

1 AGREEMENT FOR PROVISION OF  
2 FISCAL INTERMEDIARY SERVICES  
3 FOR  
4 CORRECTIONAL HEALTH SERVICES PROGRAMS  
5 BETWEEN  
6 COUNTY OF ORANGE  
7 AND  
8 ADVANCED MEDICAL MANAGEMENT, INC.

9 ~~JULY~~SEPTEMBER 1, ~~2013~~2015 THROUGH AUGUST 31, ~~2015~~2016

10  
11 THIS AGREEMENT entered into this ~~21st~~4th day of ~~May 2013~~August 2015, which date is  
12 enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY)  
13 and  
14 ADVANCED MEDICAL MANAGEMENT, INC., a California for-profit corporation  
15 (CONTRACTOR). This Agreement shall be administered by the County of Orange Health Care Agency  
16 (ADMINISTRATOR).

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

19  
20 WHEREAS, COUNTY wishes to assure the availability of Medical Services to all Custody Patients  
21 for whom COUNTY is legally responsible pursuant to State of California (State) Law; and,

22 WHEREAS, CONTRACTOR, upon the terms and conditions set forth herein, is agreeable to the  
23 rendering of services specified herein; and,

24 WHEREAS, COUNTY has entered into a separate agreement with a hospital for the provision and  
25 reimbursement of Hospital Services for the Correctional Health Services Program (CHS Hospital  
26 Agreement); and,

27 WHEREAS, COUNTY has entered into a separate agreement with a physician group for the  
28 provision and reimbursement of Physician Services for the Correctional Health Services Program (CHS  
29 Physician ~~group~~-Agreement); and,

30 ~~—WHEREAS, COUNTY has entered into a separate agreement with a provider for the provision and~~  
31 ~~reimbursement of Radiology and Other Outpatient Services provided within COUNTY'S Correctional~~  
32 ~~Health Services Program facilities (CHS In-House Services Agreement); and,~~

33 WHEREAS, COUNTY is required to reimburse non-contracted providers for provision of  
34 emergency and other services provided to Custody Patients; and,

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

37 NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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**REFERENCED CONTRACT PROVISIONS**

**Term:** ~~July~~ ~~September 1, 2013~~ 2015 through August 31, ~~2015~~ 2016

**Maximum Obligation:**        ~~\$327,080~~ 150,960

**Basis for Reimbursement:**    Negotiated Rate

**Payment Method:**            Monthly in Arrears

**CONTRACTOR DUNS Number:**        60-246-9298

**CONTRACTOR TAX ID Number:**        95-3785021

**Notices to COUNTY and CONTRACTOR:**

COUNTY:            County of Orange  
                          Health Care Agency  
                          Contract ~~Development and Management~~ Services  
                          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~~

Melanie Hodoh

mhodoh@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:

4	<del>A.</del>	<u>A. AB 109</u>	<u>Assembly Bill 109, 2011 Public Safety Realignment</u>
5		<u>B. AES</u>	<u>Advanced Encryption Standard</u>
6		<u>C. ARRA</u>	<u>American Recovery and Reinvestment Act of 2009</u>
7		<u>D. CAP</u>	<u>Corrective Action Plan</u>
8	<del>E.</del>	<del>B. ASRS</del>	<del>Alcohol and Drug Programs Reporting System</del>
9	<del>C.</del>	CCC	California Civil Code
10	<del>F.</del>	<del>D. CCR</del>	California Code of Regulations
11		<u>G. CDCR</u>	<u>California Department of Corrections and Rehabilitation</u>
12		<u>H. CFDA</u>	<u>Catalog of Federal Domestic Assistance</u>
13	<del>I.</del>	<del>E. CEO</del>	<del>County Executive Office</del>
14	<del>F.</del>	CFR	Code of Federal Regulations
15	<u>GJ.</u>	CHPP	COUNTY HIPAA Policies and Procedures
16	<del>K.</del>	<del>H. CHS</del>	Correctional Health Services
17		<u>L. CIPA</u>	<u>California Information Practices Act</u>
18		<u>M. CMPPA</u>	<u>Computer Matching and Privacy Protection Act</u>
19	<del>O.</del>	<del>I. COI</del>	Certificate of Insurance
20	<del>J.</del>	<del>D/MC</del>	<del>Drug/Medi-Cal</del>
21		<u>P. CPA</u>	<u>Certified Public Accountant</u>
22		<u>Q. DCR</u>	<u>Data Collection and Reporting</u>
23	<del>R.</del>	<del>K. DHCS</del>	<del>Department of Health Care Services</del>
24	<del>L.</del>	<del>DPFS</del>	<del>Drug Program Fiscal Systems</del>
25	<del>M.</del>	DRS	Designated Record Set
26	<del>N.</del>	<u>S. EHR</u>	<u>Electronic Health Records</u>
27		<u>T. ePHI</u>	<u>Electronic Protected Health Information</u>
28	<del>OU.</del>	GAAP	Generally Accepted Accounting Principles
29		<u>V. HAB</u>	<u>Federal HIV/AIDS Bureau</u>
30	<del>W.</del>	<del>P. HCA</del>	<u>County of Orange Health Care Agency</u>
31	<del>X.</del>	<del>Q. HHS</del>	<u>Federal Health and Human Services Agency</u>
32	<u>RY.</u>	HIPAA	Health Insurance Portability and Accountability Act of 1996,
33		Public	Law 104-191
34		<u>Z. HITECH</u>	<u>Health Information Technology for Economic and Clinical Health</u>
35			<u>Act, Public Law 111-005</u>
36	<del>AA.</del>	<del>S. HSC</del>	<del>California Health and Safety Code</del>
37	<del>T.</del>	ISO	Insurance Services Office

1	<del>U. MHP</del>	<del>Mental</del>	<del>AB. MIHS</del>	<del>Medical and Institutional Health</del>
2	<del>Plan</del>	<del>Services</del>		
3	AC. MSN		Medical Safety Net	
4	AD. NOA		Notice of Action	
5	AE. NP		Nurse Practitioner	
6	AF. NPDB		National Provider Data Bank	
7	AG. NPI		National Provider Identifier	
8	AH. NPP		Notice of Privacy Practices	
9	<del>AI. V.</del>	<del>OCJS</del>	Orange County Jail System	
10	AJ. OC-MEDS		Orange County Medical Emergency Data System	
11	<del>AK. W.</del>	<del>OCPD</del>	Orange County Probation Department	
12	<del>AL. X.</del>	<del>OCR</del>	Federal Office for Civil Rights	
13	<del>AM.</del>	<del>OCSD</del>	Orange County Sheriff's Department	
14	<del>AN. Z.</del>	<del>OIG</del>	Federal Office of Inspector General	
15	<del>AQ. AA.</del>	<del>OMB</del>	Federal Office of Management and Budget	
16	<del>ABAP.</del>	<del>OPM</del>	Federal Office of Personnel Management	
17	AQ. ORR		Federal Office of Refugee Resettlement	
18	AR. P&P		Policy and Procedure	
19	<del>AS. AC.</del>	<del>PA DSS</del>	Payment Application Data Security Standard	
20	AT. PAF		Partnership Assessment Form	
21	AU. PAR		Prior Authorization Request	
22	AV. PBM		Pharmaceutical Benefits Management	
23	<del>AW. AD.</del>	<del>PC</del>	State of California Penal Code	
24	AX. PCS		Post-Release Community Supervision	
25	<del>AY. AE.</del>	<del>PCI DSS</del>	Payment Card Industry Data Security Standard	
26	<del>AF.</del>	<del>PHI</del>	Protected Health Information	
27	AZ. PI		Personal Information	
28	<del>BA. AG.</del>	<del>PII</del>	Personally Identifiable Information	
29	<del>AH.</del>	<del>BB. PRA</del>	California Public Record Records Act	
30	<del>AI.</del>	<del>SIR</del>	Self-Insured Retention	
31	<del>AJ.</del>	<del>The HITECH Act</del>	The Health Information Technology for Economic and Clinical Health Act, Public Law 111-005	
32				
33	<del>AK.</del>	<del>BC. RN</del>	Registered Nurse	
34	BD. RSA		Remote Site Access	
35	BE. SAPTBG		Substance Abuse Prevention and Treatment Block Grant	
36	BF. SD/MC		Short-Doyle Medi-Cal	
37	BG. TAR		Treatment Authorization Request	

1 BH. USC United States Code

2 BI. W&IC ~~AL. WIC~~ ~~State of California Welfare and Institutions~~  
3 Code

4 BJ. WIC Women, Infants and Children

## 6 **II. ALTERATION OF TERMS**

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

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

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

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

## 22 **IV. COMPLIANCE**

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

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

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

32 3. If CONTRACTOR elects to adhere to HCA's Compliance Program and Code of Conduct;  
33 the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of award  
34 of this Agreement a signed acknowledgement that CONTRACTOR shall comply with HCA's  
35 Compliance Program and Code of Conduct.  
36  
37

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

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

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

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

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

34 2. An Ineligible Person shall be any individual or entity who:  
 35 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in  
 36 federal and state health care programs; or  
 37 b. has been convicted of a criminal offense related to the provision of health care items or



1 services and has not been reinstated in the federal and state health care programs after a period of  
2 exclusion, suspension, debarment, or ineligibility.

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

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

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

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

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

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

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

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

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

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

4 **D. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS**

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

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

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

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

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

18  
19 **V. CONFIDENTIALITY**

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

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

30  
31 **VI. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

37 B. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the

1 prior written consent of COUNTY.

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

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

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

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

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

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

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

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

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

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

## 7 **VII. EMPLOYEE ELIGIBILITY VERIFICATION**

8 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and regulations  
9 regarding the employment of aliens and others and to ensure that employees, subcontractors, and  
10 consultants performing work under this Agreement meet the citizenship or alien status  
11 ~~requirement~~ requirements set forth in federal statutes and regulations. CONTRACTOR shall obtain,  
12 from all employees, subcontractors, and consultants performing work hereunder, all verification and  
13 other documentation of employment eligibility status required by federal or state statutes and regulations  
14 including, but not limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as  
15 they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such  
16 documentation for all covered employees, subcontractors, and consultants for the period prescribed by  
17 the law.  
18

## 19 **VIII. FACILITIES, PAYMENTS AND SERVICES COST REPORT**

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

## 26 **IX. INDEMNIFICATION AND INSURANCE**

27 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,  
28 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special  
29 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board  
30 (COUNTY INDEMNITEES) harmless from any claims, demands or liability of any kind or nature,  
31 including but not limited to personal injury or property damage, arising from or related to the services,  
32 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is  
33 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the  
34 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and  
35 COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request  
36 a jury apportionment.  
37

~~B. COUNTY agrees to indemnify, defend and hold CONTRACTOR, its officers, employees, agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by COUNTY pursuant to this Agreement. If judgment is entered against COUNTY and CONTRACTOR by a court of competent jurisdiction because of the concurrent active negligence of CONTRACTOR, COUNTY and CONTRACTOR agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.~~

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

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

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

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

G.E. QUALIFIED INSURER

//

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

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

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

	<u>Coverage</u>	<u>Minimum Limits</u>
4	Commercial General Liability	\$5,000,000 per occurrence
5		\$5,000,000 aggregate
7	Automobile Liability including coverage	\$1,000,000 per occurrence
8	for owned, non-owned and hired vehicles	
10	Workers' Compensation	Statutory
12	Employers' Liability Insurance	\$1,000,000 per occurrence
14	Professional Liability Insurance	\$1,000,000 per claims made
15		<del>or</del> <u>\$1,000,000 aggregate</u>
17	Employee Dishonesty	\$1,000,000 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 ~~00-120012~~, 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.

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

4 L. The County of Orange shall be the loss payee on the Employee Dishonesty coverage. A Loss  
 5 Payee endorsement evidencing that the County of Orange is a Loss Payee shall accompany the  
 6 Certificate of Insurance.

7 M. All insur L. The County of Orange shall be the loss payee on the Employee Dishonesty  
 8 coverage. A Loss Payee endorsement evidencing that the County of Orange is a Loss Payee shall  
 9 accompany the Certificate of Insurance.

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

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

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

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

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

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

### 30 S. SUBMISSION OF INSURANCE DOCUMENTS

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

36 2. The COI and endorsements shall be provided to the COUNTY at the address as referenced  
 37 in the Referenced Contract Provisions of this Agreement.

1 //

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

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

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

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

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

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

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### 22 **X. INSPECTIONS AND AUDITS**

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

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

37 C. AUDIT RESPONSE



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

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

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

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

## XI. LICENSES AND LAWS

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

### B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

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

b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, social security number, and residence address of each individual who owns an

1 interest of ten percent (10%) or more in the contracting entity;

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

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

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

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

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

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

## 21 **XII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

31 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly  
32 available social media sites) in support of the services described within this Agreement,  
33 CONTRACTOR shall develop social media policies and procedures and have them available to  
34 ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all  
35 forms of social media used to either directly or indirectly support the services described within this  
36 Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as  
37

1 they pertain to any social media developed in support of the services described within this Agreement.  
 2 CONTRACTOR shall also include any required funding statement information on social media when  
 3 required by ADMINISTRATOR.

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

### 7 **XIII. MAXIMUM OBLIGATION**

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

### 11 **XIV. MINIMUM WAGE LAWS**

12 A. Pursuant to the United States of America Fair Labor Standards 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 B. 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 C. 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 now exists or may hereafter be amended.

### 27 **XV. NONDISCRIMINATION**

#### 28 **A. EMPLOYMENT**

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

1 ~~marital status~~, national origin, ~~age (40 and over)~~, ~~sexual orientation~~, ~~medical condition~~, or ~~ancestry~~,  
 2 physical ~~or disability~~, mental disability, ~~medical condition~~, genetic information, marital status, sex,  
 3 ~~gender~~, ~~gender identity~~, ~~gender expression~~, age, sexual orientation, or military and veteran status.

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

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

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

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

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

26 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not  
 27 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities  
 28 on the basis of ~~ethnic group identification~~, race, ~~religion~~, ~~ancestry~~, ~~religious creed~~, color, ~~creed~~, ~~sex~~,  
 29 ~~marital status~~, national origin, ~~age (40 and over)~~, ~~sexual orientation~~, ~~medical condition~~, or ~~ancestry~~,  
 30 physical ~~or disability~~, mental disability, ~~medical condition~~, genetic information, marital status, sex,  
 31 ~~gender~~, ~~gender identity~~, ~~gender expression~~, age, sexual orientation, or military and veteran status in  
 32 accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 -  
 33 §1688; -Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975  
 34 (42 USC §6101); ~~and~~ Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of  
 35 Regulations; ~~);~~ and Title II of the Genetic Information Nondiscrimination Act of 2008, 42 USC 2000ff, et  
 36 ~~seq.~~ as applicable, and all other pertinent rules and regulations promulgated pursuant thereto, and as  
 37 otherwise provided by state law and regulations, as all may now exist or be hereafter amended or

1 changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not  
2 limited to the following based on one or more of the factors identified above:

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

6 #  
7 3. Restricting a client in any way in the enjoyment of any advantage or privilege enjoyed by  
8 others receiving any service or benefit.

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

- 12 5. Assignment of times or places for the provision of services.

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

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

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

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

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

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

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**XVI. NOTICES**

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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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.

**XVII. 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~~ B. CONTRACTOR shall implement

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

1 C. CONTRACTOR's participant, client, and/or patient records ~~are met at all times~~ shall be  
2 maintained in a secure manner. CONTRACTOR shall maintain participant, client, and/or patient  
3 records and must establish and implement written record management procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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~~H. CONTRACTOR shall notify ADMINISTRATOR of pay any PRA requests related to, or costs associated with a Breach of privacy and/or security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall pay any and all such costs arising out of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all information that is requested by the PRA request a Breach of privacy and/or security of PII and/or PHI.~~

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

### ~~XVIII. RIGHT TO WORK AND MINIMUM WAGE LAWS~~

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

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

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

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

### ~~XVI. SEVERABILITY~~

If a court of competent jurisdiction declares any provision of this Agreement or application thereof to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain



1 in full force and effect, and to that extent the provisions of this Agreement are severable.

## 2 **XIX. SPECIAL PROVISIONS**

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

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

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

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

## 31 **XX. STATUS OF CONTRACTOR**

32 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be  
33 wholly responsible for the manner in which it performs the services required of it by the terms of this  
34 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and  
35 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the  
36 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR  
37

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

## 8 **XXI. TERM**

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

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

## 19 **XXII. TERMINATION**

20 A. Either party may terminate this Agreement, without cause, upon ~~one hundred eighty (180)~~sixty  
 21 (60) calendar days' written notice given the other party.

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

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

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

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

1 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this  
2 Agreement.

3 #

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

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

10 ~~ED~~. CONTINGENT FUNDING

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

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

14 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)  
15 approved by the Board of Supervisors.

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

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

24 ~~GF~~. In the event this Agreement is terminated by either party pursuant to Subparagraphs B., C. or D.  
25 above, CONTRACTOR shall do the following:

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

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

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

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

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

37 6. If records are to be transferred to COUNTY, pack and label such records in accordance with

1 | directions provided by ADMINISTRATOR.

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

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

10 | **HG.** The rights and remedies of COUNTY provided in this Termination Paragraph shall not be  
11 | exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

12 |  
13 |  
14 | **XXIII. THIRD PARTY BENEFICIARY**

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

18 |  
19 | **XXIV. WAIVER OF DEFAULT OR BREACH**

20 | Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any  
21 | subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this  
22 | Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any  
23 | default or any breach by CONTRACTOR shall not be considered a modification of the terms of this  
24 | ~~Agreement.~~

25 | //  
26 | //  
27 | //  
28 | //  
29 | //  
30 | ///

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.

EXHIBIT A  
 TO AGREEMENT FOR PROVISION OF  
 FISCAL INTERMEDIARY SERVICES  
 FOR  
 CORRECTIONAL HEALTH SERVICES PROGRAMS  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ADVANCED MEDICAL MANAGEMENT, INC.

~~JULY~~ SEPTEMBER 1, ~~2013~~ 2015 THROUGH AUGUST 31, ~~2015~~ 2016

**I. DEFINITIONS**

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

A. "Ambulance/Paramedic Services" means any emergency medical transportation services provided by city paramedic units or ambulance providers.

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

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

D. "Contract Officers" means ~~ADMINISTRATOR'S~~ ADMINISTRATOR'S and ~~CONTRACTOR'S~~ CONTRACTOR'S designees who shall administer the Agreement for the respective parties.

E. "Correctional Health Services" or "CHS" means the Health Care Agency's Correctional Health Services which is the division which encompasses and oversees the CMS, Correctional Mental Health, and JHS Programs.

F. "Cost to Charge Ratio" means the most recent OSHPD published cost to charge ratio for a hospital. Cost to Charge Ratio is updated annually by the State of California. The ADMINISTRATOR will notify the CONTRACTOR when updates are provided.

G. "Custody Patient" means any of the following:

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

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

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

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

17           J. "Fiscal Year" or "Period" means July 1 through the following June 30.

18           K. "Hospital Services" means all Medical Services provided to a Custody Patient by any hospital.

19           L. "Inpatient" means a Custody Patient admitted to any hospital for the purpose of receiving  
20 Medical Services, with the expectation of remaining hospitalized at least overnight.——

21           M. "CHS Custody Database" means the repository of data detailing historical and recent Medical  
22 Services provided to Custody Patients by the CHS Hospital and CHS Physician group.

23           N. "CHS Hospital" means a hospital that has executed a Hospital Services for the Correctional  
24 Health Services Programs Agreement with COUNTY, which hospital, at the execution of the  
25 Agreement, is ~~Western~~ Anaheim Global Medical Center—~~Anaheim~~.

26           O. "CHS In-House Provider" means a provider that is employed by the County and provides  
27 medical services inside the jail facilities.—

28           P. "CHS Non-Contract Custody Database" means the repository of data detailing historical and  
29 recent Medical Services provided all non-contract hospital/providers of Medical Services.

30           Q. "CHS Physician ~~group~~ Group" means a physician group that has executed specialty clinic  
31 Physician Services for the Correctional Health Services Programs with COUNTY, which physician  
32 group, at the execution of the Agreement, is Correctional Managed Care Medical Corporation.

33           R. "CHS Pool" means funding, in addition to the Maximum Obligations as set forth in the  
34 Referenced Contract Provisions of this Agreement, for services provided in accordance with Paragraph  
35 IV of this Exhibit A to Agreement which shall be made available to CONTRACTOR to reimburse  
36 claims submitted in accordance with Paragraph II of Exhibit A to the Agreement.

37           S. "JHS" means the Health Care Agency's Juvenile Health Services Program.

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

5 U. "Medical Services" means any diagnostic, treatment, or supportive services, which are  
 6 determined by ADMINISTRATOR to be medically necessary to protect life or prevent significant  
 7 disability, and/or to diagnose and treat illness or injuries which require treatment to prevent serious  
 8 deterioration of health. Medical Services include any service or examination authorized in accordance  
 9 with the Agreement.

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

15 ~~1. American Correctional Services for In-House Radiology Services provided to Custody~~  
 16 ~~Patients.~~

17 ~~2.~~ 1. Correctional Managed Care Medical Corporation for specialty Physician Services  
 18 provided to Custody Patients.

19 ~~3. Western~~ 2. Anaheim Global Medical Center – Anaheim for Hospital Services provided to  
 20 Custody Patients.

21 W. "OSHPD" means the Office of Statewide Health and Planning Development.

22 X. "Outpatient Services" means any Clinic Services or Ancillary Services provided to Custody  
 23 Patients which do not require an admission into a hospital.

24 Y. "Physician Services" means Medical Services provided to Custody Patients by any medical  
 25 provider with a current valid California license to practice medicine, acting within the scope of their  
 26 license, including supervision of interns and residents.

27 Z. "Professional Services" means those Ancillary Medical Services provided by medical  
 28 technicians with current training and a valid license or certificate, as appropriate, to act within the scope  
 29 of their professional classification.

30 AA. "TAR" means Treatment Authorization Request.

31 AB. "Unit" means a secure separate patient care area within the CHS Hospital, which is dedicated  
 32 for the treatment of Outpatient and Inpatient Custody Patients referred by COUNTY.

33 AC. "Vendor" means a provider of services which are outside of either CHS Hospital's or CHS  
 34 Physician group's normal scope of services offered in accordance with Paragraph III- of Exhibit A of  
 35 each provider's respective Agreements, but are deemed medically necessary for a Custody Patient.""



## II. PAYMENTS AND BILLINGS

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

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

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

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

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

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

~~5.~~ 5. Disbursement of funds for claims should occur on a bi-weekly basis as funding levels allow.

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

~~7.~~ 7. Upon determination by CONTRACTOR that the CHS Pool Account requires additional funds for reimbursement of claims authorized in accordance with the Agreement, CONTRACTOR shall submit a supplemental invoice to COUNTY, together with any documentation

1 that may be required by ADMINISTRATOR.

2 ~~7~~8. Monthly, CONTRACTOR shall provide ADMINISTRATOR a copy of the prior month's  
3 bank statement(s) and reconciliation with respect to all monies disbursed pursuant to the Agreement.

4 ~~8~~  
5 9. In the event CONTRACTOR anticipates expenditures in excess of the CHS Pool Account  
6 balance or maximum, CONTRACTOR may request an appropriate advance, in writing from  
7 ADMINISTRATOR. Upon approval by ADMINISTRATOR, COUNTY will disburse to  
8 CONTRACTOR the requested funds. CONTRACTOR shall disburse funds advanced in such manner to  
9 providers. Such disbursement shall be made immediately upon receipt of the advance, unless otherwise  
10 approved, in writing, by ADMINISTRATOR.

11 ~~9~~//  
12 10. Unless the Agreement is followed without interruption by another Agreement between the  
13 parties for substantially the same type and scope of services, CONTRACTOR shall return to COUNTY  
14 any and all funds remaining in the CHS Pool Account at the close of business on August 31, ~~2014~~2016  
15 unless otherwise authorized in writing, by ADMINISTRATOR. Such reimbursement shall be made no  
16 later than September 10, ~~2014~~2016.

17 11. Dialysis claims should be processed and paid based on a pre-determined rate supplied by  
18 the ADMINISTRATOR, in writing.

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

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

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

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

32 G. The State of California is in the process of determining how Medi-Cal reimbursement for  
33 hospitalizations will be submitted and managed for the inmate population. Once the State issues their  
34 guidelines, instructions and requirements will be communicated to the CONTRACTOR.

35 ~~H. G. CONTRACTOR will coordinate Medi-Cal reimbursement billing for ADMINISTRATOR~~  
36 ~~for the patients with confirmed Medi-Cal coverage for in-patient hospitalizations. All claims will be~~  
37 ~~paid to the vendors submitting claims per the usual and customary process (confirming in-custody status,~~

1 etc.). ~~CONTRACTOR will then submit claims and seek Medi-Cal reimbursement from the State~~  
 2 ~~through an established method in conjunction with ADMINISTRATOR's Accounting department.~~  
 3 ~~CONTRACTOR will provide reports to ADMINISTRATOR with detail of Medi-Cal reimbursement~~  
 4 ~~activities on a monthly basis and as needed.~~

5 ~~H. REIMBURSEMENT OF CLAIMS:~~

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

8 ~~a~~1. Claims for Hospital Services provided during the Agreement, as enumerated in the  
 9 Referenced Contract Provisions,

10 ~~b.~~ 2. Submitted ~~electronically or by mail~~ and completed in accordance with the  
 11 Agreement. Electronic claims are preferred, however paper claims can be submitted,

12 ~~c.~~ 3. Initially received by the CONTRACTOR no later than three hundred sixty-five (365)  
 13 calendar days following the date of service;

14 4. Hospitals shall be notified, in writing, of the reason for a denial of any claim(s). Notice  
 15 shall be deemed effective:

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

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

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

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

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

28 ~~6~~  
 29 8. If the appeal is subsequently denied by the CONTRACTOR within forty-five (45) calendar  
 30 days of receipt of the denied appeal, the Hospital may submit an appeal to the CHS Director.

31 79. If a denied claim is not resubmitted and/or appealed in writing to the CONTRACTOR  
 32 and/or CHS Director within thirty (30) calendar days after notification of denial, the CONTRACTOR's  
 33 determination shall be final, and the Hospital shall have no right to further review of the claim."9

34  
 35 **III. SERVICES**

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

1 B. CLAIMS PROCESSING AND ADJUDICATION FOR CONTRACT PROVIDERS —The CHS  
2 Hospital and CHS Physician group shall submit two sets of claims data to CONTRACTOR:

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

7 a. The CHS Hospital and CHS Physician group shall submit claims data to  
8 CONTRACTOR ~~which.~~ The data shall correspond to the services included in the negotiated payment  
9 made by COUNTY.

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

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

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

20 //

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

26 a. The CHS Hospital and CHS Physician group, or their Vendors, shall submit claims data  
27 to CONTRACTOR. The CHS Physician group will pay claims from Letters of Agreement and claims  
28 from other selected vendors via their Reimbursement Account. The CHS Physician Group shall provide  
29 an approved list of vendors covered by the Reimbursement Account to the CONTRACTOR. The  
30 CONTRACTOR will fund the Reimbursement Account from the CHS Pool Account as directed by the  
31 ADMINISTRATOR.

32 b. CONTRACTOR shall process the ~~negotiated~~ fee-for-service claims data and, at a  
33 minimum, confirm custody verification, ensure there are no duplicate claims, verify use of valid  
34 diagnosis and procedure codes.

35 c. Recovery efforts for duplicate paid claims must be completed within three hundred  
36 sixty-five (365) days of the date of service. Recovery efforts will be reported to the ADMINISTRATOR  
37 on a quarterly basis.

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

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

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

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

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

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

b. CONTRACTOR shall notify provider of denied claim, within fifteen (15) working days of receipt of verification of non-custody status. CONTRACTOR's notice to the provider shall include information concerning the appeal process as it is outlined in each respective contract (CHS hospital appeal process and CHS Physician group process).

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

d. Claims may be paid by CONTRACTOR if they have been initially submitted within ~~90~~three hundred sixty-five (365) days of the date of service. CONTRACTOR shall deny claims not initially received within ~~90~~365 days of the date of service.

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

#### D. CUSTODY STATUS VERIFICATION

1. CONTRACTOR shall only pay those claims for which the patient has been verified as being a Custody Patient. All other claims shall be denied for payment by CONTRACTOR.

2. COUNTY's Sheriff's Department ~~provides~~has agreed to provide CONTRACTOR with daily custody booking and release data to allow CONTRACTOR to verify the custody status of a patient as part of the claims adjudication process. In cooperation with the Sheriff's Department,

1 CONTRACTOR shall establish a secured electronic data exchange for the custody status data, which  
2 shall include, at a minimum:

- 3 a. Inmate last name
- 4 b. Inmate first name
- 5 c. Date of birth
- 6 d. Gender
- 7 e. Booking number
- 8 f. Booking date
- 9 g. Booking time
- 10 h. Release date
- 11 i. Release time

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

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

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

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

23 7. Non-Verified Claims – Claims for which patient cannot be verified as being a Custody  
24 Patient by data available to CONTRACTOR and/or ADMINISTRATOR shall be denied by  
25 CONTRACTOR.

#### 26 E. DATABASES:

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

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

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

- 34 1) Medical Record Number
- 35 2) Date of Service
- 36 3) Diagnosis (ICD-9) Code(s)
- 37

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

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

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

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

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

- 25 1) Medical Record Number
- 26 2) Date of Service
- 27 3) Diagnosis (ICD-9 and/or ICD-10) Code(s)
- 28 4) Procedure (CPT) Code(s)
- 29 5) Orange County Jail Inmate Booking Number
- 30 6) Provider Type(s)
- 31 7) Referred By
- 32 8) Provider Name(s)
- 33 9) Detailed claims data
- 34 10) Admission Date (for inpatients)
- 35 11) Discharge Date (for inpatient)
- 36 12) Service Type (inpatient, outpatient, follow-up, etc.)
- 37 13) Physician Usual and Customary Charges

1 14) Hospital Usual and Customary Charges.

2 15) County of Orange Fiscal Year”

3  
4 **IV. CHS POOL ACCOUNT – FUND MANAGEMENT**

5 “A. The following Medical Services shall be reimbursed through the CHS Pool Account  
6 administered by CONTRACTOR and shall not be deemed to be included in COUNTY’s Maximum  
7 Obligation to CONTRACTOR as specified in the Referenced Contract Provisions of the Agreement.

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

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

14 2. For all Medical Services provided by Non-Contract Physicians, CONTRACTOR shall  
15 reimburse at 55% of the current established rates Area 26 Medicare rate for ~~the Medical Services~~  
16 ~~Network (MSN) Program, as established in the final settlement for the most recently finalized fiscal~~  
17 ~~year~~ said services, or at other rates as may be directed in writing by the ADMINISTRATOR.

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

20 4. For any Medical Services provided by a Non-Contract Provider that is not a hospital,  
21 physician, or ambulance/paramedic service, CONTRACTOR shall reimburse said providers at rates  
22 established ~~for the MSN Program for~~ at 55% of the current ~~Fiscal Year~~ established Area 26 Medicare rate  
23 for said services, or at other rates as may be directed, in writing, by the ADMINISTRATOR.

24 ~~5.~~ 5. Claims with J-Codes may be received and paid by the CONTRACTOR if custody  
25 verification has been provided or if a letter of agreement is approved. Claims for physician services that  
26 accompany a J-Code claim would not be reimbursable since it would be part of the Physician Services  
27 Provider capitated rate. J-Codes shall be paid at one-hundred percent (100%) of the current established  
28 Medicare Average Sales Price rate for said services.

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

32 7. The CHS Physician Provider contract capitated rates apply to all patients at Anaheim  
33 Global Medical Center and for Chest and Critical Care at Orange County Global Medical Center.

34 8. Costs related to facilities at the CHS Hospital Provider are part of the capitated amount and  
35 should not be paid by the CONTRACTOR.

36 C. Other Payments – Contract Providers

37 1. The following services shall be reimbursed to CHS Hospital from the CHS Pool Account at



1 rates equal to one hundred ten percent (110%) of the CHS hospital's actual costs according to the most  
 2 recent Hospital Annual Financial Data report issued by OSHPD, as calculated using a cost-to-charge  
 3 ratio:

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

5 b. Off Unit Medical Services

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

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

11 3) Persons admitted Off Unit through the emergency department who become Custody  
 12 Patients following their admission. CHS Hospital shall transfer such persons to the Unit as soon as  
 13 medically appropriate. Bed Days provided prior to the transfer to the Unit may be billed by CHS  
 14 Hospital to CONTRACTOR.

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

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

21 1) Inpatient Newborn. COUNTY anticipates CHS Hospital shall bill appropriate  
 22 third-party ~~payors~~ payers for these Bed Days, therefore, CONTRACTOR shall not provide  
 23 reimbursement for Inpatient Newborn Bed Days, however, they shall be reported by CHS Hospital.

24 —  
 25 2) ICU/CCU and Post-Partum Obstetrics

26 3) 23 Hour Stay in the emergency department

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

30 d. Off Unit Outpatient Services

31 1) Emergency Department Visit Services – Unless admitted to Anaheim Global  
 32 Medical Center. In that case, the emergency department visit is not charged but considered covered in  
 33 the daily bed rate. No separate emergency department visit should be paid.

34 2) Pre-Booking Medical Clearance Visits – Only those patients presenting in CHS  
 35 Hospital's emergency department meeting all of the following criteria. It is understood by the parties  
 36 that such persons will not be in the Custody Verification Database; therefore ADMINISTRATOR shall  
 37 establish a mechanism for identify such persons and CONTRACTOR and ADMINISTRATOR shall

1 mutually agree on how this information shall be submitted to and used by CONTRACTOR for the  
 2 purpose of paying these claims.

- 3 a) Accompanied by an Orange County Deputy; and
- 4 b) Taken first to the COUNTY'S Intake and Release Center and required by  
 5 ADMINISTRATOR'S staff to seek medical clearance before booking; and
- 6 c) Are subsequently booked into the Orange County Jail System.
- 7 3) Radiology Visit Services including any C.T. Scan and M.R.I Scan services and  
 8 including technical component services.
- 9 4) ED/Radiology Visit
- 10 5) Outpatient Surgery
- 11 6) Cardiac Catheterization

12 2. Vendor Services secured by CHS Hospital shall be reimbursed at the amounts negotiated by  
 13 CHS Hospital and approved in advance by ADMINSTRATOR. CHS Hospital shall provide a schedule  
 14 of its most commonly used Vendor Services and rates, as approved by ADMINISTRATOR, to  
 15 CONTRACTOR. Said schedules shall be reviewed and approved at least annually by  
 16 ADMINSTRATOR.

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

<u>Service</u> <u>SERVICE</u>	<u>Maximum</u> <u>Rate</u> <u>MAXIMUM RATE</u>
___ Cardiovascular Surgery	120%
___ Neurosurgery	120%
___ Ophthalmology Retinal	160%
___ Plastic Surgery	Pass Through
___ Pediatrics	<del>110</del> 125%
___ Vascular Surgery	120%

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

37 5. ADMINISTRATOR may agree to advance funds to CHS Hospital and/or CHS Physician

1 group for the purpose of setting up Reimbursement Accounts to pay their vendors directly.

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

5  
6 b. CHS Hospital and/or CHS Physician group shall require their Vendors to submit claims  
7 data to CONTRACTOR.

8 c. Payments from the Reimbursement Accounts shall be reconciled by CHS Hospital and  
9 CHS Physician group and submitted to CONTRACTOR for comparison to actual Vendor claims data  
10 received by CONTRACTOR. Any variances shall be submitted to CHS Hospital and CHS Physician  
11 group and the reconciliation shall be adjusted accordingly.

12 ~~6. The following services shall be reimbursed to CHS In-House Provider from the CHS Pool~~  
13 ~~Account:~~

14 ~~a. Additional Radiology and Ultrasound Services as specified in subparagraphs~~  
15 ~~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~~  
16 ~~Provider.~~

17 ~~b. Specialty Outpatient Clinic Services as negotiated by ADMINISTRATOR.~~

18 D. Other Payments – CONTRACTOR

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

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

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

33 ~~F. 3.~~ 3. CONTRACTOR and ADMINISTRATOR agree that where any provision of the  
34 Agreement disagrees, countermands, or conflicts with provisions of the CHS Hospital Agreement, the  
35 CHS Hospital Agreement shall prevail. ADMINISTRATOR shall notify CONTRACTOR of any such  
36 conflicts found.?"

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## 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 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 this Agreement.

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

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

## VI. REPORTS

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

### B. CLAIMS PROCESSED REPORT

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

- a) Hospital inpatient services, including a breakdown by type of service
- b) Hospital emergency services
- c) Physician services

1 d). Ancillary services

2 e). Ambulance/Paramedic services

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

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

7 a). The number of claims received

8 b). The number of claims paid

9 c). Total amount paid

10 d). Total billed charges.

11 #

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

15 C. "CHS DATABASE REPORTS

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

18 a. Summary of Outpatient Visits by Type of Service

19 b. Summary of Inpatient Services

20 c. Summary of Outpatient Services by Month

21 d. Fiscal Year Comparison"

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

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

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

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

37 //

EXHIBIT B  
 TO AGREEMENT FOR PROVISION OF  
 FISCAL INTERMEDIARY SERVICES  
 FOR  
 CORRECTIONAL HEALTH SERVICES PROGRAMS  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ADVANCED MEDICAL MANAGEMENT, INC.

~~JULY~~ SEPTEMBER 1, 2013 ~~2015~~ THROUGH AUGUST 31, ~~2015~~ 2016

**I. BUSSINESS ASSOCIATE CONTRACT**

**A. GENERAL PROVISIONS AND RECITALS**

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

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

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

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

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

6. The parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9<sub>u</sub> and B.14<sub>u</sub>, apply to the CONTRACTOR in the same manner as they apply to a

1 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the  
 2 terms of this Business Associate Contract and the applicable standards, implementation specifications,  
 3 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,  
 4 with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed  
 5 pursuant to the Agreement.

## 6 B. DEFINITIONS

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

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

### 13 a. Breach excludes:

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

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

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

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

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

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

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

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

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

36 4. “Designated Record Set” shall have the meaning given to such term under the HIPAA  
 37

1 Privacy Rule in 45 CFR § 164.501.

2 //

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

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

7 7. “Individual” shall have the meaning given to such term under the HIPAA Privacy Rule in  
8 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance  
9 with 45 CFR § 164.502(g).

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

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

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

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

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

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

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

28 15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in  
29 45 CFR § 160.103.

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

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

36 18. “Use” shall have the meaning given to such term under the HIPAA regulations in 45 CFR §  
37 160.103.



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

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

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~~ 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  
26 ~~Paragraph~~ Subparagraph 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~~ CONTRACTOR's notification may be oral, but  
3 shall be followed by written notification within ~~twenty four (24)~~ hours of the oral notification.

4           3. ~~CONTRACTOR'S~~ 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.

37 //

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

#### 35 G. OBLIGATIONS OF COUNTY

36 1. COUNTY shall notify CONTRACTOR of any limitation(s) in ~~COUNTY'S~~COUNTY'S  
 37 notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may

1 affect ~~CONTRACTOR'S~~ CONTRACTOR's Use or Disclosure of PHI.

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

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

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

10 H. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

30 3. The obligations of this Business Associate Contract shall survive the termination of the  
31 Agreement.

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EXHIBIT C  
 TO AGREEMENT FOR PROVISION OF  
 FISCAL INTERMEDIARY SERVICES  
 FOR  
 CORRECTIONAL HEALTH SERVICES PROGRAMS  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ADVANCED MEDICAL MANAGEMENT, INC.  
 JULY 1, 2013 THROUGH AUGUST 31, 2015

**I. SYSTEM FUNCTIONALITY**

**A. Application Guidelines and Requirements:**

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

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

3. Finally, there are strict requirements in relation to the handling of ADMINISTRATOR's data both within and outside of ADMINISTRATOR's network. CONTRACTORS are required to 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.~~

37 #

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~~



EXHIBIT D  
 TO AGREEMENT FOR PROVISION OF  
 FISCAL INTERMEDIARY SERVICES  
 FOR  
 CORRECTIONAL HEALTH SERVICES PROGRAMS  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ADVANCED MEDICAL MANAGEMENT, INC.  
 JULY 1, 2013 THROUGH AUGUST 31, 2015

**I. VENDOR SECURITY REQUIREMENTS**

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

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

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

~~—These policies shall include, but not be limited to, the following:~~

- ~~▪ **IT Staff Usage Agreement.** All vendor employees performing services for the County shall sign and agree to an IT usage agreement as part of an overall security training and awareness program. At a minimum, vendor employees shall sign a statement of understanding regarding Internet dangers, IT security, and IT ethics and best practices,~~
- ~~▪ **IT Security Policies and Procedures.** The vendor shall provide its IT security policies and procedures for review by the County.~~
- ~~▪ **IT Operations Security Policy.** The vendor shall provide for review by County its written standards for operational security for any facilities where County data, staff or systems shall 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 #

## ~~Business Continuity / Disaster Recovery Plans~~

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

## ~~Backup and Restores~~

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

## ~~Staff Verification~~

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

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

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

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

- ~~1. Ensure that all vendor service employees performing applicable services or supporting the 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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## ~~IT Security Compliance and Training~~

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

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

~~At a minimum, the vendor is expected to:~~

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

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

~~At a minimum, the vendor is expected to:~~

- ~~▪ Monitor access to systems; investigate apparent security violations; and notify the County of suspected violations, including routine reporting on hacking attempts, penetrations and responses.~~
- ~~▪ Maintain data access control and auditing software and provide adequate logging, monitoring, and investigation of unusual or suspicious activity.~~
- ~~▪ Initiate immediate corrective actions to minimize and prevent the reoccurrence of attempted or actual security violations.~~
- ~~▪ Document details related to attempted or actual security violations and provide documentation to the County.~~
- ~~▪ Provide necessary documentation and evidence to the County in connection with any legal action or investigation.~~
- ~~▪ Ensure that all equipment used to provide services to the County is protected by antivirus 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.~~

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

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## ~~Termination of Vendor Contract~~

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

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

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

## ~~Deliverables~~

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

- ~~▪ Vendor risk acceptance / compliance statement~~
- ~~▪ Business Continuity Plan Summary (as related to service provided)~~
- ~~▪ SAS 70 Type II audit results (if applicable)~~
- ~~▪ Security Waiver form (if needed)~~
- ~~▪ Security Contact Identification (24x7x365)~~
- ~~▪ Vendor URL for its security policies~~
- ~~▪ Vendor URL for its incident management process~~
- ~~▪ ISO SOX compliance certificate (if applicable)~~
- ~~▪ Vendor access management policy (user IDs, passwords, administrative controls, etc.)~~
- ~~▪ Vendor security test plan, test schedule and results~~
- ~~▪ Vendor access control and log management plan~~

## ~~Deliverables and Documents~~

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

