis an individual treatment
- 21 plan, initiation of certification and conservatorship processes including declarations in support of
- 22 termination of Conservatorship as clinically indicated, discharge planning, continuing care planning and
- 23 referral services for each Client.
- 24 b. Provision of twenty-four (24)-hour psychiatric services for Units I, II and III as
- 25 specified in Services Paragraph of this Exhibit B to the Agreement.
- 26 1) Monday through Friday from 8 a.m. to 5 p.m., such coverage shall be on-site.
- 27 2) Saturday and Sunday, such coverage shall be on-site for a minimum of three (3)
- 28 hours.
- 29 c. Psychiatrist schedules for all programs shall be provided to liaison facilities including
- 30 the CSU and ADMINISTRATOR. These schedules shall include all scheduled on-site and on-call hours
- 31 for each Psychiatrist.
- 32 d. Psychiatric, psychological, recreational, occupational and vocational therapy services
- 33 consistent with the individualized treatment plan.
- 34 e. Discharge planning shall begin upon admission and placement and/or referral shall be
- 35 provided seven (7) days per week.
- 36 f. Expert Witness testimony by appropriate mental health professionals in all legal
- 37 proceedings required for the hospitalization, admission, or treatment of Clients provided services herein.

1 These services shall include but are not limited to, Writs of Habeas Corpus, Riese hearings,
 2 conservatorship, court-ordered evaluation, Certification Review hearings, and appeal and
 3 post-certification proceedings.

4 g. Medical Director, or appropriate designee, attendance at all treatment team meetings
 5 held for all programs.

6 h. Availability of Medical Director, Program Director, or appropriate psychiatric
 7 designee, either directly or by pager of cell phone, twenty-four (24)-hours per day, every day for
 8 unresolved emergencies in all programs.

9 i. Laboratory services limited to an initial CBC with differential, comprehensive
 10 metabolic panel, thyroid panel, urine pregnancy as needed, UA, RPR, and if needed, a drug or alcohol
 11 screen.

12 j. Appropriate laboratory services for any psychiatric medication which requires
 13 additional pre-screening or regular tests.

14 k. Radiology services, primarily for the evaluation and treatment of psychiatric disorders.

15 l. Pharmaceutical services primarily for the evaluation and treatment of psychiatric
 16 disorders including medications provided to consumers.

17 m. Daily Utilization Review of psychiatric inpatient services to assure that the medical
 18 necessity for continued stay on Unit I is clearly documented; and that the stated behavioral goals for
 19 each Client's stay on Unit II and Unit III are clearly documented and implemented.

20 6. CONTRACTOR shall interface with the Client's health plan, Primary Care Physician,
 21 and/or CalOptima if Client is a COUNTY Medi-Cal Beneficiary to obtain authorization for medical
 22 services and to exchange relevant clinical information.

23 7. CONTRACTOR shall link with the Client's outpatient Plan Coordinator if the consumer
 24 has been receiving services from COUNTY, and involve the Plan Coordinator in treatment planning and
 25 discharge planning.

26 8. CONTRACTOR shall notify ADMINISTRATOR of all admissions who qualify for
 27 COUNTY services.

28 9. CONTRACTOR shall coordinate all discharges that are referred to COUNTY, including
 29 COUNTY contractors, and link with outpatient Plan Coordinators or substance abuse staff.

30 10. CONTRACTOR shall develop specialized treatment modules focusing on the needs of the
 31 dually diagnosed (i.e. psychiatric and substance abuse disorders), and on the needs of multicultural
 32 populations served by the program.

33 11. CONTRACTOR shall develop a tobacco use prevention and cessation program based on
 34 "best practices" for those Clients who use tobacco and are served by the program. CONTRACTOR
 35 shall serve Clients in a smoke free environment.

36 12. CONTRACTOR shall provide those services required by Title 22, CCR, for skilled nursing
 37 facilities which shall include, but not be limited to the following:

1 a. Direct Services - Dietetic services, nursing services including drug administration and
2 Client care, Client activities to include occupational/recreational/vocational services, and provision of a
3 recovery based therapeutic milieu.

4 b. Support Services - Housekeeping, laundry, maintenance, medical records, drug order
5 processing, written procedures for obtaining emergency and non-emergency medical services and
6 ambulance transportation.

7 13. CONTRACTOR shall provide dietetic and laundry services to the CSU facility.

8 14. CONTRACTOR shall provide services to:

9 a. Unit I, Unit II, and Unit III shall serve and treat the chronically and persistently
10 mentally ill Client and those in crisis with severe psychiatric symptoms that are difficult to manage,
11 including those with co-existing substance abuse disorders. Behaviors and symptoms of Clients'
12 illnesses may vary from aggressive and assaultive to acutely depressed, psychotic, and regressed.

13 b. Within Unit I, Unit II, and Unit III CONTRACTOR shall admit and treat only those
14 persons referred and/or approved by COUNTY on a twenty-four (24)-hour basis, seven (7) days per
15 week, excluding Clients who present themselves primarily as acutely intoxicated, and/or those who
16 require emergency medical assessment or treatment.

17 c. CONTRACTOR shall admit Clients referred by ADMINISTRATOR who meet
18 ADMINISTRATOR's criteria for therapeutic residential center services and who also meet the
19 admission criteria approved by DHCS and the "Admission of Patient's" guidelines under Title 22,
20 Sections 72515 (a)-(b).

21 d. CONTRACTOR shall not refuse admission of Clients if they meet all of the admission
22 criteria identified above.

23 e. CONTRACTOR shall accept for re-admission those Clients transferred from their facility
24 for acute medical or psychiatric stabilization unless an alternative placement plan is indicated and
25 agreed upon by ADMINISTRATOR.

26 f. CONTRACTOR shall provide services in a non-discriminatory manner and ensure that
27 equal access is provided to all beneficiaries' representative of the COUNTY's population.

28 g. CONTRACTOR shall provide services to persons eighteen (18) years of age or older
29 and emancipated minors as defined in Section 62 of the California Civil Code, with a psychiatric
30 diagnosis as defined in the DSM IV who meet CONTRACTOR'S admissions criteria, and who are
31 admitted pursuant to WIC §6000, §5150, §5250, §5260, and §5350. In the event no other inpatient
32 treatment resource is available, persons less than eighteen (18) years old may be admitted by
33 CONTRACTOR, on a case by case basis.

34 15. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
35 Services Paragraph of this Exhibit B to the Agreement.

36 //

37 //

XI. STAFFING

A. CONTRACTOR shall provide the following staffing, expressed in Full-Time Equivalent (FTE) which shall be equal to an average of forty (40) hours work per week including sick leaves, holidays, vacation, and "on-call" time.

<u>TRC ADMINISTRATION/PROGRAM SUPPORT</u>	<u>FTEs</u>
Adjunctive Therapy Director	1.00
Admission Coordinator	1.00
Assistant DON	1.00
General Clerical	3.00
Laundry Aide	1.00
Medi-Cal Clerical	2.00
Medi-Cal Director	1.00
Medical Director	0.90
Medical Records	1.00
Peer Mentor	1.00
Program Director	1.00
Psychologist	1.00
Resident Assessment Coordinator	2.00
Social Service Director	1.00
Staff Developer	<u>1.00</u>
TOTAL FTEs	18.90

<u>DIRECT</u>	<u>Unit I</u>	<u>Unit II</u>	<u>Unit III</u>	<u>TOTAL</u>
	<u>(40 Beds)</u>	<u>(48 Beds)</u>	<u>(36 Beds)</u>	<u>(124 Beds)</u>
Adjunctive Therapy	2.40	3.00	3.00	8.40
LVN/LPT	2.80	10.40	8.00	21.20
Mental Health Worker	26.60	21.00	17.20	64.80
Psychiatrist	3.40	1.00	1.00	5.40
RN	11.20	0.00	0.00	11.20
Social Worker	4.40	4.00	3.00	11.40
Ward Clerk	<u>2.40</u>	<u>1.00</u>	<u>1.00</u>	<u>4.40</u>
TOTAL FTEs	53.20	40.40	33.20	126.80

B. The Psychologist and Social Worker Director listed above shall be licensed.

C. CONTRACTOR will hire bilingual/bicultural staff in sufficient number to meet the needs of Clients serviced pursuant to the Agreement.

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

7 E. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to
 8 ADMINISTRATOR.

9 F. CONTRACTOR shall provide ADMINISTRATOR a list of current staff on a quarterly basis.

10 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 11 Staffing Paragraph of this Exhibit B to the Agreement.

12 //
 13 //
 14 //
 15 //
 16 //
 17 //
 18 //
 19 //
 20 //
 21 //
 22 //
 23 //
 24 //
 25 //
 26 //
 27 //
 28 //
 29 //
 30 //
 31 //
 32 //
 33 //
 34 //
 35 //
 36 //
 37 //

1 EXHIBIT C
2 AGREEMENT FOR PROVISION OF
3 MENTAL HEALTH INPATIENT SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7 ROYALE HEALTH CARE CENTER, INC.
8 JULY 1, 2017 THROUGH JUNE 30, 2022
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 and the applicable standards, implementation specifications,
37 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,

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

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

35 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in
36 45 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
12 45 CFR § 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
23 electronic PHI at 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 electronic PHI 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 Health and Human Services in the guidance issued on the
31 HHS Web site.

32 18. "Use" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §
33 160.103.

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

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

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

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

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

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

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

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

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

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

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

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

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

9 D. SECURITY RULE

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

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

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

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

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

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

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

37 //

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

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

7 E. DATA SECURITY REQUIREMENTS

8 1. Personal Controls

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

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

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

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

34 2. Technical Security Controls

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

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

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

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

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

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

21 f. Patch Management. All workstations, laptops and other systems that process and/or
22 store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
23 transmits on behalf of COUNTY must have critical security patches applied, with system reboot if
24 necessary. There must be a documented patch management process which determines installation
25 timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable
26 patches must be installed within thirty (30) calendar or business days of vendor release. Applications
27 and systems that cannot be patched due to operational reasons must have compensatory controls
28 implemented to 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 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 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 required
22 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 42 USC §
37 17935(d)(2).

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

36 //

37 //

EXHIBIT D
AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

I. PERSONAL INFORMATION AND SECURITY CONTRACT

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

1 participation with respect to health care providers participating in the program, and statutes or
2 regulations that require the production of information, including statutes or regulations that require such
3 information if payment is sought under a government program providing public benefits.

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

7 B. TERMS OF AGREEMENT

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

12 2. Responsibilities of CONTRACTOR

13 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

35 //
36 //
37 //