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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2013 through August 31, ~~2014~~2015

Maximum Obligation: \$~~176,120~~327,080

Basis for Reimbursement: Negotiated Rate

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Advanced Medical Management, Inc.
 5000 Airport Plaza Drive, Suite 150
 Long Beach, CA 90815-1260
 Kristin Gates
 kgates@amm.cc
 Voice: (562) 762-2000
 Fax: (562) 766-2006

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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:

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| 1 | | |
| 2 | | |
| 3 | | |
| 4 | A. ARRA | American Recovery and Reinvestment Act |
| 5 | B. ASRS | Alcohol and Drug Programs Reporting System |
| 6 | C. CCC | California Civil Code |
| 7 | D. CCR | California Code of Regulations |
| 8 | E. CEO | County Executive Office |
| 9 | F. CFR | Code of Federal Regulations |
| 10 | G. CHPP | COUNTY HIPAA Policies and Procedures |
| 11 | H. CHS | Correctional Health Services |
| 12 | I. COI | Certificate of Insurance |
| 13 | J. D/MC | Drug/Medi-Cal |
| 14 | K. DHCS | Department of Health Care Services |
| 15 | L. DPFS | Drug Program Fiscal Systems |
| 16 | M. DRS | Designated Record Set |
| 17 | N. ePHI | Electronic Protected Health Information |
| 18 | O. GAAP | Generally Accepted Accounting Principles |
| 19 | P. HCA | Health Care Agency |
| 20 | Q. HHS | Health and Human Services |
| 21 | R. HIPAA | Health Insurance Portability and Accountability Act of 1996, |
| 22 | | Public Law 104-191 |
| 23 | S. HSC | California Health and Safety Code |
| 24 | T. ISO | Insurance Services Office |
| 25 | U. MHP | Mental Health Plan |
| 26 | V. OCJS | Orange County Jail System |
| 27 | W. OCPD | Orange County Probation Department |
| 28 | X. OCR | Office for Civil Rights |
| 29 | Y. OCSD | Orange County Sheriff's Department |
| 30 | Z. OIG | Office of Inspector General |
| 31 | AA. OMB | Office of Management and Budget |
| 32 | AB. OPM | Federal Office of Personnel Management |
| 33 | AC. PA DSS | Payment Application Data Security Standard |
| 34 | AD. PC | State of California Penal Code |
| 35 | AE. PCI DSS | Payment Card Industry Data Security Standard |
| 36 | AF. PHI | Protected Health Information |
| 37 | AG. PII | Personally Identifiable Information |

| | | |
|---|--------------------|--|
| 1 | AH. PRA | Public Record Act |
| 2 | AI. SIR | Self-Insured Retention |
| 3 | AJ. The HITECH Act | The Health Information Technology for Economic and Clinical Health |
| 4 | | Act, Public Law 111-005 |
| 5 | AK. USC | United States Code |
| 6 | AL. WIC | State of California Welfare and Institutions Code |

7
8 **II. ALTERATION OF TERMS**

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

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

16
17 **III. COMPLIANCE**

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

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

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

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

31 4. If CONTRACTOR elects to have its own Compliance Program and Code of Conduct then it
32 shall submit a copy of its Compliance Program, Code of Conduct and relevant policies and procedures to
33 ADMINISTRATOR within thirty (30) calendar days of award of this Agreement. ADMINISTRATOR's
34 Compliance Officer shall determine if CONTRACTOR Compliance Program and Code of Conduct
35 contains all required elements. CONTRACTOR shall take necessary action to meet said standards or
36 shall be asked to acknowledge and agree to the HCA's Compliance Program and Code of Conduct if the
37 CONTRACTOR's Compliance Program and Code of Conduct does not contain all required elements.

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

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

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

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

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

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

34 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors semi-
35 annually to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that
36 its subcontractors use their best efforts to verify that they are eligible to participate in all federal and
37 State of California health programs and have not been excluded or debarred from participation in any

1 federal or state health care programs, and to further represent to CONTRACTOR that they do not have
2 any Ineligible Person in their employ or under contract.

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

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

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

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

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

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

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

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

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

33 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
34 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
35 and are consistent with federal, state and county laws and regulations.

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

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

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

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

9 10 **IV. CONFIDENTIALITY**

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

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

21 22 **V. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

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

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

36 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
37 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of

1 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
 2 change in fifty percent (50%) or more of Board of Directors of CONTRACTOR at one time shall be
 3 deemed an assignment pursuant to this paragraph. Any attempted assignment or delegation in
 4 derogation of this subparagraph shall be void.

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

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

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

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

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

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

26 4. This provision shall not be applicable to service agreements usually and customarily entered
 27 into by CONTRACTOR to obtain or arrange for supplies, technical support, professional services
 28 provided by consultants, and medical services not provided directly by CONTRACTOR, including but
 29 not limited to dialysis.

30 **VI. EMPLOYEE ELIGIBILITY VERIFICATION**

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

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

4 5 **VII. FACILITIES, PAYMENTS AND SERVICES COST REPORT**

6 CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance with
7 Exhibits A through D to this Agreement. COUNTY shall compensate, and authorize, when applicable,
8 said 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 **VIII. 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. COUNTY agrees to indemnify, defend and hold CONTRACTOR, its officers, employees,
24 agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including
25 defense costs, or liability of any kind or nature, including but not limited to personal injury or property
26 damage, arising from or related to the services, products or other performance provided by COUNTY
27 pursuant to this Agreement. If judgment is entered against COUNTY and CONTRACTOR by a court of
28 competent jurisdiction because of the concurrent active negligence of CONTRACTOR, COUNTY and
29 CONTRACTOR agree that liability will be apportioned as determined by the court. Neither party shall
30 request a jury apportionment.

31 C. Each party agrees to provide the indemnifying party with written notification of any claim
32 related to services provided by either party pursuant to this Agreement within thirty (30) calendar days
33 of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation,
34 each party shall cooperate with the indemnifying party in its defense.

35 D. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all
36 required insurance at CONTRACTOR's expense and to submit to COUNTY the COI, including all
37 endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this

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

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

9 F. If CONTRATOR fails to maintain insurance acceptable to COUNTY for the full term of this
 10 Agreement, COUNTY may terminate this Agreement.

11 G. QUALIFIED INSURER

12 1. The policy or policies of insurance must be issued by an insurer licensed to do business in
 13 the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M.
 14 Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's
 15 Key Rating Guide/Property-Casualty/United States or ambest.com).

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

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

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

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I. 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.

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

K. 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.

L. 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.

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

N. If CONTRACTOR’s Professional Liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two years following completion of Agreement.

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

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

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

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

4 S. SUBMISSION OF INSURANCE DOCUMENTS

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

28 **IX. INSPECTIONS AND AUDITS**

29 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
 30 of the State of California, the Secretary of the United States Department of Health and Human Services,
 31 the Comptroller General of the United States, or any other of their authorized representatives, shall have
 32 access to any books, documents, and records, including but not limited to, financial statements, general
 33 ledgers, relevant accounting systems, medical and client records, of CONTRACTOR that are directly
 34 pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an
 35 audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth
 36 in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all
 37

1 reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the
2 premises in which they are provided.

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

7 C. AUDIT RESPONSE

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

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

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

24
25 **X. LICENSES AND LAWS**

26 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout
27 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,
28 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and
29 required by the laws, regulations and requirements of the United States, the State of California,
30 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify
31 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the
32 pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers
33 and exemptions. Said inability shall be cause for termination of this Agreement.

34 B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

37 //

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

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

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

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

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

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

19 C. CONTRACTOR shall comply with all applicable governmental laws, regulations, and
20 requirements as they exist now or may be hereafter amended or changed.

21 D. CONTRACTOR attests that all CONTRACTOR physicians providing services under this
22 Agreement are and will continue to be as long as this Agreement remains in effect, the holders of
23 currently valid licenses to practice medicine in the State of California and are members in good standing
24 of the medical staff of CONTRACTOR's facility.

25
26 **XI. MAXIMUM OBLIGATION**

27 The Maximum Obligation of COUNTY for services provided in accordance with this Agreement is
28 as specified in the Referenced Contract Provisions of this Agreement.

29
30 **XII. NONDISCRIMINATION**

31 **A. EMPLOYMENT**

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

1 because of his/her ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,
2 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability.

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

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

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

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

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

23 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
24 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
25 on the basis of ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,
26 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability
27 in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 -
28 §1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975
29 (42 USC §6101); and Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of
30 Regulations,) as applicable, and all other pertinent rules and regulations promulgated pursuant thereto,
31 and as otherwise provided by state law and regulations, as all may now exist or be hereafter amended or
32 changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not
33 limited to the following based on one or more of the factors identified above:

- 34 1. Denying a client or potential client any service, benefit, or accommodation.
35 2. Providing any service or benefit to a client which is different or is provided in a different
36 manner or at a different time from that provided to other clients.

37 //

1 3. Restricting a client in any way in the enjoyment of any advantage or privilege enjoyed by
2 others receiving any service or benefit.

3 4. Treating a client differently from others in satisfying any admission requirement or
4 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
5 any service or benefit.

6 5. Assignment of times or places for the provision of services.

7 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all clients
8 through a written statement that CONTRACTOR and/or subcontractor’s clients may file all complaints
9 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
10 ADMINISTRATOR.

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

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

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

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

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

31
32 **XIII. NOTICES**

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

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

- 2. When faxed, transmission confirmed;
- 3. When sent by Email; or
- 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

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

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

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

XIV. RECORDS MANAGEMENT AND MAINTENANCE

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

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

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

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

E. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges, billings, and revenues available at one (1) location within the limits of the County of Orange, unless otherwise requested by CONTRACTOR and approved, in writing, by ADMINISTRATOR.

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

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

//

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

4
5 **XV. RIGHT TO WORK AND MINIMUM WAGE LAWS**

6 A. In accordance with the United States Immigration Reform and Control Act of 1986,
7 CONTRACTOR shall require its employees directly or indirectly providing service pursuant to this
8 Agreement, in any manner whatsoever, to verify their identity and eligibility for employment in the
9 United States. CONTRACTOR shall also require and verify that its contractors, subcontractors, or any
10 other persons providing services pursuant to this Agreement, in any manner whatsoever, verify the
11 identity of their employees and their eligibility for employment in the United States.

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

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

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

26
27 **XVI. SEVERABILITY**

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

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XVII. SPECIAL PROVISIONS

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

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

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

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

XVIII. STATUS OF CONTRACTOR

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR

1 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or
2 subcontractors as they relate to the services to be provided during the course and scope of their
3 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be
4 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner
5 to be COUNTY's employees.

6
7 **XIX. TERM**

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

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

15
16 **XX. TERMINATION**

17 A. Either party may terminate this Agreement, without cause, upon one hundred eighty (180)
18 calendar days written notice given the other party.

19 B. If this Agreement is followed by a subsequent agreement between the COUNTY and
20 CONTRACTOR, for substantially the same type and scope of services, beginning on July 1, 2014, this
21 Agreement shall automatically terminate on June 30, 2014, at 11:59:59 PM, without any notice given to
22 CONTRACTOR.

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

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

- 29 1. The loss by CONTRACTOR of legal capacity.
- 30 2. Cessation of services.
- 31 3. The delegation or assignment of CONTRACTOR's services, operation or administration to
32 another entity without the prior written consent of COUNTY.
- 33 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
34 required pursuant to this Agreement.
- 35 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this
36 Agreement.

37 //

1 6. The continued incapacity of any physician or licensed person to perform duties required
2 pursuant to this Agreement.

3 7. Unethical conduct or malpractice by any physician or licensed person providing services
4 pursuant to this Agreement; provided, however, COUNTY may waive this option if CONTRACTOR
5 removes such physician or licensed person from serving persons treated or assisted pursuant to this
6 Agreement.

7 E. CONTINGENT FUNDING

8 1. Any obligation of COUNTY under this Agreement is contingent upon the following:

9 a. The continued availability of federal, state and county funds for reimbursement of
10 COUNTY's expenditures, and

11 b. Inclusion of sufficient funding for the services hereunder in the applicable budget
12 approved by the Board of Supervisors.

13 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
14 terminate or renegotiate this Agreement upon thirty (30) calendar days written notice given
15 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated
16 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

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

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

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

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

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

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

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

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

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

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

7 H. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
8 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.
9

10 **XXI. THIRD PARTY BENEFICIARY**

11 Neither party hereto intends that this Agreement shall create rights hereunder in third parties
12 including, but not limited to, any subcontractors or any clients provided services pursuant to this
13 Agreement.
14

15 **XXII. WAIVER OF DEFAULT OR BREACH**

16 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
17 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
18 Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
19 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
20 Agreement.
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1 IN WITNESS WHEREOF, the parties have executed this Agreement, in the County of Orange,
2 State of California.

3
4 ADVANCED MEDICAL MANAGEMENT, INC.

5
6
7 BY: _____ DATED: _____

8
9 TITLE: _____

10
11
12 BY: _____ DATED: _____

13
14 TITLE: _____

15
16
17
18 COUNTY OF ORANGE

19
20
21 BY: _____ DATED: _____

22 HEALTH CARE AGENCY

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

29
30
31 BY: _____ DATED: _____

32 DEPUTY

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 FISCAL INTERMEDIARY SERVICES
 4 FOR
 5 CORRECTIONAL HEALTH SERVICES PROGRAMS
 6 BETWEEN
 7 COUNTY OF ORANGE
 8 AND
 9 ADVANCED MEDICAL MANAGEMENT, INC.
 10 JULY 1, 2013 THROUGH AUGUST 31, ~~2014~~2015

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. “Ambulance/Paramedic Services” means any emergency medical transportation services
 15 provided by city paramedic units or ambulance providers.

16 B. “Ancillary Services” means those support services other than room, board, and medical and
 17 nursing services that are provided by the a hospital to Custody Patients during the course of their care
 18 and include such services as laboratory, pharmacy, and physical therapy services. They are generally
 19 distinguished from a Clinic Service by the absence of a corresponding Physician or Specialty Physician
 20 Service
 21

22 C. “Bed Day” means one (1) calendar day during which a hospital provides Medical Services
 23 described hereunder, which day shall begin at twelve o’clock midnight. A bed day shall include the day
 24 of admission and exclude the day of discharge, unless admission and discharge occur on the same day.

25 ~~— D. “CMS” means the Health Care Agency’s Correctional Medical Services Program.~~

26 ~~— E. D. “Contract Officers” means ADMINSTRATOR’S and~~
 27 ~~CONTRACTOR’S CONTRACTOR’s~~ designees who shall administer the Agreement for the respective
 28 parties.

29 ~~FE.~~ “Correctional Health Services” or “CHS” means the Health Care Agency’s Correctional Health
 30 Services which is the division which encompasses and oversees the CMS, Correctional Mental Health,
 31 and JHS Programs.

32 ~~GF.~~ “Cost to Charge Ratio” means the most recent OSHPD published cost to charge ratio for a
 33 hospital.

34 ~~HG.~~ “Custody Patient” means any of the following:

- 35 1. An Orange County Jail inmate referred to any hospital for treatment by any CHS Program
- 36 representative or Orange County Deputy.

37 //

1 2. A person, who has already been booked into the Orange County Jail, brought to any hospital
2 for treatment by ~~an Orange County~~ Deputy.

3 3. A person brought to CHS ~~contracted~~ Hospital's emergency department by ~~an Orange~~
4 ~~County~~ Deputy for medical clearance prior to booking after being deferred from the COUNTY's Intake
5 and Release Center.

6 4. A minor, brought to any hospital for treatment, who is under the care and custody of the
7 Orange County Probation Department pursuant to, or pending the filing of, a petition under the Welfare
8 and Institutions Code.

9 5. A minor, brought to any hospital or clinic for treatment, who is under the care and custody
10 of the Orange County Social Services Department at Orangewood Children's Home.

11 ~~6. Custody Patients shall exclude those held solely pursuant to Section 5150 of the Welfare~~
12 ~~and Institutions Code.~~

13 ~~7~~ 6. It is understood by the parties that Custody Patients excludes those persons, who, at
14 the time of service, are escorted by local law enforcement, housed and/or subsequently booked into a
15 city jail.

16 H. "Deputy" means a sworn officer of the Orange County Sheriff's Department.

17 I. "Emergency" means the sudden and unexpected onset of a symptom, illness, or injury which, in
18 the judgment of a physician, requires immediate diagnosis and/or treatment in order to alleviate or
19 attempt to prevent severe pain, permanent disability, serious medical complications or loss of life.

20 K. "Fiscal Year" or "Period" means July 1 through the following June 30.

21 L. "Hospital Services" means all Medical Services provided to a Custody Patient by any hospital.

22 M. "Inpatient" means a Custody Patient admitted to any hospital for the purpose of receiving
23 Medical Services, with the expectation of remaining hospitalized at least overnight.

24 N. "CHS Custody Database" means the repository of data detailing historical and recent
25 Medical Services provided to Custody Patients by the CHS Hospital and CHS Physician group.

26 O. "CHS Hospital" means a hospital that has executed a Hospital Services for the Correctional
27 Health Services Programs Agreement with COUNTY, which hospital, at the execution of the
28 Agreement, is Western Medical Center – Anaheim.

29 P. "CHS In-House Provider" means a provider that ~~has executed a Radiology~~ is employed by the
30 County and ~~Outpatient Services for Correctional Health Services Programs Agreement with COUNTY,~~
31 ~~which provider at the execution of~~ provides medical services inside the Agreement is American
32 ~~Correctional Services, Inc jail facilities.~~

33 Q. "CHS Non-Contract Custody Database" means the repository of data detailing historical and
34 recent Medical Services provided all non-contract hospital providers of Medical Services.

35 R. "CHS Physician group" means a physician group that has executed a specialty clinic Physician
36 Services for the Correctional Health Services Programs with COUNTY, which physician group, at the
37 execution of the Agreement, is Correctional Managed Care Medical Corporation.

1 ~~SR~~. "CHS Pool" means funding, in addition to the Maximum Obligations as set forth in the
 2 Referenced Contract Provisions of this Agreement, for services provided in accordance with Paragraph
 3 IV of this Exhibit A to Agreement which shall be made available to CONTRACTOR to reimburse
 4 claims submitted in accordance with Paragraph II of Exhibit A to the Agreement.

5 ~~TS~~. "JHS" means the Health Care Agency's Juvenile Health Services Program.

6 ~~UT~~. "Medi-Cal Program" means that program of medical assistance established by the Medi-Cal Act
 7 as contained in Chapter 7, Part 3, Division 9 of the Welfare and Institutions Code (commencing with
 8 Section 14000) including applicable regulations promulgated under and pursuant to said law, as now in
 9 existence or as hereafter amended or changed.

10 ~~VU~~. "Medical Services" means any diagnostic, treatment, or supportive services, ~~excluding TB~~
 11 ~~screenings~~, which are determined by ADMINISTRATOR to be medically necessary to protect life or
 12 prevent significant disability, and/or to diagnose and treat illness or injuries which require treatment to
 13 prevent serious deterioration of health. Medical Services include any service or examination authorized
 14 in accordance with the Agreement.

15 ~~WV~~. "Non-Contract Providers" means any Medical Services provider except those under contract
 16 with COUNTY to specifically provide services to Custody Patients on behalf of COUNTY. At the time
 17 of execution of the Agreement, said providers under contract with COUNTY for services to Custodial
 18 Patients are as follows, which providers may be amended by ADMINSTRATOR as appropriate:

19 1. American Correctional Services for In-House Radiology Services provided to Custody
 20 Patients.

21 ~~2. Children's Hospital of Orange County for Hospital and Clinic Services provided Custody~~
 22 ~~Patients as defined in subparagraph G.5 above.~~

23 ~~3~~ ~~2~~. Correctional Managed Care Medical Corporation for specialty Physician Services
 24 provided to Custody Patients.

25 ~~4~~ ~~3~~. Western Medical Center – Anaheim for Hospital Services provided to Custody Patients.

26 ~~5. UCI Community Clinics for Clinic Services provided to Custody Patients as defined in~~
 27 ~~subparagraph G.5. above.~~

28 ~~X~~ ~~W~~. "OSHPD" means the Office of Statewide Health and Planning Development.

29 ~~YX~~. "Outpatient Services" means any Clinic Services or Ancillary Services provided to Custody
 30 Patients which do not require an admission into a hospital.

31 ~~ZY~~. "Physician Services" means Medical Services provided to Custody Patients by any medical
 32 provider with a current valid California license to practice medicine, acting within the scope of their
 33 license, including supervision of interns and residents.

34 ~~AAZ~~. "Professional Services" means those Ancillary Medical Services provided by medical
 35 technicians with current training and a valid license or certificate, as appropriate, to act within the scope
 36 of their professional classification.

37 ~~ABAA~~. "TAR" means Treatment Authorization Request.

1 ~~AC~~AB. “Unit” means a secure separate patient care area within the CHS Hospital, which is
 2 dedicated for the treatment of ~~Type II Maximum Security~~ Outpatient and Inpatient Custody Patients
 3 referred by COUNTY.

4 ~~AD~~AC. “Vendor” means a provider of services which are outside of either CHS Hospital’s or CHS
 5 ~~Physician’s~~ Physician group’s normal scope of services offered in accordance with Paragraph III of
 6 Exhibit A of each provider’s respective Agreements, but are deemed medically necessary for a Custody
 7 Patient.

8

9 **II. PAYMENTS AND BILLINGS**

10 A. As compensation for fiscal intermediary services provided in accordance with Paragraph III of
 11 this Exhibit A to the Agreement, COUNTY shall, throughout the term of the Agreement, reimburse
 12 CONTRACTOR \$12,580 monthly, in arrears, provided, however, that the total of all such monthly
 13 payments shall not exceed the Maximum Obligation, as specified in the Referenced Contract Provisions
 14 of the Agreement:

15 B. CHS POOL ACCOUNT - COUNTY has created the CHS Pool for the reimbursement of all
 16 claims submitted to CONTRACTOR for Medical Services provided to Custody Patients, including, but
 17 not limited to specialty Medical Services, Ancillary Services, and Ambulance/Paramedic Services.

18 1. CONTRACTOR shall maintain the CHS Pool in an interest-bearing bank checking account
 19 in trust for COUNTY, titled the “CHS Pool Account.”

20 2. If CONTRACTOR determines that the fees to maintain an interest-bearing bank checking
 21 account are more than projected interest to be earned, CONTRACTOR shall recommend to
 22 ADMINISTRATOR that such funds be maintained in a non-interest-bearing bank checking account.
 23 Approval of the recommendation shall be at the sole discretion of ADMINISTRATOR.
 24 CONTRACTOR shall maintain the CHS Pool in an interest-bearing or non-interest bearing bank
 25 checking account, as determined by ADMINISTRATOR, in trust for COUNTY, titled the “CHS Pool
 26 Account”.

27 3. Unless otherwise authorized, in writing, by ADMINISTRATOR, the balance of the CHS
 28 Pool Account shall not exceed a maximum of \$750,000 at any time.

29 4. Commencing July 1, and thereafter on the tenth (10th) day of each month through and
 30 including June 10, upon receipt of an appropriate invoice, COUNTY shall pay CONTRACTOR a
 31 provisional payment of ~~\$264~~350,000 per month. Such funds shall be deposited into the CHS Pool
 32 Account and used by CONTRACTOR to pay claims to both Non-Contract Providers and Contract
 33 Providers.

34 5. Upon approval of ADMINISTRATOR, CONTRACTOR may use a portion of any interest
 35 earned by the CHS Pool Account to offset the actual cost of postage associated with any mailings,
 36 except check and Explanation of Benefit (EOB) mailings, required in accordance with the Agreement.
 37 CONTRACTOR shall report to County the amount of interest charged against postage.

1 CONTRACTOR shall use any remaining interest to reimburse claims in accordance with the
2 Agreement.

3 6. Upon determination by CONTRACTOR that the CHS Pool Account requires additional
4 funds for reimbursement of claims authorized in accordance with the Agreement, CONTRACTOR shall
5 submit a supplemental invoice to COUNTY, together with any documentation that may be required by
6 ADMINISTRATOR.

7 7. Monthly, CONTRACTOR shall provide ADMINISTRATOR a copy of the prior month's
8 bank statement(s) and reconciliation with respect to all monies disbursed pursuant to the Agreement.

9 8. In the event CONTRACTOR anticipates expenditures in excess of the CHS Pool Account
10 balance or maximum, CONTRACTOR may request an appropriate advance, in writing from
11 ADMINISTRATOR. Upon approval by ADMINISTRATOR, COUNTY will disburse to
12 CONTRACTOR the requested funds. CONTRACTOR shall disburse funds advanced in such manner
13 to providers. Such disbursement shall be made immediately upon receipt of the advance, unless
14 otherwise approved, in writing, by ADMINISTRATOR.

15 9. Unless the Agreement is followed without interruption by another Agreement between the
16 parties for substantially the same type and scope of services, CONTRACTOR shall return to COUNTY
17 any and all funds remaining in the CHS Pool Account at the close of business on August 31, 2014
18 unless otherwise authorized in writing, by ADMINISTRATOR. Such reimbursement shall be made no
19 later than September 10, 2014.

20 C. CONTRACTOR's invoices shall be on forms approved or provided by ADMINISTRATOR.
21 Invoices are due by the first (1st) working day of each month. Invoices received after the due date may
22 not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no
23 later than twenty-one (21) days after receipt of the correctly completed billing form.

24 D. All billings to COUNTY shall be supported, at CONTRACTOR's facility, by source
25 documentation including, but not limited to, provider claims, custody status verification documentation,
26 ledgers, journals, bank statements, canceled checks, and records of services paid. In support of the
27 monthly billing, CONTRACTOR shall submit a Claims Processed Report on a form, or in an electronic
28 format, approved or provided by ADMINISTRATOR.

29 E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
30 with any provision of the Agreement.

31 F. CONTRACTOR may not claim reimbursement for services provided beyond the expiration
32 and/or termination of the Agreement.

33 G. CONTRACTOR will coordinate Medi-Cal reimbursement billing for ADMINISTRATOR for
34 the patients with confirmed Medi-Cal coverage for in-patient hospitalizations. All claims will be paid to
35 the vendors submitting claims per the usual and customary process (confirming in-custody status, etc.).
36 CONTRACTOR will then submit claims and seek Medi-Cal reimbursement from the State through an
37 established method in conjunction with ADMINISTRATOR's Accounting department.

1 CONTRACTOR will provide reports to ADMINISTRATOR with detail of Medi-Cal reimbursement
2 activities on a monthly basis and as needed.

3 **H. REIMBURSEMENT OF CLAIMS:**

4 1. As a condition of reimbursement through the Agreement, all claims for reimbursement of
5 Custody Patient Services provided to Custody Patients shall be:

6 a. Claims for Hospital Services provided during the Agreement, as enumerated in the
7 Referenced Contract Provisions,

8 b. Submitted electronically or by mail and completed in accordance with the Agreement,

9 c. Initially received by the CONTRACTOR no later than three hundred sixty-five (365)
10 calendar days following the date of service;

11 2. Hospitals shall be notified, in writing, of the reason for a denial of any claim(s). Notice
12 shall be deemed effective:

13 a. Three (3) calendar days from the date written notice is deposited in the United States
14 mail, first class certified postage prepaid; or

15 b. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
16 Service, or other expedited delivery service with certified tracking capabilities.

17 3. The Hospital may resubmit denied claims to the CONTRACTOR; provided, however, the
18 Hospital shall complete any necessary corrective action, and resubmit the claim no later than one
19 hundred eighty (180) calendar days after notification of the rejection.

20 4. The Hospital may appeal claims denied by the CONTRACTOR in accordance with
21 procedures set forth by ADMINISTRATOR. Such appeal shall be made, in writing, no later than thirty
22 (30) calendar days after notification of denial.

23 5. If all information necessary to review the appeal is submitted as required to the
24 CONTRACTOR, CONTRACTOR shall respond to the appeal within forty-five (45) calendar days.

25 6. If the appeal is subsequently denied by the CONTRACTOR within forty-five (45) calendar
26 days of receipt of the denied appeal, the Hospital may submit an appeal to the CHS Director.

27 7. If a denied claim is not resubmitted and/or appealed in writing to the CONTRACTOR
28 and/or CHS Director within thirty (30) calendar days after notification of denial, the CONTRACTOR's
29 determination shall be final, and the Hospital shall have no right to further review of the claim.

30
31 **III. SERVICES**

32 A. Unless otherwise specified herein, the cost of all Services provided in accordance with this
33 Paragraph III, shall be deemed included in COUNTY's Maximum Obligation to CONTRACTOR.

34 B.- CLAIMS PROCESSING AND ADJUDICATION FOR CONTRACT PROVIDERS -- ~~The~~
35 CHS Hospital and CHS Physician group shall submit two sets of claims data to CONTRACTOR:

36 //

37 //

1 1. Negotiated Claims Data – COUNTY has agreed to reimburse CHS Hospital and CHS
2 Physician group a negotiated amount for certain Medical Services provided to Custody Patients at CHS
3 Hospital as specified in the CHS Hospital Agreement and the CHS Physician group Agreement.

4 a. The CHS Hospital and CHS Physician group shall submit claims data to
5 CONTRACTOR which data shall correspond to the services included in the negotiated payment made
6 by COUNTY.

7 b. CONTRACTOR shall process the negotiated claims data and, at a minimum, confirm
8 custody verification, ensure there are no duplicate claims, verify use of valid diagnosis and procedure
9 codes.

10 1) Data from claims passing the audit process shall be included in the CHS Contract
11 Custody Database.

12 2) A report of claims that do not pass the audit process shall be submitted to
13 ADMINISTRATOR, the CHS Hospital and CHS Physician group for review/correction by the CHS
14 Hospital and CHS Physician group. The CHS Hospital and CHS Physician group shall have thirty (30)
15 days to provide such corrections so that the data may be appended to the CHS Contract Custody
16 Database.

17 2. Fee-For-Service Claims Data – COUNTY has agreed to reimburse CHS Hospital and CHS
18 Physician group on a fee-for-service amount for certain Medical Services provided to Custody Patients
19 at CHS Hospital as specified in the CHS Hospital Agreement and the CHS Physician group Agreement
20 and for certain Medical Services provided to Custody Patients by CHS Physician group at Western
21 Medical Center – ~~Santa Ana~~ Anaheim.

22 a. The CHS Hospital and CHS Physician group, or their Vendors, shall submit claims data
23 to CONTRACTOR.

24 b. CONTRACTOR shall process the negotiated claims data and, at a minimum, confirm
25 custody verification, ensure there are no duplicate claims, verify use of valid diagnosis and procedure
26 codes.

27 1) Data from claims passing the audit process shall be included in the CHS Contract
28 Custody Database and may be paid by CONTRACTOR consistent with the terms of the Vendor payment
29 negotiated between either CHS Hospital and ADMINISTRATOR or CHS Physician group and
30 ADMINISTRATOR.

31 2) A report of claims that do not pass the audit process shall be submitted to
32 ADMINISTRATOR, the CHS Hospital and CHS Physician group for review/correction by the CHS
33 Hospital and CHS Physician group. The CHS Hospital and CHS Physician group shall have thirty (30)
34 days to provide such corrections so that the data may be appended to the CHS Contract Custody
35 Database and shall not be considered claimable and payable in accordance with the Agreement.

36 //

37 //

1 C. CLAIMS PROCESSING AND ADJUDICATION FOR NON-CONTRACT PROVIDERS

2 1. CONTRACTOR shall process and pay claims received for Medical Services provided to
3 Custody Patients from Non-Contract providers. Non-Contract providers may submit claims to
4 CONTRACTOR either electronically or by mail.

5 2. CONTRACTOR shall process non-contract claims and, at a minimum, confirm custody
6 verification, ensure there are no duplicate claims, verify use of valid diagnosis and procedure codes.

7 a. Data from claims passing the audit process shall be included in the CHS Non-Contract
8 Custody Database and may be paid by CONTRACTOR consistent with the terms in Paragraph IV of
9 this Exhibit A to the Agreement.

10 b. CONTRACTOR shall notify provider of denied claim, within fifteen (15) working days
11 of receipt of verification of non-custody status. CONTRACTOR's notice to the provider shall ~~indicate~~
12 ~~that there are no appeals and that~~ include information concerning the ~~determination~~ appeal process as it is
13 ~~final~~ outlined in each respective contract (CHS hospital appeal process and CHS Physician group
14 ~~process~~).

15 c. CONTRACTOR shall pay or process approved clean claims within fifteen (15) working
16 days after custody status verification.

17 d. Claims may be paid by CONTRACTOR if they have been initially submitted within
18 ~~one (1) year~~ 90 days of the date of service. CONTRACTOR shall deny claims not initially received
19 within ~~one (1) year~~ 90 days of the date of service.

20 3. CONTRACTOR shall generate monthly reports as described in Paragraph V. Reports
21 below.

22 D. CUSTODY STATUS VERIFICATION

23 1. CONTRACTOR shall only pay those claims for which the patient has been verified as
24 being a Custody Patient. All other claims shall be denied for payment by CONTRACTOR.
25 ~~CONTRACTOR shall advise all providers of medical services who receive notice of a denied claim due~~
26 ~~to inability to verify custody that there is no appeals process for said denials. The responsibility of~~
27 ~~proving custody for a Custody Patient shall rest with the medical provider.~~

28 2. COUNTY's Sheriff's Department ~~has agreed to provide~~ provides CONTRACTOR with
29 daily custody booking and release data to allow CONTRACTOR to verify the custody status of a patient
30 as part of the claims adjudication process. In cooperation with the Sheriff's Department,
31 CONTRACTOR shall establish a secured electronic data exchange for the custody status data, which
32 shall include, at a minimum:

- 33 a. Inmate last name
34 b. Inmate first name
35 c. Date of birth
36 d. Gender
37 e. Booking number

- f. Booking date
- g. Booking time
- h. Release date
- i. Release time

3. CONTRACTOR shall establish an automated process to compare information in the custody status database against all claims submitted for payment from the CHS Pool Account for verification of custody status prior to paying any claim.

~~a. The parties agree that the custody verification database may not include JHS Custody Patients as of the execution of the Agreement.~~ ~~b. ADMINSTRATOR shall make every effort to enter into discussions with the Orange County Probation Department regarding the electronic availability of JHS data for the purpose of electronic custody status verification.~~ ~~c. ADMINISTRATOR shall manually verify and submit to CONTRACTOR the custody status of claims for JHS Patients until such time that the data can be transmitted electronically.~~

4. For Custody Patients whose status is verified by the COUNTY, CONTRACTOR shall establish an eligibility date for services that begins with the actual County of Orange inmate booking date and booking time. The eligibility file shall be updated when release date information is transmitted by the Sheriff's Department.

5. CONTRACTOR shall evaluate claims for custody verification within ten (10) working days of receipt.

6. Claims received with a COUNTY TAR form, with booking number, signed by the ~~CMS~~CHS Medical Director, or their designee, shall be considered verified.

7. Non-Verified Claims – Claims for which patient cannot be verified as being a Custody Patient by data available to CONTRACTOR and/or ADMINISTRATOR shall be denied by CONTRACTOR. ~~There shall be no appeals process for such denied claims and medical providers shall be advised that the responsibility if said denied claims are for a Custody Patient rests with them.~~

E. DATABASES:

1. CONTRACTOR shall create and maintain ~~an~~ CHS Contract Custody Database for use by ADMINISTRATOR for Medical Services provided to Custody Patient effective July 1, 2009.

a. CONTRACTOR shall incorporate all encounter data from processed claims into the CHS Contract Custody Database, whether or not CONTRACTOR is responsible for paying the claims.

b. The CHS Contract Custody Database shall, at a minimum, collect and store the following data elements:

- 1) Medical Record Number
- 2) Date of Service
- 3) Diagnosis (ICD-9) Code(s)
- 4) Procedure (CPT) Code(s)
- 5) Orange County Jail Inmate Booking Number

- 6) Provider Type(s)
- 7) Referred By
- 8) Provider Name(s)
- 9) Detailed claims data
- 10) Admission Date (for inpatients)
- 11) Discharge Date (for inpatient)
- 12) Service Type (inpatient, outpatient, follow-up, etc.)
- 13) Physician Usual and Customary Charges
- 14) Hospital Usual and Customary Charges.
- 15) County of Orange Fiscal Year

2. At a mutually agreeable time, ADMINISTRATOR shall confirm and/or provide CONTRACTOR with historical medical service data for translation and transfer to the CHS Contract Custody Database for the purposes of generating comparable reports across fiscal years. The parties agree that the historical data maintained by COUNTY does not include detailed level claims data and that some comparable reports to prior Fiscal Years may not be possible.

3. CONTRACTOR shall maintain a CHS Non-Contract Custody Database for use by ADMINISTRATOR for Medical Services provided to Custody Patient effective July 1, 2009.

a. CONTRACTOR shall incorporate all encounter data from processed claims into the CHS Non-Contract Custody Database, whether or not CONTRACTOR is responsible for paying the claims.

b. The CHS Contract Custody Database shall, at a minimum, collect and store the following data elements:

- 1) Medical Record Number
- 2) Date of Service
- 3) Diagnosis (ICD-9 and/or ICD-10) Code(s)
- 4) Procedure (CPT) Code(s)
- 5) Orange County Jail Inmate Booking Number
- 6) Provider Type(s)
- 7) Referred By
- 8) Provider Name(s)
- 9) Detailed claims data
- 10) Admission Date (for inpatients)
- 11) Discharge Date (for inpatient)
- 12) Service Type (inpatient, outpatient, follow-up, etc.)
- 13) Physician Usual and Customary Charges
- 14) Hospital Usual and Customary Charges.
- 15) County of Orange Fiscal Year

1 **IV. CHS POOL ACCOUNT – FUND MANAGEMENT**

2 A. The following Medical Services shall be reimbursed through the CHS Pool Account
3 administered by CONTRACTOR and shall not be deemed to be included in COUNTY's Maximum
4 Obligation to CONTRACTOR as specified in the Referenced Contract Provisions of the Agreement.

5 B. Fee-for-Service Payments – Non-Contract Providers

6 1. For all Medical Services provided at Non-Contract Hospital, CONTRACTOR shall
7 reimburse claims at a rate equal to one hundred ten percent (110%) of the hospital's actual costs
8 according to the most recent Hospital Annual Financial Data report issued by OSHPD, as calculated
9 using a cost-to-charge ratio. For hospitals which do not have a cost-to-charge ratio, CONTRACTOR
10 shall use the average of all cost-to-charge ratios for all Orange County Hospitals.

11 2. For all Medical Services provided by Non-Contract Physicians, CONTRACTOR shall
12 reimburse at the current established rates for the Medical Services ~~Initiative (MSI)~~ Network (MSN)
13 Program, as established in the final settlement for the most recently finalized fiscal year, or at other rates
14 as may be directed in writing by ADMINISTRATOR.

15 3. Claims for Ambulance/Paramedic Services shall be paid at one-hundred percent (100%) of
16 the current established Medicare rate for said services.

17 4. For any Medical Services provided by a Non-Contract Provider that is not a hospital,
18 physician, or ambulance/paramedic service, CONTRACTOR shall reimburse said providers at rates
19 established for the ~~MSI~~ MSN Program for the current Fiscal Year, or at other rates as may be directed, in
20 writing, by ADMINISTRATOR.

21 5. For all services or procedures, including any professional component, rendered by Vendors
22 to Custody Patients, CONTRACTOR shall reimburse at the rates negotiated by either the CHS Hospital
23 or CHS Physician group and provided to CONTRACTOR by ADMINISTRATOR.

24 C. Other Payments – Contract Providers

25 1. The following services shall be reimbursed to CHS Hospital from the CHS Pool Account at
26 rates equal to one hundred ten percent (110%) of the CHS hospital's actual costs according to the most
27 recent Hospital Annual Financial Data report issued by OSHPD, as calculated using a cost-to-charge
28 ratio:

29 a. Ancillary services associated with outpatient clinic visits provided on the Unit.

30 b. Off Unit Medical Services

31 1) Any Medical Service per Bed Day that should be provided on the Unit, but are
32 provided Off Unit due to census count and/or ~~census~~ custody classification mix.

33 2) Off Unit Bed Days for accepted transfers of Custody Patients who have been
34 hospitalized at a non-contract facility for emergency or scope of service purposes when the medical
35 condition of the patient allows for transfer to CHS Hospital.

36 3) Persons admitted Off Unit through the emergency department who become Custody
37 Patients following their admission. CHS Hospital shall transfer such persons to the Unit as soon as

1 medically appropriate. Bed Days provided prior to the transfer to the Unit may be billed by CHS
2 Hospital to CONTRACTOR.

3 4) Custody Patients who require admission to another area in CHS Hospital's facility
4 after surgery, such as the Intensive Care Unit, and the Custody Patient is not discharged back to the Unit
5 before midnight, then CHS Hospital may bill CONTRACTOR for each Bed Day the Custody Patient is
6 off the Unit.

7 c. Inpatient Services which cannot be accommodated on the Unit due to level of medical
8 care required:

9 1) Inpatient Newborn. COUNTY anticipates CHS Hospital shall bill appropriate
10 third-party payors for these Bed Days, therefore, CONTRACTOR shall not provide reimbursement for
11 Inpatient Newborn Bed Days, however, they shall be reported by CHS Hospital.

12 2) ~~DOU/Telemetry, pending CHS Hospital installation of equipment to allow for~~
13 ~~these services on the Unit.~~

14 ~~3) ICU/CCU and Post Partum Obstetrics~~

15 ~~4) 23 Hour Stay in the emergency department~~

16 ~~5) Open Heart Surgery including all routine Medical Services required during the~~
17 ~~Surgery including but not limited to all medical supplies, central service items, and nursing support or~~
18 ~~care during the course of the Surgery and Custody Patient's Bed Day's off the Unit.~~

19 d. Off Unit Outpatient Services

20 1) Emergency Department Visit Services

21 2) Pre-Booking Medical Clearance Visits – Only those patients presenting in CHS
22 Hospital's emergency department meeting all of the following criteria. It is understood by the parties
23 that such persons will not be in the Custody Verification Database; therefore ADMINISTRATOR shall
24 establish a mechanism for identify such persons and CONTRACTOR and ADMINISTRATOR shall
25 mutually agree on how this information shall be submitted to and used by CONTRACTOR for the
26 purpose of paying these claims.

27 a) Accompanied by ~~an Orange County~~ Deputy; and

28 b) Taken first to the COUNTY'S Intake and Release Center and required by
29 ADMINISTRATOR'S staff to seek medical clearance before booking; and

30 c) Are subsequently booked into the Orange County Jail System.

31 3) Radiology Visit Services including any C.T. Scan and M.R.I Scan services and
32 including technical component services.

33 4) ED/Radiology Visit

34 5) Outpatient Surgery

35 6) Cardiac Catheterization

36 2. Vendor Services secured by CHS Hospital shall be reimbursed at the amounts negotiated by
37 CHS Hospital and approved in advance by ADMINSTRATOR. CHS Hospital shall provide a schedule

1 of its most commonly used Vendor Services and rates, as approved by ADMINISTRATOR, to
 2 CONTRACTOR. Said schedules shall be reviewed and approved at least annually by
 3 ADMINSTRATOR.

4 3. The following services shall be reimbursed to CHS Physician group from the CHS Pool
 5 Account at the following rates for Specialty Physician Services based on the Area 26 Medicare Resource
 6 Based Relative Value Scale (RBRVS), unless otherwise approved in advance and in writing by
 7 ADMINISTRATOR. The following rates may be modified upon written approval of
 8 ADMINISTRATOR:

| <u>Service</u> | <u>Maximum Rate</u> |
|------------------------|---------------------|
| Cardiovascular Surgery | 120% |
| Ophthalmology Retinal | 160% |
| Plastic Surgery | Pass Through |
| Pediatrics | 110% |
| Vascular Surgery | 120% |

17 4. Other Vendor Services secured by CHS Physician group on behalf of Custody Patients,
 18 including specialties not specified above, pediatric specialties as appropriate, and Physician Services
 19 provided at other hospitals as requested and approved by ADMINISTRATOR, shall be negotiated by
 20 CHS Physician group, which rates shall be approved, in writing, by ADMINISTRATOR and forwarded
 21 to CONTRACTOR.

22 5. ADMINISTRATOR may agree to advance funds to CHS Hospital and/or CHS Physician
 23 group for the purpose of setting up Reimbursement Accounts to pay their vendors directly.

24 a. CHS Hospital and/or CHS Physician group shall submit an invoice to
 25 ADMINISTRATOR for said Reimbursement Account funds and CONTRACTOR shall pay CHS
 26 Hospital and/or CHS Physician group upon receiving approved invoice from ADMINISTRATOR.

27 b. CHS Hospital and/or CHS Physician group shall require their Vendors to submit claims
 28 data to CONTRACTOR.

29 c. Payments from the Reimbursement Accounts shall be reconciled by CHS Hospital and
 30 CHS Physician group and submitted to CONTRACTOR for comparison to actual Vendor claims data
 31 received by CONTRACTOR. Any variances shall be submitted to CHS Hospital and CHS Physician
 32 group and the reconciliation shall be adjusted accordingly.

33 6. The following services shall be reimbursed to CHS In-House Provider from the CHS Pool
 34 Account:

35 a. Additional Radiology and Ultrasound Services as specified in subparagraphs
 36 III.B.2.b.2); III.B.3.f.5); and III.C.2 of Exhibit A to the COUNTY'S Agreement with the CHS In-House
 37 Provider.

b. Specialty Outpatient Clinic Services as negotiated by ADMINISTRATOR.

D. Other Payments – CONTRACTOR

1. ADMINISTRATOR may reimburse CONTRACTOR for additional reports and/or database development and modifications as may be requested in accordance with the Reports Paragraph of this Exhibit A to the Agreement. CONTRACTOR agrees that any request for such reimbursement shall only be made if the information requested by ADMINISTRATOR requires more than 40 hours of programming, research, and/or development time per request. COUNTY’s Contract Officer shall have sole discretion as to determining if the work shall continue/begin upon receipt a request for additional payment.

2. CONTRACTOR shall submit an invoice to ADMINISTRATOR for reimbursement and ADMINISTRATOR shall process payment for such funds through COUNTY’s Auditor-Controller. CONTRACTOR shall not collect payment for such services from the CHS Pool Account under its management unless specifically directed to do so in writing by COUNTY’s Contract Officer, with a written concurrence by COUNTY’s MS Deputy Agency Director.

E. Inpatient Medical Services provided within the Unit that exceed the guaranteed eight (8) beds per calendar day, at a rate of two thousand seven hundred dollars (\$2,700) per additional Bed Day.

F. CONTRACTOR and ADMINISTRATOR agree that where any provision of the Agreement disagrees, countermands, or conflicts with provisions of the CHS Hospital Agreement, the CHS Hospital Agreement shall prevail. ADMINISTRATOR shall notify CONTRACTOR of any such conflicts found.

V. RECORDS

A. RECORDS

1. Client Records – CONTRACTOR shall maintain adequate records on each individual claim which shall include records of service provided by various providers.

2. Financial Records – CONTRACTOR shall maintain adequate records in sufficient detail to permit an evaluation of funds received in relation to claims paid.

B. RECORDS RETENTION

1. All financial records connected with the performance of ~~the~~this Agreement shall be retained by the parties, at a location in the County of Orange unless otherwise approved in advance and in writing by ADMINISTRATOR, for a period of seven (7) years after termination of this Agreement.

2. All patient records connected with the performance of this Agreement shall be retained by the parties, at a location in the County of Orange unless otherwise approved in advance and in writing by ADMINISTRATOR, for a period of seven (7) years after termination of ~~the~~this Agreement.

~~2. All patient records connected with the performance of the Agreement shall be retained by the parties, at a location in the County of Orange unless otherwise approved in advance and in writing by ADMINISTRATOR, for a period of seven (7) years after termination of the Agreement.~~

//

1 3. Records which relate to litigation or settlement of claims arising out of the performance of
 2 ~~the~~this Agreement, or costs and expenses of ~~the~~this Agreement as to which exception has been taken by
 3 COUNTY or State or Federal governments, shall be retained by CONTRACTOR until disposition of
 4 such appeals, litigation, claims or exceptions is completed.

5 ~~4. Except for records which relate to litigation or settlement of claims, CONTRACTOR may,~~
 6 ~~in fulfillment of its obligation to retain the records as required by the Agreement, substitute~~
 7 ~~photographs, microphotographs, or other authentic reproductions of such records acceptable to~~
 8 ~~COUNTY when authorized, in writing, by COUNTY.~~

9 C. RECORDS LOCATION – All CONTRACTOR’s books of accounts and records related to
 10 charges, billings and revenues received shall be made available at CONTRACTOR’s main facility, as
 11 specified in the Referenced Contract Provisions of the Agreement, or at a location within the County of
 12 Orange. Should CONTRACTOR move from its main facility, CONTRACTOR shall advise
 13 ADMINISTRATOR and ADMINISTRATOR shall have final discretion as to the location of records
 14 maintained in accordance with the Agreement.

15 VI. REPORTS

16 A. All data collected and maintained by CONTRACTOR on behalf of COUNTY shall be
 17 considered the property of COUNTY.

18 B. CLAIMS PROCESSED REPORT

19 1. In support of the monthly invoice, CONTRACTOR shall submit a monthly Claims
 20 Processed Report, in a format approved by ADMINISTRATOR, which shall include, at a minimum, the
 21 following information, submitted separately for adults and juveniles and for Contract Custody and Non-
 22 Contract Custody providers, the number of claims and total dollars paid, for each of the following
 23 categories:
 24

- 25 a) Hospital inpatient services, including a breakdown by type of service
- 26 b) Hospital emergency services
- 27 c) Physician services
- 28 d) Ancillary services
- 29 e) Ambulance/Paramedic services

30 2. CONTRACTOR shall have the capability of generating reports by patient or by service
 31 provider, if so requested by COUNTY.

32 3. No later than the tenth (10th) of each month, CONTRACTOR shall submit to
 33 ADMINISTRATOR a report, by hospital, the following information for the preceding month:

- 34 a) The number of claims received
- 35 b) The number of claims paid
- 36 c) Total amount paid
- 37 d) Total billed charges.

1 4. No less than bi-weekly, CONTRACTOR shall submit to ADMINISTRATOR a report
2 showing all pending claims for non-contract services provided to Custody Patients twenty-four (24)
3 hours after the established booking date.

4 C. ~~EMS~~CHS DATABASE REPORTS

5 1. From the ~~EMS~~CHS Database, CONTRACTOR shall make available the following reports
6 utilizing encounter data from Medical Services provided by CHS Hospital and CHS Physician: ~~group:~~

- 7 a. Summary of Outpatient Visits by Type of Service
- 8 b. Summary of Inpatient Services
- 9 c. Summary of Outpatient Services by Month
- 10 d. Fiscal Year Comparison

11 ~~2. CONTRACTOR shall, at minimum, replicate the reporting functionality from the historical~~
12 ~~CHS Database and make all reports available either via online access or via secure file transfer protocol~~
13 ~~download.~~

14 D. CONTRACTOR shall submit or make available via online access other reports as requested by
15 ADMINISTRATOR concerning CONTRACTOR'S activities as they relate to this Agreement.
16 ADMINISTRATOR will be specific as to the nature of the information requested and allow thirty (30)
17 days for CONTRACTOR to respond.

18 E. At no cost to COUNTY, CONTRACTOR may compile other data as it deems necessary.

19 F. CONTRACTOR shall provide online access to its internal data reporting system to persons
20 designated by ADMINISTRATOR for the purposes of creating ad-hoc reports.

21 G. Upon ADMINISTRATOR'S request, CONTRACTOR shall make such Additional Reports as
22 required by ADMINISTRATOR available. ADMINISTRATOR will be specific as to the nature of the
23 information requested, provide examples to CONTRACTOR as necessary, and allow thirty (30) days for
24 CONTRACTOR to respond. ADMINISTRATOR and CONTRACTOR mutually agree that reports
25 containing easily compiled data or simple requests regarding CONTRACTOR'S operations shall not be
26 considered Additional Reports for the purposes of this paragraph. COUNTY and CONTRACTOR shall
27 mutually agree, in advance, on any cost associated with these Additional Reports, if applicable. These
28 costs shall be reimbursed in accordance with Paragraph IV.D of this Exhibit A to the Agreement.

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1 EXHIBIT B
2 TO AGREEMENT FOR PROVISION OF
3 FISCAL INTERMEDIARY SERVICES
4 FOR
5 CORRECTIONAL HEALTH SERVICES PROGRAMS
6 BETWEEN
7 COUNTY OF ORANGE
8 AND
9 ADVANCED MEDICAL MANAGEMENT, INC.
10 JULY 1, 2013 THROUGH AUGUST 31, ~~2014~~2015

11
12 **I. BUSINESS ASSOCIATE CONTRACT**

13 **A. GENERAL PROVISIONS AND RECITALS**

14 1. The parties agree that the terms used, but not otherwise defined below in Paragraph B, shall
15 have the same meaning given to such terms under the Health Insurance Portability and Accountability
16 Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and
17 Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and their implementing regulations at 45
18 CFR Parts 160 and 164 (“the HIPAA regulations”) as they may exist now or be hereafter amended.

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

24 3. The COUNTY wishes to disclose to CONTRACTOR certain information pursuant to the
25 terms of the Agreement, some of which may constitute Protected Health Information (“PHI”), as defined
26 below in Subparagraph B.10, to be used or disclosed in the course of providing services and activities
27 pursuant to, and as set forth, in the Agreement.

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

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

35 6. The parties understand that the HIPAA Privacy and Security rules, as defined below in
36 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to a
37 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the

1 terms of this Business Associate Contract and the applicable standards, implementation specifications,
 2 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,
 3 with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed
 4 pursuant to the Agreement.

5 B. DEFINITIONS

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

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

12 a. Breach excludes:

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

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

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

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

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

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

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

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

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

35 4. "Designated Record Set" shall have the meaning given to such term under the HIPAA
 36 Privacy Rule in 45 CFR § 164.501.

37 //

1 5. “Disclosure” shall have the meaning given to such term under the HIPAA regulations in 45
2 CFR § 160.103.

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

5 7. “Individual” shall have the meaning given to such term under the HIPAA Privacy Rule in
6 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
7 with 45 CFR § 164.502(g).

8 8. “Physical Safeguards” are physical measures, policies, and procedures to protect
9 CONTRACTOR’s electronic information systems and related buildings and equipment, from natural
10 and environmental hazards, and unauthorized intrusion.

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

13 10. “Protected Health Information” or “PHI” shall have the meaning given to such term under
14 the HIPAA regulations in 45 CFR § 160.103.

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

17 12. “Secretary” shall mean the Secretary of the Department of Health and Human Services or
18 his or her designee.

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

24 14. “The HIPAA Security Rule” shall mean the Security Standards for the Protection of
25 electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

26 15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in
27 45 CFR § 160.103.

28 16. “Technical safeguards” means the technology and the policy and procedures for its use that
29 protect electronic PHI and control access to it.

30 17. “Unsecured PHI” or “PHI that is unsecured” means PHI that is not rendered unusable,
31 unreadable, or indecipherable to unauthorized individuals through the use of a technology or
32 methodology specified by the Secretary of Health and Human Services in the guidance issued on the
33 HHS Web site.

34 18. “Use” shall have the meaning given to such term under the HIPAA regulations in 45 CFR §
35 160.103.

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37 //

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

1 1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to
2 CONTRACTOR other than as permitted or required by this Business Associate Contract or as required
3 by law.
4

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

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

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

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

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

22 7. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a
23 written request by COUNTY, to PHI in a Designated Record Set, to COUNTY or, as directed by
24 COUNTY, to an Individual in order to meet the requirements under 45 CFR § 164.524.

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

30 9. CONTRACTOR agrees to make internal practices, books, and records, including policies
31 and procedures, relating to the use and disclosure of PHI received from, or created or received by
32 CONTRACTOR on behalf of, COUNTY available to COUNTY and the Secretary in a time and manner
33 as determined by COUNTY or as designated by the Secretary for purposes of the Secretary determining
34 COUNTY'S compliance with the HIPAA Privacy Rule.

35 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
37 and to make information related to such Disclosures available as would be required for COUNTY to

1 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45
2 CFR § 164.528.

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

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

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

13 D. SECURITY RULE

14 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
15 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR
16 § 164.308, § 164.310, § 164.312, and § 164.316 with respect to electronic PHI COUNTY discloses to
17 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
18 CONTRACTOR shall follow generally accepted system security principles and the requirements of the
19 HIPAA Security Rule pertaining to the security of electronic PHI.

20 2. CONTRACTOR shall ensure that any subcontractors that create, receive, maintain, or
21 transmit electronic PHI on behalf of CONTRACTOR agree through a contract with CONTRACTOR to
22 the same restrictions and requirements contained in this Paragraph D of this Business Associate
23 Contract.

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

27 E. BREACH DISCOVERY AND NOTIFICATION

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

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

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

37 //

1 2. CONTRACTOR shall provide the notification of the Breach immediately to the County
2 Privacy Officer at (714) 834-3154. CONTRACTOR'S notification may be oral, but shall be followed by
3 written notification within twenty-four (24) hours of the oral notification.

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

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

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

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

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

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

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

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

22 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
23 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
24 COUNTY.

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

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

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

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

6 9. CONTRACTOR shall bear all expense or other costs associated with the Breach and shall
7 reimburse COUNTY for all expenses COUNTY incurs in addressing the Breach and consequences
8 thereof, including costs of investigation, notification, remediation, documentation or other costs
9 associated with addressing the Breach.

10 F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

20 1) The Disclosure is required by law; or

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

26 c. CONTRACTOR may use or further disclose PHI COUNTY discloses to
27 CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of
28 CONTRACTOR.

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

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

33 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as
34 required by law.

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1 G. OBLIGATIONS OF COUNTY

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

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

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

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

13 H. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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1 EXHIBIT C
 2 TO AGREEMENT FOR PROVISION OF
 3 FISCAL INTERMEDIARY SERVICES
 4 FOR
 5 CORRECTIONAL HEALTH SERVICES PROGRAMS
 6 BETWEEN
 7 COUNTY OF ORANGE
 8 AND
 9 ADVANCED MEDICAL MANAGEMENT, INC.
 10 JULY 1, 2013 THROUGH AUGUST 31, ~~2014~~2015

11 **I. SYSTEM FUNCTIONALITY**

12 **A. Application Guidelines and Requirements:**

13 1. This Exhibit B provides a high-level overview of the CONTRACTOR guidelines and
 14 requirements set forth by ADMINISTRATOR. It is intended to provide Application Service Providers
 15 (ASP) with an understanding of ADMINISTRATOR’s expectations in relation to an application’s
 16 functionality. Before being considered for deployment into ADMINISTRATOR’s network environment,
 17 the proposed application/system will be reviewed by our information security department to ensure that
 18 all risks related to the software and its implementation are documented and then acknowledged by the
 19 applicable department(s). Be aware that not all of the sections listed below may be applicable to your
 20 specific application, but ADMINISTRATOR requires that all potential CONTRACTORS complete a
 21 questionnaire to document the application’s functionality or lack thereof in relation to our guidelines and
 22 requirements upon request.
 23

24 2. Occasionally, ASPs will gain access to ADMINISTRATOR’s data during various phases of
 25 the application’s life cycle including the initial setup phase, application maintenance, or providing
 26 remote support services. All County data will be considered confidential unless otherwise designated in
 27 writing. Furthermore, the CONTRACTOR may not use or disclose ADMINISTRATOR’s data other
 28 than as permitted or required by contract or law. The ASP will also be required to agree to use
 29 appropriate safeguards to prevent the unauthorized use or disclosure of ADMINISTRATOR’s data
 30 during those times which that data is stored or transported by said CONTRACTOR. If COUNTY’s data
 31 is temporarily in the possession of the CONTRACTOR during any phase of the application’s life cycle,
 32 the CONTRACTOR must agree to return or securely destroy all of that data at the end of the
 33 CONTRACTOR’s usage as it is related to an application setup, upgrade, export, decommission, etc.
 34 unless otherwise permitted by contract or law.

35 3. Finally, there are strict requirements in relation to the handling of ADMINISTRATOR’s
 36 data both within and outside of ADMINISTRATOR’s network. CONTRACTORS are required to
 37 comply with all legal and regulatory requirements as they relate to COUNTY’s systems and data. These

1 include, but are not limited to, the HIPAA, SB1386 compliance, Payment Card Industry (PCI) Data
 2 Security Standards, and Sarbanes-Oxley (SOX). In the event that ADMINISTRATOR's data
 3 will be stored by the ASP beyond an initial setup phase, the CONTRACTOR may be required to meet
 4 further CONTRACTOR Security Requirements as dictated by COUNTY's Provider IT Security Policy.

5 **B. General Requirements:**

6 The application/system must meet the general security standards based upon ISO 17799 – Code of
 7 Practice for Information Security and ISO 27799 – Security Management in Health Using ISO 17799.

8 **C. Application Functionality:**

9 1. Encryption;

10 a. Application is required to use encryption to protect sensitive data in both storage and
 11 transit wherever technically possible

12 b. All encryption methods will be for storage and transit of data need to be defined by the
 13 CONTRACTOR.

14 c. All data transmissions must be encrypted using a FIPS 140-2 certified algorithm, such
 15 as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end to end at
 16 the network level. This requirement pertains to any regulated data in motion such as website access and
 17 file transfers.

18 2. Network Communication: CONTRACTOR will provide information related to standards
 19 and requirements for the deployment of the application including methods of secure implementation and
 20 port requirements

21 3. Access Management;

22 a. Application/system controls access to and within the system at multiple levels (e.g. per
 23 user, per user role, per area, per section of the chart) through a consistent mechanism of identification
 24 and authentication of all users in accordance with the 'Role Based Access Control' (RBAC) standard.

25 b. Application will support measures to define, attach, modify and remove access rights
 26 for all classes of users.

27 c. CONTRACTOR will work toward meeting the evolving standards for authentication as
 28 they become available

29 d. Application will have the ability to create unique user accounts and passwords.

30 e. The application will disable or lock accounts after 90 days of inactivity or a date range
 31 approved by COUNTY.

32 f. CONTRACTOR hosted solution will support client side certificates to restrict access to
 33 known pc's only.

34 4. Password Management;

35 a. Application will support password management measures including but not limited to
 36 password expiration, account lockout and complex passwords.

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1 b. CONTRACTOR will enforce strong passwords on all accounts that gain access to
2 County data.

3 c. Application will support session inactivity timeouts.

4 5. Audit Capabilities;

5 a. Audit and logging capabilities will permit HCA to identify, and possibly reverse,
6 unauthorized or unintended changes to data resulting from error or misconduct.

7 b. Application will support the identification of the nature of each access and/or
8 modification through the use of logging.

9 c. Application will employ audit capabilities to sufficiently track details that can establish
10 accountability for each step or task taken in the clinical or operational processes.

11 d. All audit logs will be protected from alteration.

12 e. Audit/logging functionality will comply with NIST Special Publication 800-92, Guide
13 to Computer Security Log Management.

14 f. Access to logs must be limited to authorized users.

15 g. HCA requires that all transactions need to be available for reporting and auditing for a
16 least seven (7) years from the time the record was initiated.

17 h. Auditing functionality must include the following:

18 1) Record who did what to which object, when and on which system,

19 2) Successful/unsuccessful log-in and log-out of users,

20 3) Add, modify, print, and delete actions on data/files/objects,

21 4) Read/view actions on data classified as restricted/confidential,

22 5) Changes to user accounts or privileges (creation, modification, deletion),

23 6) Switching to another users access or privileges after logging in,

24 7) Any action to circumvent security controls,

25 8) Changes of time/date of the system clock,

26 9) Detection of hardware and software errors, and

27 10) Changes to log files.

28 6. Alerting/Reporting Capabilities:

29 a. The application must employ basic query tools to easily search logs and generate
30 reports.

31 b. The system must include templates to alert and report based on system triggers,
32 including:

33 1) Any patient tagged as confidential,

34 2) Access to patient records that are tagged as closed,

35 3) Account lockouts,

36 4) Inactive user accounts (e.g. one hundred twenty (120) days),

37 5) Logon Failures for Critical Accounts (i.e. Admin, Super User Accounts),

- 6) Account added to or removed from the Critical Account Group, and
- 7) Changes to log.

D. Support Functionality:

- 1. Remote Support:
 - a. Application or Provider will be able to audit remote support activities to an individual employee.
 - b. Provider will adhere to HCA's remote access policy to gain access, from outside COUNTY's network to appropriate servers.
- 2. Protection from Malicious Code:

Provider will reveal potential compatibility issues with Commercial Off The Shelf (COTS) virus scanning software.
- 3. Configuration Management and Change Control
 - a. CONTRACTOR will provide updates to address any applicable security vulnerabilities.
 - b. CONTRACTOR will define who is responsible for updates to the application.

E. Provider Information:

- 1. Service Level Agreement (SLA) – Provider will define guaranteed response times related to SLA and the SLA's must be mutually agreed upon.
- 2. ADMINISTRATOR Data Usage
 - a. All ADMINISTRATOR data accessed by or in possession of the CONTRACTOR is to remain confidential and may not be used or disclosed to anyone unless permitted or required by contract or law.
 - b. All ADMINISTRATOR data accessed by or in possession of the CONTRACTOR will employ appropriate safeguards to prevent the unauthorized use or disclosure during both transmission and storage.
 - c. All ADMINISTRATOR data in possession of the CONTRACTOR will be returned or securely destroyed at the end of the Provider's usage as it is related to an application setup, upgrade, export, decommission, etc. unless otherwise dictated by contract or law.

F. General Features:

- 1. CONTRACTOR will make available a complete and itemized hardware configuration and cost to efficiently operate the proposed application at indicated levels for sixty (60) months after the installation.
- 2. The application must run on an operating system that is consistently and currently supported by the operating systems vendor. Applications under maintenance are expected to always be current in regards to the operating system.
- 3. ADMINISTRATOR will apply patches to both the operating system and subsystems as releases are available from the operating system vendor and or any third party vendors. The application is expected to perform in this environment and the application provider is required to keep their software

1 current in order to operate in this environment. Should the patches cause an issue with the application,
2 the CONTRACTOR is expected to immediately work on the issue, and provide application fixes to
3 ensure it will operate effectively in the patched environment.

4 4. ADMINISTRATOR utilizes a variety of proactive monitoring tools to ascertain the health
5 and performance of the application server, network connectivity, power etc. The application must
6 function accordingly while the monitoring tools are actively running.

7 5. All application services must run as a true service and not require a user to be logged into
8 the application.

9 6. ADMINISTRATOR will provide an account with the appropriate security level to logon as
10 a service.

11 7. ADMINISTRATOR will provide an account with the appropriate administrative rights to
12 administer the application. The account password is expected to periodically expire.

13 8. The CONTRACTOR will not be provided with the domain administrator account
14 privileges.

15 9. In order for the application to run on ADMINISTRATOR server and network resources, the
16 application must not require the users to have administrative rights on the server, workstations or
17 subsystems.

18 **G. Compliance with County information technology policies and procedures:**

19 1. Policies and Procedures: CONTRACTOR, its subcontractors, the CONTRACTOR
20 personnel, and all other agents and representatives of CONTRACTOR, will at all times comply with and
21 abide by all Information Technology (IT) policies and procedures of COUNTY that are provided or
22 made available to CONTRACTOR that reasonably pertain to CONTRACTOR (and of which
23 CONTRACTOR has been provided with advance notice) in connection with CONTRACTOR's
24 performance under this Agreement including, but not limited to. CONTRACTOR shall cooperate with
25 COUNTY in ensuring CONTRACTOR's compliance with the IT policies and procedures described in
26 this Agreement and as adopted by COUNTY from time-to-time, and any material violations or disregard
27 of such IT policies or procedures shall, in addition to all other available rights and remedies of
28 COUNTY, be cause for termination of this Agreement. In addition to the foregoing, CONTRACTOR
29 shall comply with the following:

30 2. Security and Policies: All performance under this Agreement, shall be in accordance with
31 COUNTY's security requirements, policies, and procedures as set forth above and as modified,
32 supplemented, or replaced by COUNTY from time to time, in its sole discretion, by providing
33 CONTRACTOR with a written copy of such revised requirements, policies, or procedures reasonably in
34 advance of the date that they are to be implemented and effective (collectively, the "Security Policies").

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1 3. CONTRACTOR shall at all times use industry best practices and methods with regard to
2 the prevention, detection, and elimination, by all appropriate means, of fraud, abuse, and other
3 inappropriate or unauthorized access to County systems accessed in the performance of services in this
4 Agreement.

5 4. Information Access: COUNTY may require all CONTRACTOR personnel performing
6 services under this Agreement to execute a confidentiality and non-disclosure agreement concerning
7 access protection and data security in the form provided by County. COUNTY shall authorize, and
8 CONTRACTOR shall issue, any necessary information-access mechanisms, including access IDs and
9 passwords, and in no event shall CONTRACTOR permit any such mechanisms to be shared or used by
10 other than the individual CONTRACTOR personnel to whom issued. CONTRACTOR shall provide
11 each CONTRACTOR Person with only such level of access as is required for such individual to perform
12 his or her assigned tasks and functions. All County systems, and all data and software contained therein,
13 including County data, County hardware and County software, used or accessed by CONTRACTOR
14 shall:

15 a. Be used and accessed by such CONTRACTOR solely and exclusively in the
16 performance of their assigned duties in connection with, and in furtherance of, the performance of
17 CONTRACTOR's obligations hereunder; and

18 b. Not be used or accessed except as expressly permitted hereunder, or commercially
19 exploited in any manner whatsoever, by CONTRACTOR, at any time.

20 5. Enhanced Security Procedures: COUNTY may, in its discretion, designate certain areas,
21 facilities, or systems as requiring a higher level of security and access control. COUNTY shall notify
22 CONTRACTOR in writing reasonably in advance of any such designation becoming effective. Any
23 such notice shall set forth in reasonable detail the enhanced security or access-control procedures,
24 measures, or requirements that CONTRACTOR shall be required to implement and enforce, as well as
25 the date on which such procedures and measures shall take effect. CONTRACTOR shall fully comply
26 with and abide by all such enhanced security and access measures and procedures as of such date.

27 6. Breach of Security: Any breach or violation by CONTRACTOR of any of the foregoing
28 shall be deemed a material breach of a material obligation of CONTRACTOR under this Agreement and
29 may be deemed an incurable and material breach of a material obligation of CONTRACTOR under this
30 Agreement resulting in termination.

31 7. Conduct on County Premises: CONTRACTOR shall, at all times, comply with and abide
32 by all reasonable policies and procedures of COUNTY (or that may be established thereby, from time to
33 time) that pertain to conduct on COUNTY's premises, possession or distribution of contraband, or the
34 access to, and security of, the Party's real property or facilities, to the extent that the CONTRACTOR
35 has been provided with a copy of each such policy or procedure. CONTRACTOR shall exercise due
36 care and diligence to prevent any injury to persons or damage to property while on the other Party's
37 premises. The operation of vehicles by either Party's personnel on the other Party's property shall

1 conform to posted and other applicable regulations and safe-driving practices. Vehicular accidents
2 occurring on a Party's property and involving either Party's personnel shall be reported promptly to the
3 appropriate Party's personnel. Each Party covenants that at all times during the Term, it, and its
4 employees, agents, and SubCONTRACTORS shall comply with, and take no action that results in the
5 other Party being in violation of, any applicable federal, state, and local laws, ordinances, regulations,
6 and rules. Each Party's personnel shall clearly identify themselves as the appropriate Party's personnel
7 and not as employees of the other Party. When on the other Party's premises, each Party's personnel shall
8 wear and clearly display identification badges or tags, as approved by the other Party.

9 8. Security Audits: Each Agreement Year, County may perform or have performed security
10 reviews and testing based on an IT infrastructure review plan. Such testing shall ensure all pertinent
11 County security standards as well as any customer agency requirements, such as federal tax requirements
12 or HIPPA.

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1 EXHIBIT D
 2 TO AGREEMENT FOR PROVISION OF
 3 FISCAL INTERMEDIARY SERVICES
 4 FOR
 5 CORRECTIONAL HEALTH SERVICES PROGRAMS
 6 BETWEEN
 7 COUNTY OF ORANGE
 8 AND
 9 ADVANCED MEDICAL MANAGEMENT, INC.
 10 JULY 1, 2013 THROUGH AUGUST 31, ~~2014~~2015

11
 12 **I. VENDOR SECURITY REQUIREMENTS**

13 The contracting vendor assumes the responsibility for protecting the County's assets and
 14 maintaining their integrity, confidentiality, and availability.

15 Vendors shall be required to have formal, published IT security policies that address how they
 16 manage and maintain the internal security posture of their own infrastructures. The vendor shall also
 17 clearly demonstrate that additional security features are in place to protect systems and data in the unique
 18 environment of the service provider model: namely, security issues associated with storing County-
 19 owned data on a remote server that is not under direct County control and the necessity of transferring
 20 this data over an untrusted network.

21 Provide all security policies and procedures to the County for review and approval upon the
 22 County's request and, at a minimum provide said policies and procedures yearly for County's review
 23 and approval. All documentation shall be provided in electronic format for the County's review.

24
 25 These policies shall include, but not be limited to, the following:

- 26
 27 ▪ **IT Staff Usage Agreement.** All vendor employees performing services for the County shall
 28 sign and agree to an IT usage agreement as part of an overall security training and awareness
 29 program. At a minimum, vendor employees shall sign a statement of understanding regarding
 30 Internet dangers, IT security, and IT ethics and best practices,
- 31
 32 ▪ **IT Security Policies and Procedures.** The vendor shall provide its IT security policies and
 33 procedures for review by the County.
- 34
 35 ▪ **IT Operations Security Policy.** The vendor shall provide for review by County its written
 36 standards for operational security for any facilities where County data, staff or systems shall
 37 exist. These documents shall include, but not be limited to, physical security, network security,

1 logical security, systems/platform security, wireless access, remote access, and data
2 protections.

- 3
- 4 ▪ **Data Management Security Policy.** The vendor shall provide its policy for the safeguarding
5 and management of all data provided by the County or accessed as part of system integration
6 testing and maintenance. This policy shall, at a minimum, cover check-in, check-out, copy
7 control, audit logs and separation of duties.

- 8
- 9 ▪ **Security Incident Notification and Management Process.** The vendor shall provide a
10 detailed document that outlines the contact names and order and escalation of events that will
11 occur in the case of a security breach concerning County staff, data, or systems. This
12 document shall be updated immediately upon any change. The vendor shall be held liable to
13 the time-tables and protections outlined in the document.

14

15 In addition to developing, maintaining, and enforcing the above named policies, the vendor
16 shall:

- 17
- 18 ▪ Comply with all legal and regulatory requirements as they relate to the County's systems and
19 data. These include, but are not limited to, the Health Insurance Portability and Accountability
20 Act (HIPAA), SB1386 compliance, Payment Card Industry (PCI) Data Security Standards, and
21 Sarbanes-Oxley (SOX).
- 22
- 23 ▪ Bear the cost of compliance for changed security policies and procedures, unless such change
24 is either unique to the County or customarily paid for by the vendor's other customers.
- 25
- 26 ▪ Comply with reasonable requests by the County for audits of security measures, including
27 those related to ID and password administration.
- 28
- 29 ▪ Comply with reasonable requests by the County for onsite physical inspections of the location
30 from which the vendor provides services.
- 31
- 32 ▪ Provide the County with any annual audit summaries and certifications, including but not
33 limited to ISO or SOX audits.
- 34
- 35 ▪ Designate a single point of contact to facilitate all IT security activities related to services
36 provided to the County. Such contact shall be available on a 7/24/365 basis.

37 //

1 **Business Continuity / Disaster Recovery Plans**

2 Third party vendors are required to have a viable risk management strategy that is formally
3 documented in a Business Continuity Plan (BCP) and/or a Disaster Recovery Plan (DRP). .This
4 BCP/DRP plan(s) shall identify recovery strategies within the application service areas, outline
5 specific recovery methods and goals, and provide the maximum time required to restore service.
6

7 **Backup and Restores**

8 The vendor is to provide their Backup and Restore Policy and Procedure which includes their
9 backup data security strategy. These procedures shall allow for protection of encryption keys (if
10 applicable) as well as a document media destruction strategy including media management tasks
11 (i.e., offsite vaulting and librarian duties).
12

13 **Staff Verification**

14 For any employee a vendor contemplates using to provide services for the County, the vendor
15 shall use its standard employment criteria as used for similar services provided to other
16 customers in evaluating the suitability of that employee.

17 At a minimum, subject to the requirements of applicable law, such criteria shall include the
18 information as outlined below for each employee:

- 19 **▪ Relevant Skills, Licenses, Certifications, Registrations.** Each service employee must
20 possess the educational background, work experience, skills, applicable professional
21 licenses, and related professional certifications commensurate with their position. The
22 County may, at any time and at its sole discretion, request that the vendor demonstrate
23 compliance with this requirement as applicable to the nature of the services to be offered
24 by the vendor's employee. The County may, at its sole discretion, also request the
25 vendor's certification that the vendor employee has undergone a chemical/drug screening,
26 with negative results, prior to granting access to County facilities.
27
- 28 **▪ Background Checks.** In accordance with applicable law, the vendor shall, at the
29 County's request, obtain as a condition of employment a background investigation on any
30 vendor employee selected to work for the County. The security and background
31 investigation shall include criminal record checks, including records of any conviction in
32 the U.S. or other relevant jurisdiction where the employee resides. Costs for background
33 investigations will be borne by the vendor.
34

35 At a minimum, subject to the requirements of applicable law, the vendor shall:

- 36 1. Ensure that all vendor service employees performing applicable services or supporting the
37 vendor's duties and obligations under a County agreement: (i) have not been convicted of

any crime involving violence, fraud, theft, dishonesty or breach of trust under any laws; and (ii) have not been on any list published and maintained by the Government of the United States of America of persons or entities with whom any United States person or entity is prohibited from conducting business.

2. Follow such verification procedures as may be reasonably specified by the County from time to time. If either the vendor or the County becomes aware that any vendor employee has been convicted of a crime involving violence, fraud, theft, dishonesty or breach of trust, or has been included on any such list of persons or entities convicted of such crimes, then the vendor shall promptly remove the employee from providing services to the County and prohibit that employee from entering any facilities at which services are provided.
3. Annually certify to the County that, to the best of its knowledge, none of the service employees have been convicted of any felony involving fraud, theft, dishonesty or a breach of trust under any laws.

IT Physical Security and Access Control

The vendor shall establish processes and procedures that are, at a minimum, consistent with best practices.

Vendor employees are expected to:

- Comply with facility access procedures, including sign-in/sign-out requirements and use of assigned ID badges
- Scan ID badges at any secure door and/or entrance and exit gates, including any door or gate that may already be open
- Refrain from using recordable media in conjunction with County-owned equipment
- Comply with sign-in/sign-out requirements for materials and/or equipment
- Adhere to a facility’s established emergency, safety and evacuation procedures
- Report any unsafe conditions to the facility’s Department Safety Representative (DSR)
- Report any access violations or security threats to the facility’s Local Security Administrator (LSA)

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1 **IT Security Compliance and Training**

2 The vendor shall ensure that all vendor employees comply with security policies and procedures
3 and shall take all reasonable measures to reduce the opportunity for unauthorized access,
4 transmission, modification or misuse of the County's data by vendor employees.

5
6 The vendor shall ensure that all vendor employees are trained on security measures and practices.
7 The vendor will assume the cost to provide training.

8
9 At a minimum, the vendor is expected to:

- 10
11
 - 12 ■ Ensure that a formal disciplinary process is defined and followed for vendor employees
 - 13 who violate established security policies and procedures.
 - 14 ■ Proactively manage and administer access rights to any equipment, software and systems
 - 15 used to provide services to the County.
 - 16 ■ Define, maintain and monitor access controls, ranging from physical access to logical
 - 17 security access, including a monthly review of vendor employees' access to systems used
 - 18 to provide services to the County.

19 The vendor shall monitor facilities, systems and equipment to protect against unauthorized
20 access.

21
22 At a minimum, the vendor is expected to:

- 23
24
 - 25 ■ Monitor access to systems; investigate apparent security violations; and notify the County
 - 26 of suspected violations, including routine reporting on hacking attempts, penetrations and
 - 27 responses.
 - 28 ■ Maintain data access control and auditing software and provide adequate logging,
 - 29 monitoring, and investigation of unusual or suspicious activity.
 - 30 ■ Initiate immediate corrective actions to minimize and prevent the reoccurrence of
 - 31 attempted or actual security violations.
 - 32 ■ Document details related to attempted or actual security violations and provide
 - 33 documentation to the County.
 - 34 ■ Provide necessary documentation and evidence to the County in connection with any legal
 - 35 action or investigation.
 - 36 ■ Ensure that all equipment used to provide services to the County is protected by antivirus
 - 37 software with the latest patches installed

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Data Privacy

Encryption shall be used to protect data whenever technically possible.

Security Testing

The vendor shall perform a series of steps to verify the security of applications to be defined. The vendor is expected to:

1. Look for vulnerabilities at various layers of the target environment. In the lowest layer, the vendor's testing team will look for flaws in the target network environment, including any routers and firewalls designed to control access to the web server and related target components. The team will attempt to determine whether such filters provide adequate protection at the network layer of the target hosts that the team can reach across the Internet.
2. Look for flaws in the Internet-accessible hosts associated with the target infrastructure, including the web server. This host-based component of the test will analyze which network-accessible services are available on the target hosts across the Internet, including the web server process. The testing team will look for incorrect configuration, unpatched or enabled services, and other related problems on the target hosts.
3. Use a combination of tools, utilities and methodologies to review the various points of potential security failure.

This review will include but not be limited to:

- The web application (i.e., the software that interacts with users at their web browsers; typically custom-crafted code created by the web development team)
- The web server application (the underlying software that sends and receives information via HTTP and HTTPS, typically off-the-shelf software such as Microsoft's IIS or the open-source Apache software)
- Any separate backend application servers that process information from the web application
- The backend database systems that house information associated with the web application.
- Infrastructure diagrams illustrating best practices and security weaknesses
- Configuration host review of settings and patch versions, etc.
- Full code review
- Identification of well-known web server, code engine, and database vulnerabilities
- Identification of any server and application administration flaws and an exploitation attempt of same

- 1 ▪ Analysis of user interface, normal application behavior, and overall application
- 2 architecture for potential security vulnerabilities
- 3 ▪ Analysis of data communications between the application and databases or other backend
- 4 systems
- 5 ▪ Manual analyses of all input facilities for unexpected behavior such as SQL injection,
- 6 arbitrary command execution, and unauthorized data access
- 7 ▪ Analyses of user and group account authentication and authorization controls to determine
- 8 if they can be bypassed
- 9 ▪ Identification of information leakage across application boundaries, including the
- 10 capability to enumerate other users' data and "show code" weaknesses that reveal internal
- 11 application logic
- 12 ▪ Identification of areas where error handling is insufficient or reveals too much sensitive
- 13 information
- 14 ▪ Identification of opportunities to write to the host file system or execute uploaded files
- 15 ▪ Identification of product sample files, application debugging information, developer
- 16 accounts or other legacy functionality that allows inappropriate access
- 17 ▪ Determination as to whether or not fraudulent transactions or access can be performed
- 18 ▪ Attempts to view unauthorized data, especially data that should be confidential
- 19 ▪ Examination of client-side cached files, temporary files, and other information that can
- 20 yield sensitive information or be altered and re-submitted
- 21 ▪ Analysis of encoded and encrypted tokens, such as cookies, for weakness or the ability to
- 22 be reverse engineered

24 **HIPAA Compliance**

25 The vendor, its employees, and any subcontractors performing work for the County must comply
 26 with the terms of the Standards for Privacy of Individually Identifiable Health Information, 45
 27 Code of Federal Regulations (CFR), Parts 160 and 164, otherwise known Health Insurance
 28 Portability and Accountability Act (HIPAA) Privacy Rule.

29
 30 For purposes of HIPAA compliance, the vendor and the County:

- 31 1. Agree that the terms used, but not otherwise defined, in this section shall have the same
- 32 meaning as those terms in the Standards for Privacy of Individually Identifiable Health
- 33 Information, 45 Code of Federal Regulations (CFR), Parts 160 and 164, otherwise known
- 34 as the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, as it
- 35 may exist now or be hereafter amended.

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a. Understand that:

- The Privacy Rule does not pre-empt any State and/or Federal laws, rules or regulations that impose more stringent requirements with respect to confidentiality of client information.
- The term “Protected Health Information” and “PHI” shall have the same meaning as the term “protected health information” in 45 CFR section 164.501, and is limited to the information created, accessed or received by vendor from or on behalf of the County.
- The item “required by law” shall have the same meaning as the term “required by law in 45 CFR section 164.103.
- The term “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- The term “individual” shall have the same meaning as the term “individual” in 45 CFR section 164.102 and shall include a person who qualifies as a personal representative in accordance with CFR section 164.502(g).

HIPAA Compliance - Obligations and Activities

Vendor:

In complying with HIPAA, the vendor agrees:

1. Not to use or disclose Protected Health Information (PHI) other than as permitted or required by contract or as required by law.
2. To use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by Contract.
3. To mitigate, to the extent practicable, any harmful effect that is known to vendor of a use or disclosure of PHI by vendor in violation of contract requirements
4. To report to the County within ten (10) calendar days any unsanctioned use or disclosure of PHI of which the vendor becomes aware.
5. To ensure that any agent, including any approved subcontractor to whom it the vendor provides PHI received from the County or PHI created or received by the vendor on behalf of the County, agrees to the same restrictions and conditions as set forth in this section.

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- 1 6. To provide access, within fifteen (15) days of receipt of a written request by the County, to
2 PHI in a Designated Record Set either, to the County or, as directed by the County, to an
3 individual client, in order to meet the requirements under 45 CFR Section 164.524.
4
- 5 7. To make internal practices, books, and records, including policies and procedures and
6 PHI, relating to the use and disclosure of PHI received from, created by or received by the
7 vendor on behalf of the County, available to the County and the Secretary in a time and
8 manner as determined by the County or as designated by the Secretary, for purposes of the
9 Secretary determining County's compliance with the Privacy Rule.
10
- 11 8. To document any disclosures of PHI and information related to such disclosures as would
12 be required for the County to respond to a request by an individual client for an accounting
13 of disclosures of PHI in accordance with 45 CFR Section 164.528.
14
- 15 9. That, except as otherwise limited by contract, the vendor may use or disclose PHI to
16 perform the functions, activities, or services for or on behalf of the County as specified by
17 contract. Such use or disclosure may not violate the Privacy Rule or the County's policies
18 and procedures for the use or disclosure of PHI.
19
- 20 10. To establish and maintain appropriate administrative, physical and technical safeguards
21 that reasonably and appropriately protect the confidentiality, integrity and availability of
22 PHI. The vendor will follow generally accepted system security principles and the
23 requirements of the final HIPAA rule pertaining to the security of PHI (45 CFR Parts 160 -
24 164).
25
- 26 11. To ensure that any agent, including a subcontractor, to whom the vendor provides PHI
27 agrees to implement reasonable and appropriate safeguards to protect that information.
28
- 29 12. To report to the County any security incident of which the vendor becomes aware. A
30 "security incident" means the attempted or successful unauthorized access, use, disclosure,
31 modification, or destruction of information or interference with system operations. This
32 does not include trivial incidents that occur on a daily basis, such as scans, "pings", or
33 unsuccessful attempts to penetrate computer networks or servers maintained by the
34 vendor.
35 //
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1 **Termination of Vendor Contract**

2 In addition to the rights and remedies provided to the County in law or equity, upon the
3 County's knowledge of a material breach by the vendor of the requirements detailed in this
4 section, the County shall:

- 5
- 6 ■ Provide an opportunity for the vendor to cure the breach or end the violation and terminate its
- 7 contract if the vendor does not cure the breach or end the violation within thirty (30) days; or
- 8 ■ Immediately terminate its contract, without penalty; or
- 9 ■ If neither termination nor cure is feasible, the County shall report the violation to the
- 10 Secretary.

11

12 Upon termination or expiration of this Contract, all PHI provided by the County to the vendor or
13 created or received by the vendor on behalf of the County shall either be destroyed or returned to
14 the County in conformity with the Privacy Rule. This provision shall apply to PHI that is in the
15 possession of subcontractors or agents of the vendor. If it is infeasible to return or destroy PHI,
16 the vendor shall extend the protections of its contract to such PHI and limit further uses and
17 disclosures of such PHI to those purposes that make the return or destruction infeasible for so
18 long as the vendor maintains such PHI.

19 **Deliverables**

20 The following items are to be provided by the vendor.

- 21
- 22
- 23 ■ Vendor risk acceptance / compliance statement
- 24 ■ Business Continuity Plan Summary (as related to service provided)
- 25 ■ SAS-70 Type II audit results (if applicable)
- 26 ■ Security Waiver form (if needed)
- 27 ■ Security Contact Identification (24x7x365)
- 28 ■ Vendor URL for its security policies
- 29 ■ Vendor URL for its incident management process
- 30 ■ ISO SOX compliance certificate (if applicable)
- 31 ■ Vendor access management policy (user IDs, passwords, administrative controls, etc.)
- 32 ■ Vendor security test plan, test schedule and results
- 33 ■ Vendor access control and log management plan
- 34

35 **Deliverables and Documents**

36 As vendors may be granted access to County proprietary information, IT staff, and systems; the
37 County has outlined various deliverables and documents in relation to County data security that

1 the vendor must provide to the County within thirty (30) days of the start of any contract. The
2 County shall review these deliverables and documents prior to final contract approval and the
3 provision of actual access to the resources or transfer of any information related to the vendor
4

5 Deliverables and Documents to be provided by the vendor:
6

7 a. Staff Related Items
8

- 9 ▪ Pre-Employment Screening Policy/Procedure
- 10 ▪ Background Checking Procedure
- 11 ▪ Ongoing Employment Status Validation Process
- 12 ▪ Staff Roster and Duties

13
14 b. Security Related Items

- 15 ▪ IT Security Staff Usage Policy
- 16 ▪ IT Security Policies and Procedures
- 17 ▪ IT Operations Security Policy
- 18 ▪ Data Management Security Policy
- 19 ▪ Document & Intellectual Property Management Polices
- 20 ▪ Security Incident Notification and Management Process

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22
23 c. IT Systems-Related Items

- 24 ▪ Business Continuity Plan as it relates to vendor systems and County data
- 25 ▪ Policies related to data, tapes, and resources that will be removed from County facilities

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