

AGREEMENT FOR PROVISION OF  
ADULT NON-MEDICAL RESIDENTIAL TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
«UC\_NAME» «UC\_DBA»  
JULY 1, 2016 THROUGH JUNE 30, 2018

THIS AGREEMENT entered into this 1st day of July 2016, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and «UC\_NAME»«UC\_DBA», a «CORP\_STATUS» (CONTRACTOR). This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

**WITNESSETH:**

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Adult Non-Medical Residential Treatment services described herein to the residents of Orange County; and

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

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

[illegible]

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2016 through June 30, 2018

Period One means the period from July 1, 2016 through June 30, 2017

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

**Aggregate Maximum Obligation:**

Period One Aggregate Maximum Obligation: \$4,703,562

Period Two Aggregate Maximum Obligation: \$4,414,482

TOTAL AGGREGATE MAXIMUM OBLIGATION: \$9,118,044

**Basis for Reimbursement:** Actual Cost

**Payment Method:** In Arrears

**CONTRACTOR DUNS Number:** <<DUNS>>

**CONTRACTOR TAX ID Number:** <<TAX\_ID>>

**Notices to COUNTY and CONTRACTOR:**

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

CONTRACTOR: «CONTACT»  
«LCNAME»  
«ADDRESS»  
«CITY\_STATE\_ZIP»  
«CONTACT\_EMAIL»

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## I. ACRONYMS

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

A.	AES	Advanced Encryption Standard
B.	ARRA	American Recovery and Reinvestment Act
C.	ASAM	American Society of Addiction Medicine
D.	ASRS	Alcohol and Drug Programs Reporting System
E.	BCP	Business Continuity Plan
F.	CalOMS	California Outcomes Measurement System
G.	CAP	Corrective Action Plan
H.	CCC	California Civil Code
I.	CCR	California Code of Regulations
J.	CD/DVD	Compact Disc/Digital Video or Versatile Disc
K.	CEO	County Executive Office
L.	CESI	Client Evaluation of Self at Intake
M.	CEST	Client Evaluation of Self and Treatment
N.	CHHS	California Health and Human Services Agency
O.	CFR	Code of Federal Regulations
P.	CHPP	COUNTY HIPAA Policies and Procedures
Q.	CHS	Correctional Health Services
R.	CIPA	California Information Practices Act
S.	CMPPA	Computer Matching and Privacy Protection Act
T.	COI	Certificate of Insurance
U.	CSU	Crisis Stabilization Unit
V.	DATAR	Drug Abuse Treatment Access Report
W.	D/MC	Drug/Medi-Cal
X.	DHCS	Department of Health Care Services
Y.	DMV	Department of Motor Vehicles
Z.	DoD	US Department of Defense
AA.	DOJ	Department of Justice
AB.	DPFS	Drug Program Fiscal Systems
AC.	DRP	Disaster Recovery Plan
AD.	DRS	Designated Record Set
AE.	DSM-5	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
AF.	EHR	Electronic Health Records
AG.	ePHI	Electronic Protected Health Information
AH.	FIPS	Federal Information Processing Standards

1	AI.	FTE	Full Time Equivalent
2	AJ.	GAAP	Generally Accepted Accounting Principles
3	AK.	HCA	Health Care Agency
4	AL.	HHS	Health and Human Services
5	AM.	HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
6			Law 104-191
7	AN.	HSC	California Health and Safety Code
8	AO.	ID	Identification
9	AP.	IEA	Information Exchange Agreement
10	AQ.	IRIS	Integrated Records and Information System
11	AR.	ISO	Insurance Services Office
12	AS.	MHP	Mental Health Plan
13	AT.	NIATx	Network for Improvement of Addiction Treatment
14	AU.	NIST	National Institute of Standards and Technology
15	AV.	OCJS	Orange County Jail System
16	AW.	OCPD	Orange County Probation Department
17	AX.	OCR	Office for Civil Rights
18	AY.	OCSD	Orange County Sheriff's Department
19	AZ.	OIG	Office of Inspector General
20	BA.	OMB	Office of Management and Budget
21	BB.	OPM	Federal Office of Personnel Management
22	BC.	P&P	Policy and Procedure
23	BD.	PA DSS	Payment Application Data Security Standard
24	BE.	PC	State of California Penal Code
25	BF.	PCI DSS	Payment Card Industry Data Security Standard
26	BG.	PHI	Protected Health Information
27	BH.	PII	Personally Identifiable Information
28	BI.	PI	Personal Information
29	BJ.	PRA	Public Record Act
30	BK.	SIR	Self-Insured Retention
31	BL.	SUD	Substance Use Disorder
32	BM.	TAF	Treatment Authorization Form
33	BN.	TB	Tuberculosis
34	BO.	HITECH Act	The Health Information Technology for Economic and Clinical Health
35			Act, Public Law 111-005
36	BP.	USC	United States Code
37	BQ.	WIC	State of California Welfare and Institutions Code

## **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. 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 relevant HCA policies and procedures relating to HCA's Compliance Program, HCA's Code of Conduct and General Compliance Trainings.

2. CONTRACTOR has the option to adhere to HCA's Compliance Program and Code of Conduct or establish its own, provided CONTRACTOR's Compliance Program and Code of Conduct have been verified to include all required elements by ADMINISTRATOR's Compliance Officer as described in subparagraphs below.

3. If CONTRACTOR elects to adhere to HCA's Compliance Program and Code of Conduct; the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of award of this Agreement a signed acknowledgement that CONTRACTOR shall comply with HCA's Compliance Program and Code of Conduct.

4. If CONTRACTOR elects to have its own Compliance Program and Code of Conduct then it shall submit a copy of its Compliance Program, Code of Conduct and relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement. ADMINISTRATOR's Compliance Officer shall determine if CONTRACTOR's Compliance Program and Code of Conduct contains all required elements. CONTRACTOR shall take necessary action to

1 meet said standards or shall be asked to acknowledge and agree to HCA's Compliance Program and  
 2 Code of Conduct if the CONTRACTOR's Compliance Program and Code of Conduct does not contain  
 3 all required elements.

4 5. Upon written confirmation from ADMINISTRATOR's Compliance Officer that the  
 5 CONTRACTOR's Compliance Program and Code of Conduct contains all required elements,  
 6 CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of  
 7 CONTRACTOR's Compliance Program, Code of Conduct and related policies and procedures.

8 6. Failure of CONTRACTOR to submit its Compliance Program, Code of Conduct and  
 9 relevant policies and procedures shall constitute a material breach of this Agreement. Failure to cure  
 10 such breach within sixty (60) calendar days of such notice from ADMINISTRATOR shall constitute  
 11 grounds for termination of this Agreement as to the non-complying party.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## **V. CONFIDENTIALITY**

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

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

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

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

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

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

## **VI. COST REPORT**

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

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

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

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

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

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

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

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

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

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

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

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

Signed \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_"

## **VII. DEBARMENT AND SUSPENSION CERTIFICATION**

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

### **VIII. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

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

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

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

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

3. If CONTRACTOR is a governmental organization, any change to another structure, including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an

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1 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of  
2 this subparagraph shall be void.

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

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

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

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

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

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

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

## 26 **IX. EMPLOYEE ELIGIBILITY VERIFICATION**

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

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## **X. EQUIPMENT**

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

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

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

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

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

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

G. Unless this Agreement is followed without interruption by another agreement between the parties for substantially the same type and scope of services, at the termination of this Agreement for

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any cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through this Agreement.

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

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

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

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

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

## **XII. INDEMNIFICATION AND INSURANCE**

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

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

C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an

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

D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply, indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report.

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

F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence

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Professional Liability Insurance	\$1,000,000 per claims made
	\$1,000,000 aggregate
Network Security and Privacy Liability	\$1,000,000 per claims made
Sexual Misconduct Liability	\$1,000,000 per occurrence

#### H. REQUIRED COVERAGE FORMS

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

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

#### I. REQUIRED ENDORSEMENTS

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

a. An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds.

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

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

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

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

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

K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.

L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation

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1 notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach  
2 of the Agreement, upon which the COUNTY may suspend or terminate this Agreement.

3 M. If CONTRACTOR's Professional Liability policy is a "claims made" policy, CONTRACTOR  
4 shall agree to maintain Professional Liability coverage for two (2) years following completion of  
5 Agreement.

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

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

12 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
13 CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY  
14 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Agreement  
15 may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal  
16 remedies.

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

#### 20 R. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

### **XIII. 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 Participant 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.

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D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within fourteen (14) calendar days of receipt.

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.

#### **XIV. 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. CCC §§56 through 56.37, Confidentiality of Medical Information.
3. CCC §§1798.80 through 1798.84, Customer Records.
4. CCC §1798.85, Confidentiality of Social Security Numbers.
5. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social Security.
6. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse Master Plans.
7. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
8. HSC, §11876, Narcotic Treatment Programs.
9. HSC, §§123110 through 123149.5, Patient Access to Health Records.
10. Code of Federal Regulations, Title 42, Public Health.
11. 2 CFR 230, Cost Principles for Nonprofit Organizations
12. 2 CFR 376, Nonprocurement, Debarment and Suspension.
13. 41 CFR 50, Public Contracts and Property Management.
14. 42 CFR 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
15. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse prevention and treatment block grants and/or projects for assistance in transition from homelessness grants.
16. 45 CFR 93, New Restrictions on Lobbying.
17. 45 CFR 96.127, Requirements regarding Tuberculosis.
18. 45 CFR 96.132, Additional Agreements.
19. 45 CFR 96.135, Restrictions on Expenditure of Grant.
20. 45 CFR 160, General Administrative Requirements.
21. 45 CFR 162, Administrative Requirements.
22. 45 CFR 164, Security and Privacy.
23. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
24. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
25. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions.

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26. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism; National Institute on Drug Abuse.
27. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services Administration.
28. 42 USC §290dd-2, Confidentiality of Records.
29. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
30. 42 USC §§1320d through 1320d-9, Administrative Simplification.
31. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
32. 42 USC §6101 et seq., Age Discrimination Act of 1975.
33. 42 USC §2000d, Civil Rights Act of 1964.
34. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
35. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants Policy Statement (10/13).
36. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
37. State of California, Department of Alcohol and Drug Programs Audit Assistance Guide Manual.
38. State of California, Department of Alcohol and Drug Programs, Alcohol and/or Other Drug Program Certification Standards, March 2004.

## **XV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

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

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

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

## **XVI. MAXIMUM OBLIGATION**

A. The Aggregate Maximum Obligation of COUNTY for services provided in accordance with all agreements for Adult Non-Medical Residential Treatment Services during Period One and Period Two are as specified in the Referenced Contract Provisions of this Agreement. This specific Agreement with CONTRACTOR is only one of several agreements to which this Aggregate Maximum Obligation applies. It therefore is understood by the parties that reimbursement to CONTRACTOR will be only a fraction of these Aggregate Maximum Obligations.

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

## **XVII. MINIMUM WAGE LAWS**

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

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

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

## **XVIII. NONDISCRIMINATION**

### **A. EMPLOYMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **XIX. NOTICES**

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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

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

## **XX. NOTIFICATION OF DEATH**

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

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

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

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

## 2. WRITTEN NOTIFICATION

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

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

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

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

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

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

## **XXII. PAYMENT CARD COMPLIANCE**

Should CONTRACTOR conduct credit/debit card transactions in conjunction with their business with COUNTY, on behalf of COUNTY, or as part of the business that they conduct, CONTRACTOR covenants and warrants that it is currently PCI DSS and PA DSS compliant and will remain compliant during the entire duration of this Agreement. CONTRACTOR agrees to immediately notify COUNTY in the event CONTRACTOR should ever become non-compliant, and will take all necessary steps to return to compliance and shall be compliant within ten (10) business days of the commencement of any such interruption. Upon demand by COUNTY, CONTRACTOR shall provide to COUNTY written certification of CONTRACTOR's PCI DSS and/or PA DSS compliance.

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**XXIII. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

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

1. The medical records and billing records about individuals maintained by or for a covered health care provider;
2. The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or
3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

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

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

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

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

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

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

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

#### **XXIV. RESEARCH AND PUBLICATION**

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

#### **XXV. REVENUE**

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

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

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

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**XXVI. SEVERABILITY**

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

**XXVII. SPECIAL PROVISIONS**

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

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

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

16. Assisting, promoting, or deterring union organizing.

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

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

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

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

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

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

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

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

## **XXVIII. STATUS OF CONTRACTOR**

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

## **XXIX. TERM**

A. This specific Agreement with CONTRACTOR is only one of several agreements to which the term of this Agreement applies. This specific Agreement shall commence as specified in the Reference Contract Provisions of this Agreement or the execution date, whichever is later. This specific Agreement shall terminate as specified in the Referenced Contract Provisions of this Agreement, unless

otherwise sooner terminated as provided in this Agreement; provided, however, CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

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

### **XXX. 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

1 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated  
2 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

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

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

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

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

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

15 4. If Participants are to be transferred to another facility for services, furnish  
16 ADMINISTRATOR, upon request, all Participant information and records deemed necessary by  
17 ADMINISTRATOR to effect an orderly transfer.

18 5. Assist ADMINISTRATOR in effecting the transfer of Participants in a manner consistent  
19 with Participant's best interests.

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

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

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

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

### 32 **XXXI. THIRD PARTY BENEFICIARY**

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

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**XXXII. WAIVER OF DEFAULT OR BREACH**

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

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

3  
4 «UC\_NAME»  
5

6  
7 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
8

9 TITLE: \_\_\_\_\_  
10

11  
12 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
13

14 TITLE: \_\_\_\_\_  
15

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17  
18 COUNTY OF ORANGE  
19

20  
21 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
22

23 HEALTH CARE AGENCY  
24

25  
26 APPROVED AS TO FORM  
27 OFFICE OF THE COUNTY COUNSEL  
28 ORANGE COUNTY, CALIFORNIA  
29

30 BY:  \_\_\_\_\_ DATED: 4/13/16  
31

32 DEPUTY  
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.

EXHIBIT A  
TO AGREEMENT FOR PROVISION OF  
ADULT NON-MEDICAL RESIDENTIAL TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
«UC\_NAME» «UC\_DBA»  
JULY 1, 2016 THROUGH JUNE 30, 2018

**EXHA I. COMMON TERMS AND DEFINITIONS**

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

1. ASAM Criteria is a comprehensive set of guidelines for placement, continued stay and transfer/discharge of patients with addiction and co-occurring conditions.

2. Bed Day means one (1) calendar day during which CONTRACTOR provides residential treatment services as described in Exhibit A of the Agreement. A Bed Day will include the day of admission; but, not the day of discharge. If admission and discharge occur on the same day, one (1) Bed Day will be charged.

3. CalOMS is a statewide Participant-based data collection and outcomes measurement system as required by the State to effectively manage and improve the provision of alcohol and drug treatment services at the State, COUNTY, and provider levels.

4. CESI/CEST are self-administered survey instruments designed to assess Participants' motivation for change, engagement in treatment, social and peer support, and other psychosocial indicators of progress in recovery.

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

6. CSU means a psychiatric crisis stabilization program that operates 24 hours a day that serves Orange County residents, aged 18 and older, who are experiencing a psychiatric crisis and need immediate evaluation. Participants receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to the appropriate level of continuing care. As a designated outpatient facility, the CSU may evaluate and treat Participants for no longer than 23 hours.

7. DATAR is the DHCS system used to collect data on SUD treatment capacity and waiting lists.

8. Designated Beds means beds that are specifically reserved to provide timely linkage to Participants who are coming directly from detoxification Services and are in need of Residential Treatment.

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9. Graduation or Participant Completion means the completion of the Residential Treatment Services program (recovery) whereby the Participant has successfully completed all goals and objectives documented in the Participant's treatment plan within the maximum authorized length of stay authorized by ADMINISTRATOR.

10. Intake means the initial face-to-face meeting between a Participant and CONTRACTOR staff in which specific information about the Participant is gathered including the ability to pay and standard admission forms pursuant to this Agreement.

11. IRIS is a collection of applications and databases that serve the needs of programs within HCA and includes functionality such as registration and scheduling, laboratory information system, invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records and other relevant applications.

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

13. Medication means those medications that are needed to maintain Participant's health, and without which there could be medical or mental health consequences to the Participant.

14. NIATx is a set of objectives used to measure the effectiveness of the treatment program.

15. Participant means a person who has a substance use disorder, for whom a COUNTY approved intake and admission for residential services as appropriate have been completed pursuant to this Agreement.

16. Program Protocol means the written program description, goals, objectives, and policies established by CONTRACTOR for the Residential Treatment Services program provided pursuant to this Agreement.

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

18. Resocialization/Re-Entry means applying and continuing treatment activities designed to assist Participants in working on personal issues, cultivate support systems, and seek and/or obtain education/vocational and/or volunteer opportunities.

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

20. Structured Activities means services including Therapeutic Activity and Non-Therapeutic Activity designed to meet treatment goals.

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a. Therapeutic Activity means activities such as individual counseling, groups and self-help groups, but excludes chores and recreational activities. These activities shall incorporate best practices and evidence-based approaches.

b. Non-Therapeutic Activity includes work, school, and volunteer hours outside the facility, chores, and recreation and socialization activities.

21. SUD means a condition in which the use of one or more substances leads to a clinically significant impairment or distress per the DSM-5

22. Token means the security device which allows an individual user to access IRIS.

23. Unit of Service means one (1) calendar day during which services are provided to a Participant pursuant to this Agreement. A day in which a Participant is absent for a CONTRACTOR-sanctioned overnight pass may also be included as a Unit of Service.

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

## **II. PAYMENTS**

A. BASIS FOR REIMBURSEMENT – COUNTY shall pay CONTRACTOR for the actual costs of providing the services described hereunder, less revenues which are actually received by CONTRACTOR; provided, however, that CONTRACTOR's costs are allowable pursuant to county, state, and federal regulations. Non-compliance will require the completion of CAPs by CONTRACTOR. If CAPs are not completed within timeframes as determined by ADMINISTRATOR, payments may be reduced accordingly. Furthermore, if CONTRACTOR is ineligible to provide services due to non-compliance with licensure and/or certification standards of the State, COUNTY or OCPD, ADMINISTRATOR may elect to reduce COUNTY's maximum obligation proportionate to the length of time that CONTRACTOR is ineligible to provide services.

B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears the actual cost of the services, less revenues that are actually received by CONTRACTOR provided, however, that the total of such payments shall not exceed the COUNTY's Aggregate Maximum Obligation. CONTRACTOR's invoices shall be on a form approved or provided by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR. Invoices are due by the twentieth (20th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later than twenty-one (21) calendar days after receipt of the correctly completed invoice form.

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

D. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls,

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1 appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks,  
2 receipts, receiving records, and records of services provided.

3 E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply  
4 with any provision of this Agreement.

5 F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration  
6 and/or termination of this Agreement.

7 G. In conjunction with Subparagraph II.A above, CONTRACTOR shall not enter Units of Service  
8 into the COUNTY IRIS system for services not rendered. If such information has been entered,  
9 CONTRACTOR shall make corrections within ten (10) calendar days from notification by  
10 ADMINISTRATOR.

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

### 13 **III. RECORDS**

14 A. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete  
15 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the  
16 type of service for which payment is claimed in accordance with generally accepted accounting  
17 principles.  
18

19 1. Any apportionment of or distribution of costs, including indirect costs, to or between  
20 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with  
21 generally accepted accounting principles.

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

24 B. PARTICIPANT FEES – The Participant eligibility determination and fee charged to and  
25 collected from Participant, according to the COUNTY approved sliding scale fee schedule, together  
26 with a record of all invoices rendered and revenues received from any source on behalf of Participant  
27 treated pursuant to this Agreement, must be reflected in CONTRACTOR's financial records.

28 C. COUNTY SLIDING FEE SCALE – CONTRACTOR shall utilize the sliding fee scale provided  
29 by ADMINISTRATOR. CONTRACTOR must have a policy describing the collection of Participant  
30 fees. No Participant shall be denied access to services due to an inability to pay; however, Participants  
31 are responsible for paying their fees according to the provided fee scale once an ability to pay is secured.  
32 The Participant's failure to make a reasonable effort to pay the assessed fee is cause for termination of  
33 services.

34 D. PARTICIPANT RECORDS – CONTRACTOR shall maintain adequate records on each  
35 individual Participant in sufficient detail to permit an evaluation of services, which shall include, but not  
36 be limited to:

37 //

1. ADMINISTRATOR's Treatment Authorization Form for Residential Treatment Services.
  2. Treatment plans which shall be documented in the Participant's record within fourteen (14) calendar days from the date of admission.
  3. An admission record which shall include documentation that Residential Treatment Services for substance use disorders are appropriate for the Participant. Such documentation shall include a completed ASAM criteria indicating appropriate level of care for participant, and a comprehensive psychosocial assessment.
- E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Records Paragraph of this Exhibit A to the Agreement.

#### **IV. REPORTS**

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

1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR, including information required and on a form approved or provided by ADMINISTRATOR. These monthly programmatic reports should be submitted to ADMINISTRATOR no later than the tenth (10th) calendar day of the month following the report month.
2. CONTRACTOR shall be responsible for including in the monthly programmatic report any problems in implementing the provisions of this Agreement, pertinent facts or interim findings, staff changes, status of license(s) and/or certification(s), changes in population served, and reasons for any changes. Additionally, a statement that the CONTRACTOR is or is not progressing satisfactorily in achieving all the terms of the Agreement shall be included.

##### **B. FISCAL**

1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by ADMINISTRATOR and shall report actual costs and revenues for each of the CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Agreement. CONTRACTOR shall submit these reports by no later than twenty (20) calendar days following the end of the month reported.
2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Agreement. Such reports shall include actual monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and Revenue Reports.

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

4 D. CalOMS – CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission  
5 record in IRIS within seven (7) calendar days of Participant admission. CONTRACTOR shall complete  
6 a CalOMS discharge record in IRIS within seven (7) calendar days of Participant discharge.  
7 CONTRACTOR shall run a CalOMS error report and correct any errors within two (2) business days of  
8 submitting the CalOMS admission or discharge, and continue to recheck until error free.

9 E. MONTHLY DATAR – CONTRACTOR shall provide reports under the DATAR, and/or any  
10 other State reporting system in a manner prescribed by ADMINISTRATOR, no later than the fifth (5th)  
11 calendar day of the month following the report month.

12 F. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by  
13 ADMINISTRATOR concerning CONTRACTOR's activities as they affect the services hereunder.  
14 ADMINISTRATOR will be specific as to the nature of the information requested and the timeframe the  
15 information is needed.

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

## 18 V. GENERAL REQUIREMENTS

19 A. MEETINGS – CONTRACTOR's Executive Director or designee shall participate, when  
20 requested, in meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to  
21 this Agreement.  
22

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

30 C. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 31 1. State Licensure and Certification
- 32 2. Business License
- 33 3. Conditional Use Permit (if applicable)
- 34 4. Fire clearance
- 35 5. Participant rights
- 36 6. Grievance procedure
- 37 7. Employee Code of Conduct

8. Evacuation floor plan
9. Equal Employment Opportunity notices
10. Name, address, telephone number for fire department, crisis program, local law enforcement, and ambulance service.
11. List of resources within community which shall include medical, dental, mental health, public health, social services and where to apply for determination of eligibility for State, Federal or county entitlement programs.
12. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.
- D. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of this Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.
- E. AUTHORITY – CONTRACTOR shall recognize the authority of OCPD as officers of the court, and shall extend cooperation to OCPD within the constraints of CONTRACTOR's program of substance use disorder residential services.
- F. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy shall specify that the facility is "smoke free" and that designated smoking areas are outside the visiting areas at the facility.
- G. PARTICIPANT SIGN IN/OUT LOG AND SCHEDULE – CONTRACTOR shall maintain a resident sign in/out log for all residents, which shall include, but not be limited to, the following:
  1. Participant's schedule for treatment, work, education or other activities;
  2. Location and telephone number where the Participant may be reached; and
  3. Requirement for all Participants to notify the program of any change in his/her schedule.
- H. GOOD NEIGHBOR POLICY – CONTRACTOR shall establish a Good Neighbor Policy, which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not be limited to, staff training to deal with neighbor complaints, staff contact information available to neighboring residents and complaint procedures.
- I. VISITATION POLICY – CONTRACTOR shall establish a written Visitation Policy, which shall be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the following:
  1. Sign in logs;
  2. Visitation hours; and
  3. Designated visiting areas at the Facility.

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J. TRANSGENDER POLICY – CONTRACTOR shall establish a written Transgender Policy, which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not limited to, the following:

1. Admission
2. Housing arrangement
3. Bathroom privacy
4. Drug testing

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

L. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available at each program site at minimum one (1) Naloxone Nasal Spray for the treatment of known or suspected opioid overdose. At least one (1) staff per shift shall be trained in administering the Naloxone Nasal Spray. Naloxone Nasal Spray is not a substitute for emergency medical care. CONTRACTOR shall always seek emergency medical assistance in the event of a suspected, potentially life-threatening opioid emergency.

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

1. CONTRACTOR recognizes that a Token is assigned to a specific individual staff member with a unique password. Tokens and passwords shall 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 this Agreement.
- b. Token of each staff member who no longer requires access to IRIS.
- c. Token of each staff member who leaves employment of CONTRACTOR.
- d. Tokens malfunctioning.

5. ADMINISTRATOR will issue Tokens for CONTRACTOR's staff members who require access to the IRIS upon initial training or as a replacement for malfunctioning Tokens. CONTRACTOR shall reimburse the COUNTY for Tokens lost, stolen, or damaged through acts of negligence.

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N. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the General Requirements Paragraph of this Exhibit A to the Agreement.

## **VI. SERVICES**

A. FACILITY – CONTRACTOR shall operate licensed and certified substance use disorder residential programs in accordance with the standards established by COUNTY and the State within the specifications stated below, unless otherwise authorized by the ADMINISTRATOR. CONTRACTOR shall provide substance use disorder Residential Treatment Services within a licensed and certified «RES\_FAC\_BED\_CAP» bed residential substance use disorder treatment Facility. Facility must acquire ASAM designation from DHCS. Unless otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall maintain regularly scheduled service hours, seven (7) days a week, twenty-four (24) hours per day throughout the year. Services shall be provided at the following locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

«RES\_FAC1\_STREET»                      «RES\_FAC2\_STREET»  
«RES\_FAC1\_CITY\_ST\_ZIP»      «RES\_FAC2\_CITY\_ST\_ZIP»

B. PERSONS TO BE SERVED – CONTRACTOR shall serve Participants who have abstained from substance use for at least twenty-four (24) hours; have a diagnosis of a substance use disorder, and demonstrate a need for a substance use disorder residential treatment setting based on ASAM criteria. CONTRACTOR may refer Participant if it is determined that Participant is in need of detoxification Services.

### **C. UNITS OF SERVICE**

1. CONTRACTOR shall provide a minimum of «RES\_UOS» Residential Treatment Units of Service for Participants.

2. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to adjust the Units of Service set forth in Subparagraph VI.C.1. of this Exhibit A to the Agreement

D. DESIGNATED BEDS – CONTRACTOR shall assign designated Residential Treatment bed(s) to Participants who have successfully completed detoxification at a COUNTY-contracted facility. CONTRACTOR shall only accept designated bed placements made by ADMINISTRATOR Gatekeeper. CONTRACTOR shall coordinate with COUNTY to determine the number of designated beds for Participants transferring from a detox service provider. Designated bed Participants are not required to follow the Admission criteria established below. Designated bed Participants will receive the same services as set forth under Subparagraph I.E.1. of this Exhibit A to the Agreement.

### **E. ADMISSIONS**

1. CONTRACTOR shall accept any person who is physically and mentally able to comply with the program's rules and regulations. Said persons shall include persons with a concurrent diagnosis

1 of mental illness, i.e., those identified as having a co-occurring diagnosis. Persons with co-occurring  
 2 disorders and others who require prescribed Medication shall not be precluded from acceptance or  
 3 admission solely based on their licit use of prescribed Medications. Persons having a concurrent  
 4 diagnosis of mental illness will be served in accordance with Federal Substance Abuse Prevention and  
 5 Treatment Block Grant Program requirements and COUNTY guidelines.

6 2. CONTRACTOR shall have a policy that requires a Participant who shows signs of any  
 7 communicable disease or through medical disclosure during the intake process admits to a health related  
 8 problem that would put others at risk, to be cleared medically before services are provided.

9 3. Admission Policy – CONTRACTOR shall establish and make available to the public a  
 10 written Admission Policy which shall include, but not be limited to the following treatment priorities:

- 11 a. First priority for admission shall be given to pregnant injection drug users.
- 12 b. Second priority for admission is pregnant substance abusers.
- 13 c. Third priority for admission is injection drug users.

14 4. CONTRACTOR's Admission Policy shall reflect all applicable federal, state, and county  
 15 regulations.

16 5. Prior to admission, CONTRACTOR shall fax or send in secured email a TAF request for  
 17 treatment authorization to ADMINISTRATOR, for an individual who fulfills the criteria in accordance  
 18 to Subparagraph VI.B. above. ADMINISTRATOR will authorize the individual's immediate admission  
 19 to treatment by sending the treatment authorization to the CONTRACTOR. CONTRACTOR shall not  
 20 admit any individual into program without prior approval by ADMINISTRATOR. Within one business  
 21 day of Participant's admission, CONTRACTOR shall fax a completed TAF containing date of  
 22 admission and CONTRACTOR signature to ADMINISTRATOR.

23 6. CONTRACTOR shall maintain a list of individuals who have requested SUD residential  
 24 treatment services and for whom a TAF has been submitted to the county residential treatment  
 25 gatekeeper.

26 7. County Gatekeeper shall send a monthly report on the status of individuals who have  
 27 requested SUD residential treatment services from the CONTRACTOR. CONTRACTOR shall record  
 28 date Participant is enrolled by CONTRACTOR. This data shall be used to complete monthly DATAR  
 29 report.

30 8. CONTRACTOR shall have the right to refuse admission of a person only in accordance  
 31 with its written Admission Policy; provided, however, CONTRACTOR complies with the  
 32 Nondiscrimination provisions of this Agreement.

33 9. INTERIM SERVICES – All persons who are not admitted into a Residential Treatment  
 34 Services shall be provided or referred to Interim Services by CONTRACTOR. Interim Services shall be  
 35 provided until an individual is admitted to a substance abuse treatment program. The purposes of the  
 36 services are to reduce the adverse health effects of such abuse, promote the health of the individual, and  
 37 reduce the risk of transmission of disease. At a minimum, Interim Services include counseling and

education about HIV and TB, about the risks of needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment services if necessary. CONTRACTOR shall provide Participants, especially opiate users, with drug overdose education/information. For pregnant women, Interim Services also includes counseling on the effects of alcohol and drug use on the fetus, as well as referral for prenatal care. Provision of Interim Services shall be documented on the DATAR and reported monthly to the State.

#### F. SERVICES

1. CONTRACTOR shall provide to Participants a «RES\_\_OF\_BEDS» bed alcohol and drug-free residential treatment program of no more than ninety (90) calendar days without prior approval in writing by ADMINISTRATOR.

2. Co-Occurring Disorders: CONTRACTOR shall provide rehabilitative and recovery services to Participants with co-occurring disorders and ensure that such services address the relationship between the two diagnoses throughout treatment.

3. Each Participant shall be restricted to the premises of the facilities listed within the Agreement for a minimum of fourteen (14) calendar days of the program, and CONTRACTOR shall not encourage Participants to seek employment opportunities during this time. Exceptions for restriction to the premises shall be allowed for medical, outside meetings, mental health/substance use appointments and/or emergencies. Uninsured Participants shall be provided assistance in securing Affordable Health Care benefits. CONTRACTOR shall discharge Participants who are away from the facility for more than three (3) calendar days, unless authorized by ADMINISTRATOR.

4. Residential Treatment program shall consist of the following:

a. Screening – Appropriateness for services shall be assessed through use of the ASAM criteria. A copy of the ASAM criteria shall be kept in the file. CONTRACTOR shall not admit any participant with outstanding warrants. Staff shall review OC Sheriff Department website for any warrants in Orange County, prior to admission.

b. Program Orientation – During the first seventy-two (72) hours of a Participant's admission into the Program, CONTRACTOR shall provide an overview of the program. The Program Orientation shall include, but not be limited to:

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

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c. Assessment – Within seven (7) calendar days of admission, CONTRACTOR shall provide a standardized, comprehensive risk and needs assessment on each Participant which assesses both alcohol/drug abuse history, family history, mental and emotional status, legal status, educational and vocational background as well as daily living skills, stress management, literacy, employment, education, and money management. Assessment tools shall meet best practice standards and may include Addiction Severity Index, CalOMS or other assessment tools that are approved by ADMINISTRATOR and completed and signed by staff.

d. CESI/CEST – CONTRACTOR shall have all Participants complete the CESI at the time of intake. The CEST shall be completed at mid-point and at completion, and information incorporated in the formulation of treatment plan.

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

2) CONTRACTOR shall photocopy the CESI and CEST surveys, place them in Participant files, and submit the originals to ADMINISTRATOR once a month, by the tenth (10th) calendar day of each month.

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

e. Treatment Plan – CONTRACTOR shall develop an individualized treatment plan with each Participant within fourteen (14) calendar days of admission. The client-centered treatment plan shall be based upon the Participant's needs identified in the assessment process and shall include goals and objectives with specific measurable tasks outlining what the Participant is to complete. CONTRACTOR and Participant shall collaborate on a treatment plan that shall include identification of a minimum of three (3) problem areas, including a drug and/or alcohol problem, long and short term individualized goals for addressing the identified needs with action steps, target dates and dates of resolution for each. As a part of their treatment plan, Participants will be actively involved in outside activities. Participants' treatment plan shall clearly outline the expectations, responsibilities and steps taken to successfully earn Resocialization/Re-Entry privileges. Every fourteen (14) calendar days, CONTRACTOR shall review with the Participant, and document in the progress notes, the Participant's progress on the treatment plan. CONTRACTOR shall update the treatment plan no later than ninety (90) calendar days after signing the initial treatment plan, and when there is a change in problem identification or focus of treatment.

f. Structured Therapeutic Activities – Residential Treatment Services shall consist of a minimum of twenty (20) hours of structured activity per week. Of this, Participants must engage in a

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1 minimum of fourteen (14) hours of Therapeutic Activity per week, which shall include, at a minimum  
2 the following:

3 1) Individual Counseling – CONTRACTOR shall provide individual counseling to  
4 Participants.

5 2) Group Counseling – CONTRACTOR shall provide counseling and intervention  
6 within a group setting to Participants. Group interventions and activities may include, but are not  
7 limited to process groups, seminars and educational groups, house and community group meetings, and  
8 practical life and social skills.

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

16 g. Structured Non-Therapeutic Activities: – CONTRACTOR shall provide a minimum of  
17 six (6) hours of structured Non-Therapeutic Activity per week that includes work, school, and volunteer  
18 hours outside the Facility, chores, and recreation and socialization activities. Activities may include, but  
19 not be limited to:

20 1) Teaching the concepts of rules, teamwork and sportsmanship.

21 2) Providing guidance on use of recreational or leisure time.

22 h. Treatment Activities

23 1) CONTRACTOR shall design Treatment Activities to interrupt negative alcohol or  
24 other drug abuse factors, address denial and personal/behavioral issues, and assist the Participant's  
25 adjustment to a sober environment.

26 2) CONTRACTOR shall include within the Participant's Treatment Plan client-  
27 centered goals and objectives with specific measurable tasks outlining what the Participant is to  
28 complete prior to advancing to Resocialization/Re-Entry phase of treatment.

29 i. Resocialization/Re-Entry

30 1) During Resocialization/Re-Entry, CONTRACTOR shall obtain documentation  
31 from Participants regarding efforts to obtain employment.

32 2) As part of the Resocialization/Re-Entry process, CONTRACTOR staff shall  
33 finalize exit plans with the Participant.

34 3) If Participant is not in the resocialization process by forty-five (45) calendar days  
35 after the date of admission, CONTRACTOR shall document reason why not and specify objective(s)  
36 needed to be accomplished to be involved in the resocialization process.

37 //

j. Case Management – CONTRACTOR shall provide Case Management services by contacting outside agencies and making referrals for services outside the scope of comprehensive substance abuse services as identified in the Participant’s recovery. Such concomitant services include academic education, vocational training, medical and dental treatment, pre- and post- counseling and testing for infectious diseases, legal assistance, job-search assistance, financial assistance, childcare, and self-help programs such as twelve (12) – step programs. Said linkages, referrals and follow-up are to be documented in the Participant file.

k. Successful Completion – CONTRACTOR shall consider all Participants to be graduated upon completion of all their treatment plan goals.

l. Transition/Exit Planning – CONTRACTOR shall begin discharge planning immediately after enrollment. CONTRACTOR shall develop a formal exit plan with the Participant no later than fourteen (14) calendar days prior to Participant’s successful completion of the program. The exit plan shall be completed and signed by CONTRACTOR staff and Participant. The exit plan shall be documented in the Participant’s chart and include:

1) Participant’s achievements while in the Residential Treatment such as meeting or progressing towards educational or vocational goals.

2) Linkage and transition of the Participant to support service(s) such as outpatient treatment, ongoing recovery support services such as self-help groups, alumni groups, recovery maintenance services, social services, other support services such as vocational rehabilitation, job training and other services, if needed to assist the Participant in maintaining an alcohol and drug free lifestyle.

m. Discharge Summary – CONTRACTOR shall develop written procedures regarding Participant discharge. Written criteria for the discharge summary shall be completed within seven (7) calendar days of discharge and shall include:

- 1) Reason for discharge
- 2) Description of treatment episodes or recovery services
- 3) Current alcohol and/or drug usage at discharge
- 4) Vocational and educational achievements
- 5) Legal status
- 6) Linkages and referrals made
- 7) Participants comments
- 8) A description of the Participant’s goals and achievement towards those goals as described in the Participant’s treatment plan.

n. Food and Other Services – CONTRACTOR shall provide a clean, safe environment, toiletries, clean linen, and food service.

o. Support Services – CONTRACTOR shall provide housekeeping, which may be done by Participants; laundry access; and maintenance.

p. Collateral Services – CONTRACTOR shall provide as appropriate, individual and group sessions for Participant's family members or significant others, excluding professionals such as employers or doctors, to address varied systems dynamics which could contribute to the Participant's relapse, and potential or actual use. Collateral Service shall include the Participant unless determined inappropriate by the Counselor.

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

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

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

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

2) CONTRACTOR shall, based on information provided by Participant on the health questionnaire form, refer Participant to licensed medical professionals for physical and laboratory examinations as appropriate.

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

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

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

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

e) The programs shall post the name, address, and telephone number for the fire department, a crisis program, local law enforcement, and ambulance service.

f) CONTRACTOR shall provide TB services to the Participants by referral to the COUNTY or another appropriate provider. TB services shall be provided within seven (7) calendar days of admission. These TB services shall consist of the following:

i) Counseling with respect to TB;

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

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

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1                   r. Transportation Services

2                   1) COUNTY shall only pay for medical ambulance or medical van transportation to  
3 and from designated residential substance use disorder treatment programs or health facilities through  
4 the COUNTY's Medical Transportation Agreement under the following conditions:

5                   a) Ambulance transportation shall be used for services requiring immediate  
6 attention for a Participant due to any sudden or serious illness or injury requiring immediate medical  
7 attention, where delay in providing such services may aggravate the medical condition or cause the loss  
8 of life.

9                   b) When any Participant needs non-emergency transportation as identified in  
10 Subparagraph r.2) below, and CONTRACTOR cannot transport Participant due to unforeseen  
11 circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within  
12 a timely manner or Participant's physical condition and/or limitations.

13                   c) CONTRACTOR shall utilize the COUNTY's Ambulance Monthly Rotation  
14 Call Log to request transportation services from Ambulance Providers designated for transportation  
15 within the city of the CONTRACTOR's facility for each said month as identified on the log.

16                   d) CONTRACTOR shall use its best efforts to contact Ambulance Providers  
17 identified on the Monthly Rotation Call Log as those providers who offer van transportation services if  
18 and when an ambulance is not required.

19                   e) CONTRACTOR shall be held liable and may be billed by the Ambulance  
20 Provider for services requested by CONTRACTOR that are deemed inappropriate for use and not a  
21 covered service under this section by the COUNTY.

22                   2) Non-Emergency Transportation – CONTRACTOR shall transport Participant,  
23 either in CONTRACTOR's own, or COUNTY loaned, vehicle to locations that are considered necessary  
24 and/or important to the Participant's recovery plan including, but not limited to, Social Security  
25 Administration offices for Supplemental Security Income benefits and for non-emergency medical or  
26 mental health services not identified in Subparagraph r.1). above, that require treatment at a physician  
27 office, urgent care, or emergency room when an ambulance provider is not necessary or required for  
28 transportation based on the level of severity and/or services required by the Participant.

29                   G. ALCOHOL AND/OR DRUG SCREENING

30                   1. CONTRACTOR shall have a written policy and procedure statement regarding drug  
31 screening that includes random drug and/or alcohol screen at a minimum of one (1) time per month for  
32 the first thirty (30) calendar days and two (2) times per month for the remaining term of the agreement  
33 for all Participants. All urine specimen collections shall be observed by same sex staff. This policy  
34 shall be approved by ADMINISTRATOR. A Participant shall not be denied admittance to treatment for  
35 a positive alcohol and/or drug screen at admission if they meet all other criteria for admission.  
36 CONTRACTOR shall:

37 //

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

2. In the event CONTRACTOR wishes to utilize a COUNTY-contracted laboratory for drug screening purposes, CONTRACTOR shall collect and label samples from Participants. Such testing shall be provided at COUNTY's expense.

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

#### H. PERFORMANCE OUTCOMES

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

##### 2. Performance Outcome Objectives

a. Objective 1: CONTRACTOR shall provide effective residential substance abuse assessment, treatment, and counseling to Participants with identified alcohol and/or drug problems as measured by Retention and Completion Rates.

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

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

b. Objective 2: CONTRACTOR shall implement a process improvement project as outlined in the NIATx model, targeting at least one of the following four (4) NIATx aims:

- 1) Reduce waiting times
- 2) Reduce no-shows
- 3) Increase admissions
- 4) Increase continuation in treatment

I. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Residential Treatment Services paragraph of this Exhibit A to the Agreement.

**VII. BUDGET**

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in Exhibit A to this Agreement and the following budgets, which are set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

	PERIOD ONE	PERIOD TWO	TOTAL
<b>ADMINISTRATIVE COSTS</b>			
Salaries	\$	\$	\$«RS_AD
	«RS_ADM_SAL	«RS_ADM_S	M_SAL_T
	_P1»	AL_P2»	TL»
Benefits			«RS_ADM
	«RS_ADM_BE	«RS_ADM_	_BEN_TT
	N_P1»	BEN_P2»	L»
Services and Supplies	«RS_ADM_SS_	«RS_ADM_S	«RS_ADM
	P1»	S_P2»	_SS_TTL»
Subcontracts			«RS_ADM
	«RS_ADM_SU	«RS_ADM_S	_SUBK_T
	BK_P1»	UBK_P2»	TL»
Indirect Costs			«RS_A
		«RS_AD	DM_IN
	«RS_ADM_IND	M_IND	D TTL
	_P1»	P2»	»
<b>SUBTOTAL ADMINISTRATIVE COSTS</b>	\$	\$	\$«RS_AD
	«RS_ADM_SU	«RS_ADM_S	M_SUBT_
	BT_P1»	UBT_P2»	TTL»
<b>PROGRAM COSTS</b>			
Salaries			\$«RS_PRG
	\$«RS_PRG_SA	\$«RS_PRG_	_SAL_TTL
	L_P1»	SAL_P2»	»
Benefits			«RS_PRG_
	«RS_PRG_BEN	«RS_PRG_B	BEN_TTL
	_P1»	EN_P2»	»
Services and Supplies	«RS_PRG_SS_P	«RS_PRG_S	«RS_PRG_
	1»	S_P2»	SS_TTL»

## Subcontracts

			<u>«RS_PRG_</u>
		<u>«RS_PRG SUB</u>	<u>«RS_PRG S</u>
		<u>K_P1»</u>	<u>UBK_P2»</u>
			<u>L»</u>
	SUBTOTAL PROGRAM COSTS		\$«RS_PRG
		\$«RS_PRG_SU	\$«RS_PRG_
		BT_P1»	SUBT_P2»
			L»
	TOTAL GROSS COSTS	\$«RS_GROSS_	\$«RS_GROS
		P1»	S_P2»
			OSS_TTL»
	REVENUE		
	Participant Fees		\$
		\$	\$
		«RS_PART_FE	«RS_PART_
		ES_P1»	FEEES_P2»
			L»
	Donations	«RS_DONA_P1	«RS_DONA_
		»	P2»
			A_TTL»
	State Disability Insurance		«RS_SDI_P2
		«RS_SDI_P1»	»
			TTL»
	Food Stamps		
			<u>«RS_FDST</u>
		<u>«RS_FDSTMP</u>	<u>«RS_FDSTM</u>
		<u>P1»</u>	<u>PS_P2»</u>
			»
	SUBTOTAL REVENUE		\$
		\$	\$
		«RS_PRG_REV	«RS_PRG_R
		_P1»	EV_P2»
			»
	TOTAL MAXIMUM OBLIGATION		\$«RS_TOT_
		\$«RS_TOT_MA	MAXOB_P2
		XOB_P1»	»
			TTL»

B. BUDGET/STAFFING MODIFICATIONS – CONTRACTOR may request to shift funds between budgeted line items, for the purpose of meeting specific program needs or for providing continuity of care to its consumers, by utilizing a Budget/Staffing Modification Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing

Modification Request to ADMINISTRATOR for consideration, in advance, which will include a justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s) may result in disallowance of those costs.

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

### **VIII. STAFFING**

A. CONTRACTOR shall, at a minimum, provide the following paid staff expressed in FTEs, for period one and two, which shall be equal to an average of forty (40) hours worked per week:

STAFF	FTEs
«RS_STAFF_1»	«RS_ FTE_ 1»
«RS_STAFF_2»	«RS_ FTE_ 2»
«RS_STAFF_3»	«RS_ FTE_ 3»
«RS_STAFF_4»	«RS_ FTE_ 4»
«RS_STAFF_5»	«RS_ FTE_ 5»
«RS_STAFF_6»	«RS_ FTE_ 6»
«RS_STAFF_7»	«RS_ FTE_ 7»
«RS_STAFF_8»	«RS_ FTE_ 8»

1		FTE_
2		8»
3	«RS_STAFF_9»	«RS_
4		FTE_
5		9»
6	«RS_STAFF_10»	«RS_
7		FTE_
8		10»
9	«RS_STAFF_11»	«RS_
10		FTE_
11		11»
12	«RS_STAFF_12»	«RS_
13		FTE_
14		12»
15	«RS_STAFF_13»	«RS_
16		<u>FTE</u>
17		<u>13»</u>
18	TOTAL FTEs	«RS_
19		SUBT
20		_FTE
21		»

23 1. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
24 staffing set forth above.

25 2. CONTRACTOR shall provide twenty-four (24) hour supervision with at least one (1) staff  
26 member on-site at all times. Co-ed residential programs shall require twenty-four (24)-hour awake  
27 supervision.

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

30 C. STAFF CERTIFICATION – SUD treatment staff shall meet the requirements of the DHCS  
31 Counselor Certification Standards for California. All staff providing treatment services shall be  
32 registered, licensed and/or certified in accordance with state requirements and professional guidelines as  
33 applicable. At minimum, one (1) licensed clinician must be hired full time to provide counseling  
34 services. Dual diagnosed Participants must be part of licensed staff caseload. The licensed clinician  
35 shall provide group counseling services, and provide supervision to non-licensed counseling staff.

36 D. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with  
37 volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing

services pursuant to this Agreement, interns shall be Master's Candidates in Counseling or Social Work or have a Bachelor's Degree in a related field or be participating in any state recognized counselor certification program. CONTRACTOR shall provide a minimum of one (1) hour supervision for each ten (10) hours of work by interns or consistent with school or licensing Board requirements. CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions or work contracts. Volunteer or student intern services may not comprise more than twenty percent (20%) of the services provided, unless approved in advance by ADMINISTRATOR

E. STAFF CONDUCT – CONTRACTOR shall establish written Policies and Procedures for employees, volunteers, interns, and members of the Board of Directors which shall include, but not be limited to, standards related to the use of drugs and/or alcohol; staff-Participant relationships; prohibition of sexual conduct with Participants; prohibition of forging or falsifying documents or drug tests; and real or perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought to the ADMINISTRATOR's attention prior to the occurrence. Prior to providing any services pursuant to this Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards set forth in the said Policies and Procedures. A copy of the said Policies and Procedures shall be posted in writing in a prominent place in the treatment facility and updated annually by the Board of Directors.

F. STAFF/VOLUNTEER/INTERN SCREENING – CONTRACTOR shall provide pre-employment "live scan" screening of any staff person providing services pursuant to this Agreement. All new staff, volunteers, and interns shall pass a one-time "live scan" finger printing background check prior to employment. All staff shall be subject to sanction screening as referenced in the Compliance paragraph on a bi-annual basis. All staff shall also be screened by Megan's Law, OC Courts and OC Sheriff's Department on an annual basis. The results of the fingerprint checks will be sent directly from the Department of Justice to CONTRACTOR. Results must remain in staff file.

1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:
  - a. No person shall have been convicted of a sex offense for which the person is required to register as a sex offender under PC section 290;
  - b. No person shall have been convicted of an arson offense – Violation of PC sections 451, 451.1, 451.5, 452, 45231, 453, 454, or 455;
  - c. No person shall have been convicted of any violent felony as defined in PC section 667.5, which involves doing bodily harm to another person, for which the staff member was convicted within five (5) years prior to employment;
  - d. No person shall be on parole or probation;
  - e. No person shall participate in the criminal activities of a criminal street gang and/or prison gang; and

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

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

7 G. STAFF TRAINING – CONTRACTOR shall develop a written plan for staff training. All Staff  
 8 training shall be documented and maintained as part of the training plan.

9 1. CONTRACTOR shall ensure that within the first (1st) year of employment, all program  
 10 staff, including administrator, volunteers and interns having direct contact with Participants shall  
 11 complete training on:

- 12 a. infectious disease recognition,
- 13 b. crisis intervention,
- 14 c. recognizing physical and psychiatric symptoms that require appropriate referrals to other  
 15 agencies.

16 2. CONTRACTOR shall ensure that on an annual basis, all program staff including  
 17 administrator, volunteers and interns having direct contact with Participants shall complete:

- 18 a. County Annual Provider Training
- 19 b. County Annual Compliance Training
- 20 c. Training on topics related to alcohol and drug use
- 21 d. Minimum one hour training in cultural competence

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

24 I. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
 25 Staffing Paragraph of this Exhibit A to the Agreement.

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EXHIBIT B  
TO AGREEMENT FOR PROVISION OF  
ADULT NON-MEDICAL RESIDENTIAL TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
«UC\_NAME» «UC\_DBA»  
JULY 1, 2016 THROUGH JUNE 30, 2018

**I. COUNTY VEHICLE**

A. COUNTY has agreed to provide, or cause to be provided to CONTRACTOR, COUNTY Vehicle(s) in accordance with the ownership requirements specified in the Equipment Paragraph of the Agreement.

B. CONTRACTOR shall repair, maintain and operate each COUNTY Vehicle in accordance with this Exhibit B.

C. CONTRACTOR shall obtain, pay for, and maintain in full force and effect throughout the term of this Agreement, automobile insurance which covers each COUNTY Vehicle in accordance with the Indemnification and Insurance Paragraph of the Agreement.

D. Upon the request of ADMINISTRATOR, whether verbal or in writing, CONTRACTOR shall, without notice, immediately provide ADMINISTRATOR with the current location of each COUNTY Vehicle provided by COUNTY.

E. At its sole discretion, ADMINISTRATOR may at any time require the return of any COUNTY Vehicle provided to CONTRACTOR. Further, it is understood by the parties that any COUNTY Vehicles are to be surrendered immediately and in good working order and condition to COUNTY upon termination of the Agreement

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the COUNTY Vehicle paragraph of this Exhibit B to the Agreement.

**II. USE OF COUNTY VEHICLE**

A. CONTRACTOR shall require each person employed by CONTRACTOR to provide the services set forth in the Agreement and to read the rules and regulations for use of the COUNTY Vehicle. In addition, employees authorized by CONTRACTOR to drive the COUNTY Vehicle and their supervisor shall discuss these rules and regulations. The supervisor shall reasonably ascertain that employees understand their responsibilities before the employees operate the COUNTY Vehicle.

B. CONTRACTOR shall place and maintain a copy of these rules and regulations together with proof of insurance in each COUNTY Vehicle in possession of CONTRACTOR.

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C. CONTRACTOR shall use a COUNTY Vehicle only for official COUNTY business. CONTRACTOR shall use a COUNTY Vehicle only to provide the services set forth in the Services Paragraph of Exhibit A to the Agreement and shall operate any COUNTY Vehicle in a courteous, reasonable and prudent manner, and in accordance with all applicable state and local laws, ordinances, and regulations. COUNTY Vehicles shall not be operated outside the southern California area unless specifically authorized, in writing, by ADMINISTRATOR.

D. Operators and occupants of any COUNTY Vehicle shall use the seat belts and shoulder harnesses with which the COUNTY Vehicle is equipped.

E. EXTERIOR/INTERIOR OF VEHICLE – CONTRACTOR shall not, under any circumstances, modify the exterior or interior of any COUNTY Vehicle in any way from the condition in which it was received, including the addition or removal of any equipment, and the painting of any numerals, letters or logos on the vehicle.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Use of COUNTY Vehicle paragraph of this Exhibit B to the Agreement.

### **III. OPERATOR QUALIFICATIONS**

The driver(s), provided by CONTRACTOR to drive a COUNTY Vehicle in the performance of the Agreement, shall possess the following minimum qualifications:

A. Regularly employed by CONTRACTOR, at least twenty (20) hours per week and possessing either:

1. A valid Class B California Driver's License in order to transport more than ten (10) passengers, including the driver, in a COUNTY Vehicle as designed, used or maintained; or

2. A valid Class C California Driver's License in order to transport no more than ten (10) passengers, including the driver, in a COUNTY Vehicle as designed, used or maintained.

B. A good driving record, as defined in writing by CONTRACTOR. Such definition shall exclude any history of driving while under the influence of alcohol or other drugs, and shall include, but not be limited to, the acceptable frequency and number of moving violations, and his/her ability to document use of a COUNTY Vehicle by maintaining the Log described in Paragraph IV. of this Exhibit B to the Agreement.

C. Preferably, experience working with recovering substance abusers.

D. Any person(s) regularly assigned to operate a COUNTY Vehicle shall possess:

1. knowledge of basic vehicle maintenance;

2. knowledge of Orange COUNTY streets and freeways.

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

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#### IV. VEHICLE LOG

A. CONTRACTOR shall maintain within each COUNTY Vehicle, a report, herein referred to as the "Log." The Log shall be maintained by the vehicle operator and include, at a minimum, the following information:

1. Name of driver.
2. Date, place and time of trip origin.
3. Purpose of trip and destination.
4. Mileage at start of trip.
5. Number of persons, and/or type(s) of articles transported.
6. Identification of intermediate stops.
7. Mileage and time of arrival at destination.
8. Report of incidents.

B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Vehicle Log Paragraph of this Exhibit B to the Agreement.

#### V. VEHICLE MAINTENANCE

A. CONTRACTOR shall undertake periodic vehicle maintenance, inspection and repair in accordance with the Agreement, the vehicle warranty, and the maintenance schedule as follows:

1. Every 5,000 miles:
  - a. routine safety check, including brakes;
  - b. servicing, including lubrication, oil change, and filter;
  - c. check air filter and replace if necessary.
2. Additionally, every 30,000 miles:
  - a. fuel filter replacement;
  - b. automatic transmission service;
  - c. cooling system service, including hose replacement if necessary.
3. Additionally, every 100,000 miles:
  - a. tune-up;
  - b. replace spark plugs;
  - c. clean fuel injectors.

B. COUNTY Vehicles not accruing 5,000 miles within six (6) months shall, however, receive a routine safety check, including brakes, routine servicing, lubrication, oil and filter change.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Vehicle Maintenance Paragraph of this Exhibit B to the Agreement.

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## **VI. PARKING AND STORAGE**

A. Each COUNTY Vehicle, when left unattended, shall be locked with the brakes set. When not in use and whenever possible, each COUNTY Vehicle shall be stored and garaged off the street in a secure area. CONTRACTOR shall, at all times, take all reasonable and prudent steps to safeguard each COUNTY Vehicle and minimize exposure of the COUNTY Vehicle to damage, misuse, theft or vandalism.

B. The operator of a COUNTY Vehicle shall ensure the use of only unleaded gasoline and 5W30 SAE HD oil in the COUNTY Vehicle. CONTRACTOR shall maintain records of all maintenance and repairs to each COUNTY Vehicle, and the costs of gasoline and oil.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Parking and Storage Paragraph of this Exhibit B to the Agreement.

## **VII. REPORTING**

A. CONTRACTOR shall provide ADMINISTRATOR, no later than thirty (30) calendar days after the effective date of this Agreement, a list of the names of employees authorized to drive each COUNTY Vehicle, the location where each COUNTY Vehicle is garaged and pictures showing the front, right, left and rear sides of each COUNTY Vehicle.

B. CONTRACTOR shall provide ADMINISTRATOR, no later than thirty (30) calendar days after the effective date of this Agreement, a copy of each driver's license and DMV printout for each employee authorized to drive each COUNTY Vehicle. The DMV printout should not be dated earlier than the effective date of this Agreement.

C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of any changes in the list of employees authorized to drive each COUNTY Vehicle. For additions to the list of authorized drivers, CONTRACTOR shall submit a copy of the driver's license and DMV printout for each employee added. The date of the DMV printout should be no earlier than thirty (30) calendar days from the date the employee was authorized to drive each COUNTY Vehicle.

D. CONTRACTOR shall submit to ADMINISTRATOR by the tenth (10th) business day of each month, a copy of each vehicle log, as described in Paragraph IV. of this Exhibit B to the Agreement, and copies of receipts and invoices of maintenance and repair expenses incurred for each COUNTY Vehicle during the prior month.

E. CONTRACTOR shall notify ADMINISTRATOR, in accordance with the Notices Paragraph of the Agreement, of any collisions or incidents involving a COUNTY Vehicle. CONTRACTOR shall investigate any damage or misuse of the COUNTY Vehicle, and shall report such damage and misuse to ADMINISTRATOR, together with any recommendations made, and action taken, to prevent such damage or misuse in the future.

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

## **VIII. COLLISIONS**

A. Each COUNTY Vehicle shall be equipped, at a minimum and at all times, with a first-aid kit and fire extinguisher for use in an emergency.

B. CONTRACTOR shall develop and maintain procedures to be followed by the vehicle operator in case of a collision involving a COUNTY Vehicle. Procedures to be followed by the operator of a COUNTY Vehicle in the event of a collision shall include, but not be limited to:

1. Request local Police or CHP to make an investigation of the collision and advise the Police or CHP if an ambulance is required or if a traffic hazard is created by the damaged vehicles.

2. Immediately advise supervisor of any collisions and proceed as follows:

a. DO NOT discuss details of the collision or the events leading thereto with anyone other than to provide brief answers to questions asked by the investigating officer(s).

b. DO NOT argue or try to place blame for the collision.

c. DO NOT attempt to negotiate or make any promise to other parties involved.

3. Identify oneself to other parties:

a. Show driver's license to other parties involved.

b. Provide other parties involved with CONTRACTOR's name, work telephone number, vehicle license plate number and the name of the insurance carrier providing coverage on the COUNTY Vehicle.

4. Identify and obtain the name(s) of the driver(s) of other vehicle(s) involved through driver's license(s):

a. Inquire whether the address on the license is current.

b. Request a residential address and a business telephone number.

5. Obtain the names(s) of any other passenger(s) in the vehicle(s) involved, the vehicle(s) license plate number and the name(s) of anyone who witnessed the collision.

6. Reporting the Collision - Complete the Vehicle Collision Report [COUNTY Form F293-FORM SAFETY.5 (Revision 11/19/98)] available from CONTRACTOR. CONTRACTOR shall prepare five (5) copies of the report, retaining one (1), and delivering the other four (4) within twenty-four (24) hours to ADMINISTRATOR.

7. Investigation of Collision - Circumstances surrounding a collision may be investigated by local law enforcement authorities, COUNTY, County of Orange CEO/Risk Management, or the insurer representing COUNTY. CONTRACTOR and employee(s) shall cooperate with investigators representing COUNTY. Any inquiries from other sources shall be referred to the County of Orange CEO/Risk Management.

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

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EXHIBIT C  
TO AGREEMENT FOR PROVISION OF  
ADULT NON-MEDICAL RESIDENTIAL TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
«UC\_NAME» «UC\_DBA»  
JULY 1, 2016 THROUGH JUNE 30, 2018

**I. BUSINESS ASSOCIATE CONTRACT**

**A. GENERAL PROVISIONS AND RECITALS**

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

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

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

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

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

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

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

### B. DEFINITIONS

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

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

#### a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### D. SECURITY RULE

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

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

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

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

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

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

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

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

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

#### 7 E. DATA SECURITY REQUIREMENTS

##### 8 1. Personal Controls

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

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

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

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

##### 34 2. Technical Security Controls

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

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

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

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

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

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

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

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

1) Upper case letters (A-Z)

2) Lower case letters (a-z)

3) Arabic numerals (0-9)

4) Non-alphanumeric characters (punctuation symbols)

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

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

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

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

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

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

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

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

### 3 3. Audit Controls

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

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

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

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

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

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

### 30 5. Paper Document Controls

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

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

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

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

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

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

#### F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 1) The Disclosure is required by law; or

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

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

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

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

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

### 28 H. PROHIBITED USES AND DISCLOSURES

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

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

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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EXHIBIT D  
TO AGREEMENT FOR PROVISION OF  
ADULT NON-MEDICAL RESIDENTIAL TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
«UC\_NAME» «UC\_DBA»  
JULY 1, 2016 THROUGH JUNE 30, 2018

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

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

**A. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

## 6 B. TERMS OF AGREEMENT

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

11 2. Responsibilities of CONTRACTOR  
12 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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