

AGREEMENT FOR PROVISION OF  
 ADULT MENTAL HEALTH SKILLED NURSING FACILITY WITH  
 SPECIAL TREATMENT PROGRAM SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 EXTENDED CARE HOSPITAL OF WESTMINSTER  
 JULY 1, 2013 THROUGH JUNE 30, 2016

THIS AGREEMENT entered into this 1st day of July 2013, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and EXTENDED CARE HOSPITAL OF WESTMINSTER, a California general partnership (CONTRACTOR). This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

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

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Adult Mental Health Skilled Nursing Facility with Special Treatment Program 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:

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2013 through June 30, 2016

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

Period Two means the period from July 1, 2014 through June 30, 2015

Period Three means the period from July 1, 2015 through June 30, 2016

**Maximum Obligation:**

Period One Maximum Obligation:	\$ 3,894,642
Period Two Maximum Obligation:	\$ 3,894,642
Period Three Maximum Obligation:	\$ 3,894,642
<b>TOTAL MAXIMUM OBLIGATION:</b>	<b>\$11,683,926</b>

**Term:** July 1, 2013 through December 31, 2016

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

Period Two means the period from July 1, 2014 through June 30, 2015

Period Three means the period from July 1, 2015 through June 30, 2016

Period Four means the period from July 1, 2016 through December 31, 2016

**Aggregate Maximum Obligation:**

Period One Maximum Obligation:	\$3,894,642
Period Two Maximum Obligation:	\$3,894,642
Period Three Maximum Obligation:	\$3,894,642
Period Four Maximum Obligation:	\$1,947,321
<b>TOTAL MAXIMUM OBLIGATION:</b>	<b>\$13,631,247</b>

**Basis for Reimbursement:** Negotiated Amount

**Payment Method:** Negotiated Amount

**Notices to COUNTY and CONTRACTOR:**

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1 COUNTY: County of Orange  
2 Health Care Agency  
3 Contract Development and Management  
4 405 West 5th Street, Suite 600  
5 Santa Ana, CA 92701-4637  
6

7 CONTRACTOR: Extended Care Hospital of Westminster  
8 206 Hospital Circle  
9 Westminster, CA 92683  
10 Donna Meyer, Director of Operations  
11 [donna@westanaheimc.com](mailto:donna@westanaheimc.com)

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**I. Acronyms**

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

1		
2		
3		
4	A. ARRA	American Recovery and Reinvestment Act
5	B. CCC	California Civil Code
6	C. CCR	California Code of Regulations
7	D. CEO	County Executive Office
8	E. CFR	Code of Federal Regulations
9	F. CHPP	COUNTY HIPAA Policies and Procedures
10	G. COI	Certificate of Insurance
11	H. DHCS	Department of Health Care Services
12	I. DRS	Designated Record Set
13	J. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
14	K. FTE	Full Time Equivalents
15	L. GAAP	Generally Accepted Accounting Principles
16	M. HCA	Health Care Agency
17	N. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
18		Law 104-191
19	O. HSC	California Health and Safety Code
20	P. ISO	Insurance Services Office
21	Q. LPS	Lanterman/Petris/Short
22	R. MHP	Mental Health Plan
23	S. MHIS	Mental Health Inpatient Services
24	T. NPI	National Provider Identifier
25	T. NPP	Notice of Privacy Practices
26	V. OMB	Office of Management and Budget
27	W. OPM	Federal Office of Personnel Management
28	X. PC	State of California Penal Code
29	Y. PHI	Protected Health Information
30	Z. PII	Personally Identifiable Information
31	AA. PRA	Public Record Act
32	AB. SIR	Self-Insured Retention
33	AC. SNF	Skilled Nursing Facility
34	AD. STP	Special Treatment Program
35	AE. TBS	Therapeutic Behavioral Services
36	AF. TRC	Therapeutic Residential Center
37	AG. UMDAP	Uniform Method of Determining Ability to Pay

1	AH. UOS	Unit of Service
2	AI. USC	United States Code
3	AJ. WIC	State of California Welfare and Institutions Code

## 5 **II. ALTERATION OF TERMS**

6 A. This Agreement, together with Exhibit A attached hereto and incorporated herein, fully  
7 expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject  
8 matter of this Agreement.

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

## 14 **III. ASSIGNMENT OF DEBTS**

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

## 23 **IV. COMPLIANCE**

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

26 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the relevant HCA  
27 policies and procedures relating to HCA's Compliance Program, HCA's Code of Conduct and General  
28 Compliance Trainings.

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

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

37 4. If CONTRACTOR elects to have its own Compliance Program and Code of Conduct then it

1 shall submit a copy of its Compliance Program, Code of Conduct and relevant policies and procedures to  
2 ADMINISTRATOR within thirty (30) calendar days of award of this Agreement. ADMINISTRATOR's  
3 Compliance Officer shall determine if CONTRACTOR Compliance Program and Code of Conduct  
4 contains all required elements. CONTRACTOR shall take necessary action to meet said standards or  
5 shall be asked to acknowledge and agree to the HCA's Compliance Program and Code of Conduct if the  
6 CONTRACTOR's Compliance Program and Code of Conduct does not contain all required elements.

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

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

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

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

31 2. An Ineligible Person shall be any individual or entity who:  
32 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in  
33 federal and state health care programs; or  
34 b. has been convicted of a criminal offense related to the provision of health care items or  
35 services and has not been reinstated in the federal and state health care programs after a period of  
36 exclusion, suspension, debarment, or ineligibility.

37 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.



1 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this  
2 Agreement.

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

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

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

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

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

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

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

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

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

1 D. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

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

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

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

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

18 **V. CONFIDENTIALITY**

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

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

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

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

34 B. Prior to providing any services pursuant to this Agreement, all members of the Board of  
35 Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and  
36 interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the  
37

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

## 6 **VI. COST REPORT**

7 A. CONTRACTOR shall submit separate Cost Reports for Period One, Period Two, and Period  
8 Three, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the period  
9 for which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the  
10 individual and/or consolidated Cost Report in accordance with all applicable federal, state and  
11 COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement.  
12 CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services,  
13 and funding sources in accordance with such requirements and consistent with prudent business practice,  
14 which costs and allocations shall be supported by source documentation maintained by CONTRACTOR,  
15 and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR  
16 has multiple Agreements for mental health services that are administered by HCA, consolidation of the  
17 individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by  
18 ADMINISTRATOR. CONTRACTOR shall submit a consolidated Cost Report to COUNTY no later  
19 than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to  
20 be incorporated into a consolidated Cost Report.

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

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

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

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

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

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

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

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

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

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

32 F. All individual and/or consolidated Cost Reports shall contain the following attestation, which  
 33 may be typed directly on or attached to the Cost Report:

34  
 35 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and  
 36 supporting documentation prepared by \_\_\_\_\_ for the cost report period  
 37 beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my

1 knowledge and belief, costs reimbursed through this Agreement are reasonable and  
2 allowable and directly or indirectly related to the services provided and that this Cost  
3 Report is a true, correct, and complete statement from the books and records of  
4 (provider name) in accordance with applicable instructions, except as noted. I also  
5 hereby certify that I have the authority to execute the accompanying Cost Report.

6  
7 Signed \_\_\_\_\_  
8 Name \_\_\_\_\_  
9 Title \_\_\_\_\_  
10 Date \_\_\_\_\_"

11  
12 **VII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

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

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

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

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

37 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,

1 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations  
2 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to  
3 the effective date of the assignment.

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

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

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

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

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

## 19 **VIII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

## 30 **IX. EQUIPMENT**

31 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all  
32 property of a Relatively Permanent nature with significant value, purchased in whole or in part by  
33 ADMINISTRATOR to assist in performing the services described in this Agreement. "Relatively  
34 Permanent" is defined as having a useful life of one year or longer. Equipment which costs \$5,000 or  
35 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital  
36 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and  
37

1 other taxes, and installation costs are defined as Controlled Equipment. Controlled Equipment includes,  
2 but is not limited to audio/visual equipment, computer equipment, and lab equipment. The cost of  
3 Equipment purchased, in whole or in part, with funds paid pursuant to this Agreement shall be  
4 depreciated according to GAAP.

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

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

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

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

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

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

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

### 34 **X. EXPENDITURE AND REVENUE REPORT**

35 A. No later than sixty (60) calendar days following termination of each period or fiscal year of this  
36 Agreement, CONTRACTOR shall submit to ADMINISTRATOR, for informational purposes only, an  
37 Expenditure and Revenue Report for the preceding fiscal year, or portion thereof. Such report shall be

1 prepared in accordance with the procedure that is provided by ADMINISTRATOR and GAAP.

2 B. CONTRACTOR may be required to submit periodic Expenditure and Revenue Reports  
3 throughout the term of this Agreement.

#### 4 5 **XI. FACILITIES, PAYMENTS AND SERVICES**

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

#### 11 12 **XII. INDEMNIFICATION AND INSURANCE**

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

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

30 ~~— C. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply,~~  
31 ~~indicate this on the COI with a 0 by the appropriate line of coverage. Any SIR or deductible in an~~  
32 ~~amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the~~  
33 ~~CEO/Office of Risk Management.~~

34 ~~— D. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this~~  
35 ~~Agreement, COUNTY may terminate this Agreement.~~

36 ~~— E. QUALIFIED INSURER~~

37 ~~— 1. The policy or policies of insurance must be issued by an insurer licensed to do business in~~



~~the state of California (California Admitted Carrier) or have 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).~~

~~2. If the insurance carrier is not an admitted carrier in the state of California and 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.~~

~~F. 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>
<del>Commercial General Liability</del>	<del>\$1,000,000 per occurrence</del>
	<del>\$2,000,000 aggregate</del>
<del>Automobile Liability including coverage for owned, non-owned and hired vehicles</del>	<del>\$1,000,000 per occurrence</del>
<del>Workers' Compensation</del>	<del>Statutory</del>
<del>Employers' Liability Insurance</del>	<del>\$1,000,000 per occurrence</del>
<del>Professional Liability Insurance</del>	<del>\$1,000,000 per claims made or per occurrence</del>
<del>Sexual Misconduct Liability</del>	<del>\$1,000,000 per occurrence</del>

~~G. 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 Auto 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.~~

~~H. REQUIRED ENDORSEMENTS The Commercial General Liability policy shall contain the following endorsements, which shall accompany the COI:~~

~~1. 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, agents as Additional Insureds.~~

~~2. A primary non-contributing endorsement evidencing that the CONTRACTOR's insurance~~

1 ~~is primary and any insurance or self insurance maintained by the County of Orange shall be excess and~~  
2 ~~non-contributing.~~

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

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

9 ~~— K. All insurance policies required by this Agreement shall give COUNTY thirty (30) calendar days~~  
10 ~~notice in the event of cancellation and ten (10) calendar days notice for non payment of premium. This~~  
11 ~~shall be evidenced by policy provisions or an endorsement separate from the COI.~~

12 ~~— L. If CONTRACTOR's Professional Liability policy is a "claims made" policy, CONTRACTOR~~  
13 ~~shall agree to maintain professional liability coverage for two years following completion of Agreement.~~

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

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

20 ~~— O. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If~~  
21 ~~CONTRACTOR does not deposit copies of acceptable COI's and endorsements with COUNTY~~  
22 ~~incorporating such changes within thirty (30) calendar days of receipt of such notice, this Agreement~~  
23 ~~may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal~~  
24 ~~remedies.~~

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

28 ~~— Q. SUBMISSION OF INSURANCE DOCUMENTS~~

29 ~~— 1. The COI and endorsements shall be provided to COUNTY as follows:~~

30 ~~— a. Prior to the start date of this Agreement.~~

31 ~~— b. No later than the expiration date for each policy.~~

32 ~~— c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding~~  
33 ~~changes to any of the insurance types as set forth in Subparagraph F. of this Agreement.~~

34 ~~— 2. The COI and endorsements shall be provided to the COUNTY at the address as referenced~~  
35 ~~in the Referenced Contract Provisions of this Agreement.~~

36 ~~— 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance~~  
37 ~~provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall have~~

1 ~~sole discretion to impose one or both of the following:~~

2 ~~\_\_\_\_\_ a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR~~  
 3 ~~pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the~~  
 4 ~~required COI and endorsements that meet the insurance provisions stipulated in this Agreement are~~  
 5 ~~submitted to ADMINISTRATOR.~~

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

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

12 ~~\_\_\_\_\_ 3. In no cases shall assurances by CONTRACTOR, its employees, agents, including any~~  
 13 ~~insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid~~  
 14 ~~COI's and endorsements, or in the interim, an insurance binder as adequate evidence of insurance.~~

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

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

32 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of  
 33 CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an  
 34 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for  
 35 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less  
 36 than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the  
 37 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor

1 and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of  
 2 insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection  
 3 by COUNTY representative(s) at any reasonable time.

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

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

10 F. QUALIFIED INSURER

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

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

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

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

\$1,000,000 aggregate

Sexual Misconduct Liability \$1,000,000 per occurrence

#### H. REQUIRED COVERAGE FORMS

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

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

#### I. REQUIRED ENDORSEMENTS

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

a. An Additional Insured endorsement using ISO form CG 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 notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the Agreement, upon which the COUNTY may suspend or terminate this Agreement.

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

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

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

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

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

#### 15 R. SUBMISSION OF INSURANCE DOCUMENTS

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

17 a. Prior to the start date of this Agreement.

18 b. No later than the expiration date for each policy.

19 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
20 changes to any of the insurance types as set forth in Subparagraph G. of this Agreement.

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

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

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

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

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

36 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
37 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs

1 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.”  
 2

### 3 **XIII. INSPECTIONS AND AUDITS**

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

14 1. These audits, reviews, evaluations, or examinations may include, but are not limited to, the  
 15 following:

16 a. Level and quality of care, including the necessity and appropriateness of the services  
 17 provided.

18 b. Internal procedures for assuring efficiency, economy, and quality of care.

19 c. Compliance with COUNTY Client Grievances Procedures.

20 d. Financial records when determined necessary to protect public funds.

21 2. COUNTY shall provide CONTRACTOR with at least seventy-two (72) hours' notice of  
 22 such inspections or evaluations. Unannounced inspections, evaluations, or requests for information may  
 23 be made in those situations where arrangement of an appointment beforehand is not possible or is  
 24 inappropriate due to the nature of the inspection or evaluation.

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

#### 29 **C. AUDIT RESPONSE**

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

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

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

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

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

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

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

#### 25 **B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**

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

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

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

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

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

37 2. Failure of CONTRACTOR to timely submit the data and/or certifications required by



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

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

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

- 12 1. ARRA of 2009.
- 13 2. WIC, Divisions 5, 6 and 9.
- 14 3. State of HSC, §§1250 et seq.
- 15 4. PC, Part 4, Title 1, Chapter 2, Article 2.5 relating to Child Abuse Reporting.
- 16 5. CCR, Title 9, Title 17, and Title 22.
- 17 6. CFR, Title 42 and Title 45.
- 18 7. USC Title 42.
- 19 8. Federal Social Security Act, Title XVIII and Title XIX.
- 20 9. 42 USC, Chapter 126, 12101, et seq., the Americans with Disabilities Act of 1990.
- 21 10. 42 USC, §114 and §§1857, et seq., the Clean Air Act.
- 22 11. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 23 12. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 24 13. Policies and procedures set forth in Mental Health Services Act.
- 25 14. Policies and procedures set forth in DHCS Letters.
- 26 15. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 27 16. OMB Circulars A-87, A-89, A-110, A-122.

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

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

32 A. Any written information or literature, including educational or promotional materials,  
 33 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related  
 34 to this Agreement must be approved at least thirty (30) days in advance and in writing by  
 35 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written  
 36 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,  
 37

1 and electronic media such as the Internet.

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

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

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

## 16 **XVI. MAXIMUM OBLIGATION**

17 ~~—The Total Maximum Obligations of COUNTY for services provided in accordance with this  
18 Agreement and the separate Maximum Obligations for Period One, Period Two, and Period Three are as  
19 specified in the Referenced Contract Provisions of this Agreement.~~

20 “The Total Maximum Obligation of COUNTY for services provided in accordance with this  
21 Agreement, and the separate Maximum Obligations for each period under this Agreement, are as  
22 specified in the Referenced Contract Provisions of this Agreement.”

## 23 **XVII. NONDISCRIMINATION**

### 24 **A. EMPLOYMENT**

25 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals shall not  
26 unlawfully discriminate against any employee or applicant for employment because of his/her ethnic  
27 group identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age (40 and  
28 over), sexual orientation, medical condition, or physical or mental disability. Additionally, during the  
29 term of this Agreement, CONTRACTOR and its Covered Individuals shall require in its subcontracts  
30 that subcontractors shall not unlawfully discriminate against any employee or applicant for employment  
31 because of his/her ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,  
32 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability.

33 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or  
34 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or  
35 recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection  
36  
37

1 for training, including apprenticeship.

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

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

8 5. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR  
9 and/or subcontractor shall state that all qualified applicants will receive consideration for employment  
10 without regard to ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,  
11 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability.  
12 Such requirements shall be deemed fulfilled by use of the term EOE.

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

18 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not  
19 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities  
20 on the basis of ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,  
21 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability  
22 in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 -  
23 §1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975  
24 (42 USC §6101); and Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of  
25 Regulations,) as applicable, and all other pertinent rules and regulations promulgated pursuant thereto,  
26 and as otherwise provided by state law and regulations, as all may now exist or be hereafter amended or  
27 changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not  
28 limited to the following based on one or more of the factors identified above:

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

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

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

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

11 b. Throughout the problem resolution and grievance process, client rights shall be  
 12 maintained, including access to the Patients’ Rights Office at any point in the process. Clients shall be  
 13 informed of their right to access the Patients’ Rights Office at any time.

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

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

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

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

### 31 **XVIII. NOTICES**

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

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

37 2. When faxed, transmission confirmed;

1 3. When sent by Email; or

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

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

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

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

#### 14 **XIX. NOTIFICATION OF DEATH**

15  
16 A. Upon becoming aware of the death of any person served pursuant to this Agreement,  
17 CONTRACTOR shall immediately notify ADMINISTRATOR.

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

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

#### 26 2. WRITTEN NOTIFICATION

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

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

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

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

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

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

9  
10                                   **XXI. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 J. CONTRACTOR shall ensure appropriate financial records related to cost reporting,  
14 expenditure, revenue, billings, etc., are prepared and maintained accurately and appropriately.

15 K. CONTRACTOR shall ensure all appropriate state and federal standards of documentation,  
16 preparation, and confidentiality of records related to participant, client and/or patient records are met at  
17 all times.

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

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

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

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

28 O. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out  
29 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR  
30 all information that is requested by the PRA request.

## 31 32 **XXII. RESEARCH AND PUBLICATION**

33 CONTRACTOR shall not utilize information and data received from COUNTY or developed as a  
34 result of this Agreement for the purpose of personal publication.

35 //

36 //

37 //

**XXIII. REVENUE**

1  
2 A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to  
3 clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other  
4 third party health plans, are provided pursuant to this Agreement, their estates and responsible relatives,  
5 according to their ability to pay as determined by the DHCS' UMDAP procedure or by other payment  
6 procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title  
7 9 of the CCR. Such fee shall not exceed the actual cost of services provided. No client shall be denied  
8 services because of an inability to pay.

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

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

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

**XXIV. RIGHT TO WORK AND MINIMUM WAGE LAWS**

23 A. In accordance with the United States Immigration Reform and Control Act of 1986,  
24 CONTRACTOR shall require its employees directly or indirectly providing service pursuant to this  
25 Agreement, in any manner whatsoever, to verify their identity and eligibility for employment in the  
26 United States. CONTRACTOR shall also require and verify that its contractors, subcontractors, or any  
27 other persons providing services pursuant to this Agreement, in any manner whatsoever, verify the  
28 identity of their employees and their eligibility for employment in the United States.

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

36 C. CONTRACTOR shall comply and verify that its contractors comply with all other federal and  
37 State of California laws for minimum wage, overtime pay, record keeping, and child labor standards



1 pursuant to providing services pursuant to this Agreement.

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

#### 6 7 **XXV. SEVERABILITY**

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

#### 13 14 **XXVI. SPECIAL PROVISIONS**

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

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

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

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

## 7 **XXVII. STATUS OF CONTRACTOR**

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

## 19 **XXVIII. TERM**

20  
 21  
 22 A. The term of this Agreement shall commence and terminate as specified in the Referenced  
 23 Contract Provisions of this Agreement, unless otherwise sooner terminated as provided in this  
 24 Agreement; provided, however, CONTRACTOR shall be obligated to perform such duties as would  
 25 normally extend beyond this term, including but not limited to, obligations with respect to  
 26 confidentiality, indemnification, audits, reporting and accounting.

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

## 29 **XXIX. TERMINATION**

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

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

37 C. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence

1 of any of the following events:

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

16 D. CONTINGENT FUNDING

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

26 E. In the event this Agreement is suspended or terminated prior to the completion of the term as

27 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its sole

28 discretion, reduce the Maximum Obligation of this Agreement in an amount consistent with the reduced

29 term of the Agreement.

30 F. In the event this Agreement is terminated by either party pursuant to Subparagraphs B., C. or D.

31 above, CONTRACTOR shall do the following:

- 32 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
- 33 is consistent with recognized standards of quality care and prudent business practice.
- 34 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
- 35 performance during the remaining contract term.
- 36 3. Until the date of termination, continue to provide the same level of service required by this
- 37 Agreement.

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

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

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

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

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

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

18  
19 **XXX. THIRD PARTY BENEFICIARY**

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

23  
24 **XXXI. WAIVER OF DEFAULT OR BREACH**

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

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35 //  
36 //  
37 //

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

3  
4 EXTENDED CARE HOSPITAL OF WESTMINSTER

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

8  
9  
10 TITLE: \_\_\_\_\_

11  
12  
13  
14  
15  
16 COUNTY OF ORANGE

17  
18  
19 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

20 HEALTH CARE AGENCY

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

28  
29  
30 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

31 DEPUTY

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

1 EXHIBIT A  
 2 TO AGREEMENT FOR PROVISION OF  
 3 ADULT MENTAL HEALTH SKILLED NURSING FACILITY WITH  
 4 SPECIAL TREATMENT PROGRAM SERVICES  
 5 BETWEEN  
 6 COUNTY OF ORANGE  
 7 AND  
 8 EXTENDED CARE HOSPITAL OF WESTMINSTER  
 9 JULY 1, 2013 THROUGH JUNE 30, 2016  
 10

11 **I. DEFINITIONS**

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

14 A. Client means an individual, referred by COUNTY or enrolled in CONTRACTOR's program for  
 15 services under the Agreement, who is dealing with a chronic mental illness.

16 B. NPI means the standard unique health identifier that was adopted by the Secretary of Health and  
 17 Human Services under HIPAA. All HIPAA covered healthcare providers, individuals and organizations  
 18 must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned  
 19 for life.

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

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

27 E. "Rehabilitative Focus" means the central point upon which activity is directed to restore a  
 28 condition of good health, the ability to work, and the ability to perform daily living skills.

29 F. SNF-STP means all services required by the Agreement. SNF-STP refers to programs that  
 30 serve Clients who have a chronic psychiatric impairment and whose adaptive functioning is moderately  
 31 impaired.

32 G. "Therapeutic Community Model" means a drug-free environment in which persons with  
 33 addictive and other mental health problems live together in an organized and structured manner that will  
 34 promote change and a possible return to life within society.

35 H. "Therapeutic Milieu" means an environment that promotes the healing of disease.

36 I. UOS means one (1) calendar day during which CONTRACTOR provides all of the SNF-STP  
 37 described hereunder, which day shall begin at twelve o'clock midnight. The number of billable UOS

1 shall include the day of admission and exclude the day of discharge unless admission and discharge  
 2 occur on the same day.

4 **II. BUDGET**

5 ~~The following budget is set forth for informational purposes only and may be adjusted by mutual~~  
 6 ~~written agreement of CONTRACTOR and ADMINISTRATOR. CONTRACTOR and~~  
 7 ~~ADMINISTRATOR may mutually agree, in writing to modify the Budget Paragraph of this Exhibit A to~~  
 8 ~~the Agreement.~~

	PERIOD	PERIOD	PERIOD	TOTAL
	ONE	TWO	THREE	
<b>PROGRAM COSTS</b>				
<del>—Westminster</del>	<del>\$5,296,168</del>	<del>\$5,372,887</del>	<del>\$ 5,439,205</del>	<del>\$16,108,260</del>
<del>—West Anaheim</del>	<del>4,616,454</del>	<del>4,702,943</del>	<del>4,788,546</del>	<del>14,107,943</del>
<b>TOTAL PROGRAM COSTS</b>	<b>\$9,912,622</b>	<b>\$10,075,830</b>	<b>\$10,227,751</b>	<b>\$30,216,203</b>
<b>REVENUE</b>				
<del>—Projected Medi-Cal Revenue</del>	<del>\$5,915,335</del>	<del>\$ 6,078,543</del>	<del>\$6,230,464</del>	<del>\$18,224,342</del>
<del>—Prior Years Excess Revenue</del>	<del>102,64</del>	<del>102,645</del>	<del>102,645</del>	<del>307,935</del>
<b>TOTAL REVENUE</b>	<b>\$6,017,980</b>	<b>\$ 6,181,188</b>	<b>\$6,333,109</b>	<b>\$18,532,277</b>
<b>TOTAL MAXIMUM OBLIGATION</b>	<b>\$3,894,642</b>	<b>\$ 3,894,642</b>	<b>\$3,894,642</b>	<b>\$11,683,926</b>

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

	<u>PERIOD</u>	<u>PERIOD</u>	<u>PERIOD</u>	<u>PERIOD</u>	<u>TOTAL</u>
	<u>ONE</u>	<u>TWO</u>	<u>THREE</u>	<u>FOUR</u>	
<u>PROGRAM</u>					
<u>COSTS</u>					
<u>Westminster</u>	<u>\$5,296,168</u>	<u>\$5,372,887</u>	<u>\$5,439,205</u>	<u>\$2,719,602</u>	<u>\$18,827,862</u>
<u>West Anaheim</u>	<u>\$4,616,454</u>	<u>\$4,702,943</u>	<u>\$4,788,546</u>	<u>\$2,394,273</u>	<u>\$16,502,216</u>
<u>TOTAL</u>					
<u>PROGRAM</u>					
<u>COSTS</u>	<u>\$9,912,622</u>	<u>\$10,075,830</u>	<u>\$10,227,751</u>	<u>\$5,113,875</u>	<u>\$35,330,078</u>
<u>REVENUE</u>					
<u>Projected Medi-Cal</u>					
<u>Revenue</u>	<u>\$5,915,335</u>	<u>\$6,078,543</u>	<u>\$6,230,464</u>	<u>\$3,115,232</u>	<u>\$21,339,574</u>
<u>Prior Years Excess</u>					
<u>Revenue</u>	<u>102,645</u>	<u>102,645</u>	<u>102,645</u>	<u>51,322</u>	<u>82,257</u>
<u>TOTAL</u>					
<u>REVENUE</u>	<u>\$6,017,980</u>	<u>\$6,181,188</u>	<u>\$6,333,109</u>	<u>\$3,166,554</u>	<u>\$21,698,831</u>
<u>TOTAL</u>					
<u>MAXIMUM</u>					
<u>OBLIGATION</u>	<u>\$3,894,642</u>	<u>\$3,894,642</u>	<u>\$3,894,642</u>	<u>\$1,947,321</u>	<u>\$13,631,247”</u>

25 **III. PAYMENTS**

26  
 27 ~~— A. For provision of the services described herein, COUNTY shall pay CONTRACTOR in advance,~~  
 28 ~~for each month during which CONTRACTOR provides the services herein, at the following rates,~~  
 29 ~~provided such payments do not exceed COUNTY’s Maximum Obligation specified in the Referenced~~  
 30 ~~Contract Provisions of the Agreement:~~

31 ~~— 1. Period One: three hundred twenty four thousand five hundred fifty four dollars (\$324,554)~~  
 32 ~~per month for the period July 1, 2013 through June 30, 2014.~~

33 ~~— 2. Period Two: three hundred twenty four thousand five hundred fifty four dollars (\$324,554)~~  
 34 ~~per month for the period July 1, 2014 through June 30, 2015.~~

35 ~~— 3. Period Three: three hundred twenty four thousand five hundred fifty four dollars~~  
 36 ~~(\$324,554) per month for the period July 1, 20153 through June 30, 2016.~~

37 //



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

1. Period One: three hundred twenty-four thousand five hundred fifty-four dollars (\$324,554) per month for the period July 1, 2013 through June 30, 2014.

2. Period Two: three hundred twenty-four thousand five hundred fifty-four dollars (\$324,554) per month for the period July 1, 2014 through June 30, 2015.

3. Period Three: three hundred twenty-four thousand five hundred fifty-four dollars (\$324,554) per month for the period July 1, 2015 through June 30, 2016.

4. Period Four: one hundred sixty-two thousand two hundred seventy-seven dollars (\$162,277) per month for the period July 1, 2016 through December 31, 2017."

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

	Westminster	West Anaheim
1. Period One	\$5,701	\$4,969
2. Period Two	\$5,701	\$4,969
3. Period Three	\$5,701	\$4,969

C. CONTRACTOR's invoices shall be on a form approved or supplied by ADMINISTRATOR and provide such information as is required by ADMINISTRATOR. CONTRACTOR shall submit a monthly invoice no earlier than the 20<sup>th</sup> day of the month prior to the month for which services are billed. Payments should be made by COUNTY approximately twenty-one (21) days after receipt of a correctly completed invoice. Failure to comply with any of the provisions of the Agreement may result in ADMINISTRATOR delaying or withholding any payment to CONTRACTOR.

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

**IV. SERVICES**

**A. FACILITIES**

Services shall be provided in secure facilities located at:

206 Hospital Circle	645 South Beach Blvd.
Westminster, CA 92683	Anaheim, CA 92804

//

1 1. WESTMINSTER FACILITY

2 a. CONTRACTOR shall provide for exclusive use by COUNTY, a separate forty-six (46)  
3 bed licensed Client care area which shall consist of the TRC section of the main and a separate building  
4 which shall be used for Client activities and staff offices to maintain the capability of providing services  
5 hereunder to forty-six (46) adults, an a separate storage and an office area, known as the Annex building.

6 b. CONTRACTOR shall provide the following additional space:

7 1) Patio areas.

8 2) A shared dining area for ambulatory mental health Clients.

9 3) A shared outside area in the Annex building for ambulatory mental health Clients.

10 4) Storage areas.

11 2. WEST ANAHEIM FACILITY

12 a. CONTRACTOR shall provide for exclusive use by COUNTY, a separate forty-five  
13 (45) bed licensed Client care area which shall consist of the TRC section of the main building to  
14 maintain the capability of providing services hereunder to forty-five (45) adults.

15 b. CONTRACTOR shall make available to COUNTY the following additional space:

16 1) Patio areas.

17 2) A dining area for ambulatory mental health Clients located outside of the areas  
18 described above.

19 3) Storage areas.

20 C. PERSONS TO BE SERVED

21 1. CONTRACTOR shall provide services to adults, ages eighteen (18) to sixty-four (64),  
22 pursuant to Services Paragraph of this Exhibit A to the Agreement, who are referred for admission by  
23 ADMINISTRATOR.

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

28 3. CONTRACTOR shall not refuse admission of Clients if they meet all of the admission  
29 criteria identified above.

30 4. CONTRACTOR shall accept for re-admission those Clients transferred from their facility  
31 for acute medical or psychiatric stabilization unless an alternative placement plan is indicated and agreed  
32 upon by ADMINISTRATOR.

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

35 6. CONTRACTOR shall make no distinction as to voluntary or involuntary status of Clients  
36 for the provision of these services. Characteristics of this target population shall include, but may not be  
37 limited to:

1 a. History of problem behaviors that currently exclude Clients from acceptance and/or  
2 manageability at a less restrictive level of care such as board and care facilities, including individuals  
3 with dual diagnosis of substance abuse and mental illness which may complicate Client compliance with  
4 psychiatric treatment.

5 b. Resistance to medication treatment, non-compliance with medications, and resistance to  
6 treatment programming.

7 c. Poor self-care and social skills to a degree which currently precludes their functioning  
8 in more independent settings. Most Clients will be considered gravely disabled, and on involuntary  
9 status as a LPS conservatee.

10 d. Special cultural and language needs that prevent adequate treatment in traditional  
11 treatment settings.

#### 12 D. SERVICES

13 1. CONTRACTOR provided space shall be utilized for a long-term treatment program based  
14 on a therapeutic milieu with a rehabilitative focus and a behavioral modification program, to treat the  
15 severe and persistent mental health symptoms of COUNTY Clients.

16 a. The treatment program shall follow a therapeutic community model; and shall  
17 emphasize the development of skills for self-care, development of behavior for re-entry into a lower  
18 level of care, and placement to a less restrictive level of care.

19 b. The overall goal of this program shall be to increase the functional levels of Clients,  
20 enabling them to transition to less restrictive levels of intervention, including independent living.

21 2. CONTRACTOR shall provide, or cause to be provided, structured mental health  
22 pre-vocational training.

23 3. For Clients receiving SNF-STP services pursuant to the Agreement and as required by  
24 Title 22, Sections 72443 through 72457, of the CCR, which shall include therapeutic services, including  
25 prevocational preparation and discharge planning, provided to mentally disordered persons having  
26 special needs in one or more of the following general areas: self-help skills, behavior adjustment, and  
27 interpersonal relationships. CONTRACTOR shall provide or arrange for:

28 a. History and physical examination of each Client within seventy-two (72) hours of  
29 admission;

30 b. Psychiatric history, DSM V 5 axis diagnosis and evaluation;

31 c. Diagnostic information for treatment authorization request;

32 d. Individual treatment plan;

33 e. Medication orders;

34 f. Psychiatric and psychological services compatible with individual treatment plans;

35 g. Facilitation in accessing Client health plans, primary care physicians, CalOptima, et al;

36 h. Discharge planning and continuing care services;

37 i. Clinical and neurological laboratory services;

1 j. Radiology services;  
 2 k. Pharmaceutical services;  
 3 l. Financial evaluation of each Client;  
 4 m. Determination of each Client's Medi-Cal eligibility;  
 5 n. Collection of fees and private insurance revenue;  
 6 o. Compliance with all rules and regulations of DHCS regarding the care and treatment of  
 7 Clients admitted under the program, pursuant to the Agreement, and to the extent not inconsistent with  
 8 COUNTY rules and regulations;

9 p. Monitoring of the condition of each Client receiving services pursuant to the  
 10 Agreement, and assessment of the appropriateness of Client's continued placement in the  
 11 CONTRACTOR's facility; and

12 q. Documentation of evaluations, treatment, and care provided to each Client and  
 13 provision of on-going assessment of the status of each Client receiving services pursuant to the  
 14 Agreement.

15 4. CONTRACTOR shall offer psychiatric rehabilitative services which emphasize  
 16 amelioration or stabilization of those impairments of a mental disorder which prevent the Client from  
 17 successfully functioning in a less restrictive setting. The program elements shall include:

18 a. Individualized psychiatric medication regimen tailored to the Client's history of poor  
 19 medication response, designed with a goal of maximum psychiatric symptom reduction, so that the  
 20 Client can participate in other rehabilitative services.

21 b. Individualized programming based on specific Client needs identified through an  
 22 interdisciplinary Client assessment.

23 c. Treatment modalities which focus on rehabilitative efforts such as personal care and  
 24 social skills training, pre-vocational and educational opportunities, self-awareness and self-help  
 25 strategies for coping with the symptoms of a Client's mental illness, recreational therapy and activities,  
 26 and medication management.

27 d. Provision of a therapeutic milieu which utilizes a multi-disciplinary approach to care  
 28 inclusive of psychiatric services with both treatment groups and individual behavioral interventions,  
 29 targeted to achieve treatment goals. Whenever possible, Client families and/or significant others will be  
 30 involved in treatment activities.

31 e. Twenty-seven (27) hours of therapeutic activities shall be provided for each Client per  
 32 week, including behavioral contingencies designed to encourage the individual Client's participation at  
 33 progressively higher levels. Flexibility within innovative programs may be approved on a case-by-case  
 34 basis.

35 5. CONTRACTOR shall develop and maintain a continuous quality improvement process,  
 36 including the formation of a quality improvement committee, the overall goal of which is the  
 37 maintenance of high quality Client care and effective utilization of services offered. This process will

1 address utilization management, peer case review, chart review, supervisory review and medication  
2 monitoring.

3 6. CONTRACTOR shall provide services pursuant to the Agreement in a manner that is  
4 culturally and linguistically appropriate for the population served. CONTRACTOR shall maintain  
5 documentation of such efforts which may include, but not be limited to:

- 6 a. Records of participation of COUNTY sponsored or other applicable training;
- 7 b. Recruitment and hiring policies and procedures;
- 8 c. Copies of literature in multiple languages and formats, as appropriate; and
- 9 d. Descriptions of measures taken to enhance accessibility for, and sensitivity to, persons  
10 who are physically challenged.

11 7. CONTRACTOR shall meet the requirements set forth in Title 22 of the CCR to be certified  
12 to provide a STP.

13 8. CONTRACTOR shall provide those services required by Title 22 of the CCR and Federal  
14 laws establishing standards for participation in the Medi-Cal Program, as they exist now or may be  
15 hereafter amended or changed, and shall as a minimum include the following:

- 16 a. Direct Services
  - 17 1) Room and dietetic services;
  - 18 2) Nursing services, including drug administration and Client care; and
  - 19 3) Client activity program, including arranging for Client transportation for activities  
20 outside of facility.

- 21 b. Support Services
  - 22 1) Housekeeping;
  - 23 2) Laundry;
  - 24 3) Maintenance;
  - 25 4) Medical records;
  - 26 5) Drug order processing;
  - 27 7) Provision for emergency medical and ancillary services; and
  - 28 8) Arrange for transportation to and from medical appointments.

29 9. COUNTY shall pay for ambulance or medical van transportation to another mental health  
30 facility in accordance with COUNTY's Medical Transportation Contract. CONTRACTOR shall provide  
31 an accompanying escort with Client if a return trip is intended.

32 10. For each full-scope Medi-Cal beneficiary under twenty-one (21) years of age admitted,  
33 CONTRACTOR shall give the beneficiary/guardian/conservator the DHCS notification materials  
34 entitled, EPSDT, and TBS. CONTRACTOR shall document in the beneficiary's medical record that  
35 these materials were provided.

36 E. UOS shall be one (1) calendar day during which services are provided under the Agreement to a  
37 Client. The day of admission is included; the day of discharge is excluded. If both admission and

1 discharge occur on the same day, the day is considered a day of admission and counts as a full day. UOS  
 2 under the Agreement totals forty-six (46) beds per day at the Westminster TRC for a total of sixteen  
 3 thousand seven hundred ninety (16,790) annually, and forty-five (45) beds per day at West Anaheim  
 4 TRC for a total of sixteen thousand four hundred twenty-five (16,425) annually.

#### 5 F. PERFORMANCE OUTCOMES

6 1. For each quarter, CONTRACTOR shall submit requested information to  
 7 ADMINISTRATOR, and shall include information provided for the purpose of establishing a baseline to  
 8 compare against Period One; this will be used to measure future performance outcomes and will include:

- 9 a. The total number of Clients discharged to a less restrictive level of care;  
 10 b. The total number of Clients who participate in a pre-vocational or educational training  
 11 program; and  
 12 c. The total hours Clients are in a pre-vocational or educational training program.

13 2. CONTRACTOR shall cooperate with ADMINISTRATOR in meeting quality improvement  
 14 and utilization review standards.

15 3. Contractor shall provide assistance to ADMINISTRATOR in conducting its utilization and  
 16 reporting functions, and medical necessity determination.

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

#### 20 V. STAFFING

21 A. CONTRACTOR shall provide the following clinical staffing, expressed in FTEs, which shall be  
 22 equal to an average of forty (40) hours per week, and is required to maintain this at all times for the  
 23 provision of services hereunder:

	FTEs
24 WESTMINSTER TRC	
25 Director of Nursing	01.00
26 Registered Nurse	01.00
27 Licensed Vocational Nurse	06.00
28 Certified Nursing Assistant	17.40
29 O.T. Activity Assistant	02.00
30 Ward Clerk	01.00
31 Program Director	01.00
32 Social Worker	01.00
33 Mental Health Worker/MH Spec	10.00
34 Peer Mentor/Mental Health Worker	01.00
35 Clerk/Typist	01.00

1	Subcontractor	<u>00.90</u>
2	TOTAL FTEs	43.30
3		
4		FTEs
5	WEST ANAHEIM TRC	
6	Director of Nursing	01.00
7	Licensed Vocational Nurse	08.50
8	Certified Nursing Assistant	16.00
9	Activity Assistant	01.00
10	Program Director	01.00
11	Mental Health Worker/ MH Spec	06.00
12	Peer Mentor/Mental Health Worker	01.00
13	Medical Records/Ward Clerk	01.50
14	Social Worker	01.00
15	Subcontractor	<u>00.50</u>
16	TOTAL FTEs	37.50

17  
18 B. CONTRACTOR shall provide appropriate administrative and clerical staff to support the  
19 staffing and services provided under the Agreement.

20 C. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold  
21 languages as determined by COUNTY. Whenever possible, bilingual/bicultural therapists should be  
22 retained. Any clinical vacancies occurring at a time when bilingual and bicultural composition of the  
23 clinical staffing does not meet the above requirement must be filled with bilingual and bicultural staff  
24 unless ADMINISTRATOR consents, in writing, to the filling of those positions with non-bilingual staff.

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

## 27 28 **VI. ISSUE RESOLUTION**

29 A. For resolution of issues between CONTRACTOR and COUNTY with respect to the  
30 implementation and operation of the Agreement or ADMINISTRATOR's policies and procedures  
31 regarding services described herein, the following sequential steps shall apply:

32 1. CONTRACTOR shall routinely utilize all informal communication processes and methods  
33 with ADMINSTRATOR including, but not limited to, telephone contact, facsimile machine (FAX),  
34 e-mail, written correspondence and meetings, to resolve any issues or problems regarding the  
35 implementation and operation of the Agreement or ADMINISTRATOR's policies and procedures  
36 regarding services described herein.

37 2. If the parties are unable to resolve an issue(s), CONTRACTOR shall give written notice to

1 ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or  
 2 concern related to the obligations under the Agreement. ADMINISTRATOR shall have fifteen (15)  
 3 calendar days following such notice to resolve of any issue(s) identified in this manner. However, by  
 4 mutual consent this period of time may be extended to thirty (30) calendar days.

5 3. If the parties are unable to resolve the issue, they shall submit a joint written statement  
 6 describing the facts of the issue, within thirty (30) calendar days after the written notice described above  
 7 to COUNTY's Director of Behavioral Health Services for final resolution.

8 4. The rights and remedies provided by this paragraph are in addition to those provided by law  
 9 to either party.

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

## 12 **VII. PATIENT'S RIGHTS**

13  
 14 A. CONTRACTOR shall post the current DHCS Patients' Rights poster as well as  
 15 ADMINSTRATOR's MHP Complaint and Grievance poster in locations readily available to Clients and  
 16 staff and have complaint forms and complaint envelopes readily accessible to Clients.

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

20 1. CONTRACTOR's complaint resolution processes shall emphasize informal, easily  
 21 understood steps designed to resolve disputes as quickly and simply as possible.

22 2. CONTRACTOR's complaint resolution and grievance processes shall incorporate  
 23 ADMINISTRATOR's grievance, patients' rights, and utilization management guidelines and procedures.

24 C. Complaint Resolution and Grievance Process - ADMINISTRATOR shall implement complaint  
 25 and grievance procedures that shall include the following components:

26 1. Complaint Resolution. This process will specifically address and attempt to resolve Client  
 27 complaints and concerns at CONTRACTOR's facility. Examples of such complaints may include  
 28 dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the  
 29 physical plant.

30 2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's  
 31 facility and the Client or Client representative requests it, the complaint becomes a formal grievance.  
 32 The request is made to COUNTY MHIS and represents the first step in the formal grievance process.

33 3. Title IX Rights Advocacy. This process may be initiated by a Client who registers a  
 34 statutory rights violation or a denial or abuse complaint with the COUNTY Patients' Rights Office. The  
 35 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,  
 36 which involve the COUNTY's Director of Behavioral Health Services and the State's Patients' Rights  
 37 Office.



1 D. The parties agree that Clients have recourse to initiate a complaint to CONTRACTOR, appeal  
 2 to the COUNTY Patients' Rights Office, file a formal grievance, and file a Title IX complaint. The  
 3 patients' advocate shall advise and assist the Clients, investigate the cause of the complaint or grievance,  
 4 and attempt to resolve the matter.

5 E. No provision of the Agreement shall be construed as replacing or conflicting with the duties of  
 6 COUNTY Patients' Rights Office pursuant to WIC Section 5500.

7 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
 8 Patient's Rights Paragraph of this Exhibit A to the Agreement.

## 9 10 **VIII. REPORTS**

### 11 **A. PROGRAMMATIC**

12 1. CONTRACTOR shall submit to ADMINISTRATOR written quarterly reports on staff  
 13 vacancies, recruitments, and nursing staff-per-patient ratio. These reports must be on a form acceptable  
 14 to ADMINISTRATOR and shall be submitted to ADMINISTRATOR the 20th day of the month  
 15 following the end of the quarter and should include the following information for each vacant position:

- 16 a. Date the position became vacant;
- 17 b. Total number of consecutive scheduled working days the position was vacant;
- 18 c. Number of consecutive scheduled working days the position was vacant during the  
 19 monthly billing period;
- 20 d. Monthly position salary plus benefits.

21 2. CONTRACTOR shall submit quarterly performance outcomes as specified in the  
 22 Responsibilities Paragraph of Exhibit A to the Agreement.

23 B. FINANCIAL - CONTRACTOR shall submit monthly expenditure and revenue reports on or  
 24 before the 20th day of the month following the end of the month being reported.

25 C. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by the  
 26 ADMINISTRATOR concerning CONTRACTOR's activities as they affect the contract duties and  
 27 purposes contained herein. In no event, however, may the ADMINISTRATOR require such reports  
 28 without at least thirty (30) days prior notification thereof. ADMINISTRATOR shall explain procedures  
 29 for reporting the required information.

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

## 32 33 **IX. RESPONSIBILITIES**

34 A. ADMINISTRATOR shall determine the appropriateness of admissions to CONTRACTOR's  
 35 facility for any Client receiving services pursuant to the Agreement.

36 B. ADMINISTRATOR and CONTRACTOR shall meet monthly or more frequently to discuss  
 37 program issues, problematic cases, linkage issues, and the results of ADMINISTRATOR's chart review.

1 C. ADMINISTRATOR shall authorize certifications for STP services.

2 D. ADMINISTRATOR shall assist in screening of Clients for all board and care home placements  
3 in COUNTY, and shall provide case management services to assist with placement in these facilities.

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

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