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AGREEMENT FOR PROVISION OF  
PATIENT AND PROVIDER SUPPORT SERVICES FOR  
THE MEDICAL SERVICES INITIATIVE PROGRAM  
BETWEEN  
COUNTY OF ORANGE  
AND  
ADVANCED MEDICAL MANAGEMENT, INC.  
SEPTEMBER 1, 2010 THROUGH AUGUST 31, 2013

THIS AGREEMENT (Agreement) entered into this 17th day of August 2010, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and ADVANCED MEDICAL MANAGEMENT, INC. a California Corporation (CONTRACTOR) This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

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

WHEREAS, COUNTY desires to assure the availability of medical services to all indigent persons for whom COUNTY is legally responsible pursuant to California Welfare and Institutions Code Section 17000; and,

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the Provision of Patient and Provider Support Services described herein to the residents of Orange County; and

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

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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**REFERENCED CONTRACT PROVISIONS**

**Term:** September 1, 2010 through August 31, 2013

“Period One” means the period September 1, 2010 through August 31, 2011

“Period Two” means the period September 1, 2011 through August 31, 2012

“Period Three” means the period September 1, 2012 through August 31, 2013

<b>Maximum Obligation:</b>	Period One:	\$2,248,036
	Period Two:	\$2,292,999
	<u>Period Three:</u>	<u>\$2,338,859</u>
<b>TOTAL MAXIMUM OBLIGATION:</b>		<b>\$6,879,894</b>

**Basis for Reimbursement:** Negotiated Amount

**Payment Method:** Negotiated Amount

**Notices to COUNTY and CONTRACTOR:**

COUNTY: County of Orange  
 HCA/Medical and Institutional Health Services Operations  
 405 W. 5<sup>th</sup> Street, Bldg 38-X  
 Santa Ana, California 92701  
 Attn: Melissa Tober, Manager

CONTRACTOR: Advanced Medical Management, Inc.  
 5000 Airport Plaza Drive Suite 150  
 Long Beach, CA 90815  
 Attn: Kathy Hegstrom

**CONTRACTOR’S Insurance Coverages:**

<u>Coverage</u>	<u>Minimum Limits</u>
Workers' Compensation	Statutory
Employer's Liability Insurance	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claims made or per occurrence
Comprehensive General Liability Insurance	\$1,000,000
Automobile Liability, including coverage non-owned and hired vehicles per occurrence	\$1,000,000 combined single limit for owned,

1 **I. ALTERATION OF TERMS**

2 This Agreement, together with Exhibit A, attached hereto and incorporated herein by reference,  
3 fully expresses all understanding of COUNTY and CONTRACTOR with respect to the subject matter of  
4 this Agreement, and shall constitute the total Agreement between the parties for these purposes. No  
5 addition to, or alteration of, the terms of this Agreement, whether written or verbal, shall be valid unless  
6 made in writing and formally approved and executed by both parties.

7  
8 **II. BUSINESS ASSOCIATE TERMS AND CONDITIONS**

9 **A. GENERAL PROVISIONS AND RECITALS**

10 1. The parties agree that the terms used, but not otherwise defined below, shall have the same  
11 meaning as those terms in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as  
12 it may exist now or be hereafter amended.

13 2. It is agreed by both parties that CONTRACTOR is a Business Associate of COUNTY for  
14 the purposes of this Agreement.

15 3. It is understood by both parties that the HIPAA Security and Privacy Rules apply to the  
16 CONTRACTOR in the same manner as they apply to the covered entity (COUNTY). CONTRACTOR  
17 shall therefore at all times be in compliance with the applicable provisions of both the Privacy and the  
18 Security Rules as are described in Subparagraphs B.4. and B.5. below, and is responsible for complying  
19 with the issued regulations for said rules, as they currently exist or are hereafter amended, for purposes  
20 of safeguarding any Protected Health Information (PHI) used or generated by CONTRACTOR  
21 consistent with the terms of this agreement.

22 4. It is understood by both parties that the Privacy Rule does not pre-empt any state statutes,  
23 rules or regulations that impose more stringent requirements with respect to confidentiality of PHI.

24 5. COUNTY wishes to disclose certain information to CONTRACTOR pursuant to the terms  
25 of this Agreement, some of which may constitute PHI as defined in Subparagraph B.6. below.

26 6. COUNTY and CONTRACTOR intend to protect the privacy and provide for the security of  
27 PHI disclosed to the CONTRACTOR pursuant to this Agreement, in compliance with HIPAA and the  
28 regulations promulgated thereunder by the U.S. Department of Health and Human Services as they may  
29 now exist or be hereafter amended.

30 **B. DEFINITIONS**

31 1. "**Breach**" means the acquisition, access, use, or disclosure of Protected Health Information  
32 in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of  
33 the Protected Health Information.

34 a. For purposes of this definition, compromises the security or privacy of the Protected  
35 Health Information means poses a significant risk of financial, reputational, or other harm to the  
36 Individual.

37 //

1 b. A use or disclosure of Protected Health Information that does not include the identifiers  
2 listed at §164.514 (e) (2), date of birth, and zip code does not compromise the security or privacy of  
3 protected health information.

4 c. Breach excludes:

5 1) Any unintentional acquisition, access, or use of Protected Health Information by a  
6 workforce member or person acting under the authority of a covered entity or a business associate, if  
7 such acquisition, access, or use was made in good faith and within the scope of authority and does not  
8 result in further use or disclosure in a manner not permitted under the Privacy Rule.

9 2) Any inadvertent disclosure by a person who is authorized to access Protected  
10 Health Information at a covered entity or business associate to another person authorized to access  
11 Protected Health Information at the same covered entity or business associate, or organized health care  
12 arrangement in which the covered entity participates, and the information received as a result of such  
13 disclosure is not further used or disclosed in a manner not permitted under the Privacy Rule.

14 3) A disclosure of Protected Health Information where a covered entity or business  
15 associate has a good faith belief that an unauthorized person to whom the disclosure was made would  
16 not reasonably have been able to retain such information.

17 2. "Designated Record Set" shall have the meaning given to such term under the Privacy Rule,  
18 including, but not limited to, 45 CFR Section 164.501.

19 3. "Individual" shall have the meaning given to such term under the Privacy Rule, including,  
20 but not limited to, 45 CFR Section 160.103 and shall include a person who qualifies as a personal  
21 representative in accordance with 45 CFR Section 164.502(g).

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

24 5. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected  
25 Health Information at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C."

26 6. "Protected Health Information" or "PHI" shall have the meaning given to such term under  
27 the Privacy Rule, including, but not limited to, 45 CFR Section 160.103, as applied to the information  
28 created or received by Business Associate from or on behalf of Covered Entity.

29 7. "Required by Law" shall have the meaning given to such term under the Privacy Rule,  
30 including, but not limited to, 45 CFR Section 164.103.

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

33 9. "Unsecured Protected Health Information" means Protected Health Information that is not  
34 rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a  
35 technology or methodology specified by the Secretary of Health and Human Services in the guidance  
36 issued on the HHS Web site.

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C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

1. CONTRACTOR agrees not to use or disclose PHI other than as permitted or required by this Agreement or as required by law.

2. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.

3. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of PHI by CONTRACTOR in violation of the requirements of this Agreement.

4. CONTRACTOR agrees to report to COUNTY within five (5) business days any use or disclosure of PHI not provided for by this Agreement of which CONTRACTOR becomes aware.

5. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from COUNTY, or created or received by CONTRACTOR on behalf of COUNTY, agrees to the same restrictions and conditions that apply through this Agreement to CONTRACTOR with respect to such information.

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

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

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

9. CONTRACTOR agrees to document any disclosures of PHI and to make information related to such disclosures available as would be required for COUNTY to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

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

11. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph B.1.c. above.

1 D. SECURITY RULE

2 1. Security. CONTRACTOR shall establish and maintain appropriate administrative, physical  
3 and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and  
4 availability of electronic PHI. CONTRACTOR shall follow generally accepted system security  
5 principles and the requirements of the final HIPAA rule pertaining to the security of PHI.

6 2. Agents and Subcontractors. CONTRACTOR shall ensure that any agent, including a  
7 subcontractor, to whom it provides electronic PHI, agrees to implement reasonable and appropriate  
8 safeguards to protect the PHI.

9 3. Security Incidents. CONTRACTOR shall report any "security incident" of which it  
10 becomes aware to COUNTY. For purposes of this agreement, a security incident means the attempted  
11 or successful unauthorized access, use, disclosure, modification, or destruction of information or  
12 interference with system operations. This does not include trivial incidents that occur on a daily basis,  
13 such as scans, "pings," or unsuccessful attempts to penetrate computer networks or servers maintained  
14 by CONTRACTOR.

15 E. BREACH DISCOVERY AND NOTIFICATION

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

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

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

25 4. CONTRACTOR shall provide the notification of the Breach without unreasonable delay,  
26 and in no case later than five (5) business days after a Breach.

27 5. CONTRACTOR's notification may be oral, but shall be followed by written notification  
28 within twenty-four (24) hours of the oral notification. Thereafter, CONTRACTOR shall provide written  
29 notification containing the contents stated below, within five (5) business days. CONTRACTOR shall  
30 be required to provide any other information relevant to the Breach in writing, as soon as discovered, or  
31 as soon as the information is available.

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

33 a. The identification of each Individual whose unsecured protected health information has  
34 been, or is reasonably believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed  
35 during the Breach,

36 b. Any other information that COUNTY is required to include in the notification to  
37 Individual it must provide pursuant to 45 CFR §164.404 (c), at the time CONTRACTOR is required to

1 notify COUNTY, or promptly thereafter as this information becomes available, even after the regulatory  
2 sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

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

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

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

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

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

14 7. COUNTY may require CONTRACTOR to provide notice to the Individual as required in  
15 45 CFR § 164.404 if it is reasonable to do so under the circumstances, at the sole discretion of the  
16 COUNTY.

17 8. In the event that CONTRACTOR is responsible for, or suffers a Breach of Unsecured  
18 Protected Health Information, in violation of the Privacy Rule, CONTRACTOR shall have the burden of  
19 demonstrating that CONTRACTOR made all notifications to COUNTY as required by the Breach  
20 Notification regulations, or in the alternative, that the use or disclosure did not constitute a Breach as  
21 defined in 45 CFR § 164.402.

22 9. CONTRACTOR shall maintain documentation of all required notifications required  
23 pursuant to this Agreement in the event of an impermissible use or disclosure of Unsecured Protected  
24 Health Information, or its risk assessment of the application of an exception to demonstrate that the  
25 notification was not required.

26 10. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the  
27 Breach to permit COUNTY to meet its notification obligations under the HITECH Act, as soon as  
28 practicable, but in no event later than fifteen (15) calendar days after reporting the initial Breach to the  
29 COUNTY.

30 11. CONTRACTOR shall continue to provide all additional pertinent information about the  
31 Breach to COUNTY as it may become available, in reporting increments of fifteen (15) calendar days  
32 after the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable  
33 requests for further information, or follow-up information after report to COUNTY, when such request  
34 is made by COUNTY.

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1 12. CONTRACTOR shall bear all expense or other costs associated with the Breach, and shall  
2 reimburse COUNTY for all expenses COUNTY incurs in addressing the Breach and consequences  
3 thereof, including costs of investigation, notification, remediation, documentation or other costs  
4 associated with addressing the Breach.

5 F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

6 1. Except as otherwise limited in this Agreement, CONTRACTOR may use or disclose PHI to  
7 perform functions, activities, or services for, or on behalf of, COUNTY as specified in this Agreement,  
8 provided that such use or disclosure would not violate the Privacy Rule if done by COUNTY or the  
9 minimum necessary policies and procedures of COUNTY.

10 2. CONTRACTOR is permitted to use PHI as necessary for the proper management and  
11 administration of CONTRACTOR or to carry out legal responsibilities of CONTRACTOR. (ref. 45  
12 C.F.R. 164.504(e)(4)(i)(A-B)).

13 3. CONTRACTOR is permitted to disclose PHI received from COUNTY for the proper  
14 management and administration of CONTRACTOR or to carry out legal responsibilities of  
15 CONTRACTOR, provided:

16 a. The disclosure is required by law; or

17 b. CONTRACTOR obtains reasonable assurances from the person to whom the PHI is  
18 disclosed that it will be held confidentially and used or further disclosed only as required by law or for  
19 the purposes for which it was disclosed to the person, the person will use appropriate safeguards to  
20 prevent unauthorized use or disclosure of the PHI, and the person immediately notifies CONTRACTOR  
21 of any instance of which it is aware in which the confidentiality of the Information has been Breached.  
22 (ref. 45 C.F.R. 164.504(e)(4)(ii)).

23 4. CONTRACTOR is also permitted to use or disclose PHI to provide data aggregation  
24 services, as that term is defined by 45 C.F.R. 164.501, relating to the health care operations of  
25 COUNTY.

26 G. OBLIGATIONS OF COUNTY

27 1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY's notice of  
28 privacy practices in accordance with 45 CFR Section 164.520, to the extent that such limitation may  
29 affect CONTRACTOR's use or disclosure of PHI.

30 2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, permission by  
31 an Individual to use or disclose PHI, to the extent that such changes may affect CONTRACTOR's use  
32 or disclosure of PHI.

33 3. COUNTY shall notify CONTRACTOR of any restriction to the use or disclosure of PHI  
34 that COUNTY has agreed to in accordance with 45 CFR Section 164.522, to the extent that such  
35 restriction may affect CONTRACTOR's use or disclosure of PHI.

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

1 H. BUSINESS ASSOCIATE TERMINATION

2 1. Notwithstanding the Termination provisions set forth in this Agreement, the Agreement  
3 shall only terminate when all of the PHI provided by COUNTY to CONTRACTOR, or created or  
4 received by CONTRACTOR on behalf of COUNTY, is destroyed or returned to COUNTY, or if  
5 infeasible to return or destroy PHI, protections are extended to such information, in accordance with the  
6 termination provisions of this Subparagraph.

7 2. In addition to the rights and remedies provided in the Termination paragraph of this  
8 Agreement, upon COUNTY's knowledge of a material breach by CONTRACTOR of the requirements  
9 of this Paragraph, COUNTY shall either:

10 a. Provide an opportunity for CONTRACTOR to cure the material breach or end the  
11 violation and terminate this Agreement if CONTRACTOR does not cure the material breach or end the  
12 violation within thirty (30) business days; or

13 b. Immediately terminate this Agreement if CONTRACTOR has breached a material term  
14 of this Agreement and cure is not possible; or

15 c. If neither termination nor cure is feasible, COUNTY shall report the violation to the  
16 Secretary of the Department of Health and Human Services.

17 3. Upon termination of this Agreement, all PHI provided by COUNTY to CONTRACTOR, or  
18 created or received by CONTRACTOR on behalf of COUNTY, shall either be destroyed or returned to  
19 COUNTY as provided in the Termination paragraph of this Agreement, and in conformity with the  
20 Privacy Rule.

21 a. This provision shall apply to PHI that is in the possession of subcontractors or agents of  
22 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  
25 infeasible, 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 Agreement to such PHI and limit further uses and  
28 disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as  
29 CONTRACTOR maintains such PHI.

30  
31 **III. COMPLIANCE**

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

35 1. ADMINISTRATOR shall ensure that CONTRACTOR is made aware of the relevant  
36 policies and procedures relating to ADMINISTRATOR'S Compliance Program.

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1 2. CONTRACTOR shall ensure that its employees, subcontractors, interns, volunteers, and  
2 members of Board of Directors or duly authorized agents, if appropriate, ("Covered Individuals")  
3 relative to this Agreement are made aware of ADMINISTRATOR'S Compliance Program and related  
4 policies and procedures.

5 3. CONTRACTOR has the option to adhere to ADMINISTRATOR'S Compliance Program or  
6 establish its own.

7 4. If CONTRACTOR elects to have its own Compliance Program then it shall submit a copy  
8 of its Compliance Program and relevant policies and procedures to ADMINISTRATOR within thirty  
9 (30) calendar days of award of this Agreement.

10 5. ADMINISTRATOR'S Compliance Officer shall determine if CONTRACTOR's  
11 Compliance Program is accepted. CONTRACTOR shall take necessary action to meet said standards or  
12 shall be asked to acknowledge and agree to the ADMINISTRATOR'S Compliance Program.

13 6. Upon approval of CONTRACTOR'S Compliance Program by ADMINISTRATOR'S  
14 Compliance Officer, CONTRACTOR shall ensure that its employees, subcontractors, interns,  
15 volunteers, and members of Board of Directors or duly authorized agents, if appropriate, ("Covered  
16 Individuals") relative to this Agreement are made aware of CONTRACTOR's Compliance Program and  
17 related policies and procedures.

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

22 B. CODE OF CONDUCT - ADMINISTRATOR has developed a Code of Conduct for adherence  
23 by ADMINISTRATOR'S employees and contract providers.

24 1. ADMINISTRATOR shall ensure that CONTRACTOR is made aware of  
25 ADMINISTRATOR'S Code of Conduct.

26 2. CONTRACTOR shall ensure that its employees, subcontractors, interns, volunteers, and  
27 members of Board of Directors or duly authorized agents, if appropriate, ("Covered Individuals")  
28 relative to this Agreement are made aware of ADMINISTRATOR'S Code of Conduct.

29 3. CONTRACTOR has the option to adhere to ADMINISTRATOR'S Code of Conduct or  
30 establish its own.

31 4. If CONTRACTOR elects to have its own Code of Conduct, then it shall submit a copy of  
32 its Code of Conduct to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement.

33 5. ADMINISTRATOR'S Compliance Officer shall determine if CONTRACTOR's Code of  
34 Conduct is accepted. CONTRACTOR shall take necessary action to meet said standards or shall be  
35 asked to acknowledge and agree to the ADMINISTRATOR'S Code of Conduct.

36 6. Upon approval of CONTRACTOR's Code of Conduct by ADMINISTRATOR,  
37 CONTRACTOR shall ensure that its employees, subcontractors, interns, volunteers, and members of

1 Board of Directors or duly authorized agents, if appropriate, ("Covered Individuals") relative to this  
2 Agreement are made aware of CONTRACTOR's Code of Conduct.

3 7. If CONTRACTOR elects to adhere to ADMINISTRATOR'S Code of Conduct then  
4 CONTRACTOR shall submit to ADMINISTRATOR a signed acknowledgement and agreement that  
5 CONTRACTOR shall comply with ADMINISTRATOR'S Code of Conduct.

6 8. Failure of CONTRACTOR to timely submit the acknowledgement of  
7 ADMINISTRATOR'S Code of Conduct shall constitute a material breach of this Agreement, and failure  
8 to cure such breach within sixty (60) calendar days of such notice from ADMINISTRATOR shall  
9 constitute grounds for termination of this Agreement as to the non-complying party.

10 C. COVERED INDIVIDUALS - CONTRACTOR shall screen all Covered Individuals employed  
11 or retained to provide services related to this Agreement to ensure that they are not designated as  
12 "Ineligible Persons," as defined hereunder. Screening shall be conducted against the General Services  
13 Administration's List of Parties Excluded from Federal Programs and the Health and Human  
14 Services/Office of Inspector General List of Excluded Individuals/Entities.

15 1. Ineligible Person shall be any individual or entity who:

16 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in the  
17 federal health care programs; or

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

21 2. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.  
22 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this  
23 Agreement.

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

30 4. Covered Individuals shall be required to disclose to CONTRACTOR immediately any  
31 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.  
32 CONTRACTOR shall notify ADMINISTRATOR immediately upon such disclosure.

33 5. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing  
34 federal and state funded health care services by contract with COUNTY in the event that they are  
35 currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency.  
36 If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,  
37 //

1 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY  
2 business operations related to this Agreement.

3 6. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or  
4 entity is currently excluded, suspended or debarred, or is identified as such after being sanction  
5 screened. Such individual or entity shall be immediately removed from participating in any activity  
6 associated with this AGREEMENT. ADMINISTRATOR will determine if any repayment is necessary  
7 from CONTRACTOR for services provided by ineligible person or individual.

8 **D. REIMBURSEMENT STANDARDS**

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

15 2. CONTRACTOR shall submit no false, fraudulent, inaccurate or fictitious claims for  
16 payment or reimbursement of any kind.

17 3. CONTRACTOR shall bill only for those eligible services actually rendered which are also  
18 fully documented. When such services are coded, CONTRACTOR shall use accurate billing codes to  
19 accurately describe the services provided and to ensure compliance with all billing and documentation  
20 requirements.

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

23 **E. COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance Training  
24 and Provider Compliance Training, where appropriate, available to Covered Individuals.**

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

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

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

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

34  
35 **IV. CONFIDENTIALITY**

36 **A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any  
37 audio and/or video recordings, in accordance with all applicable federal, state and county codes and**

1 regulations, including 42 USC 290dd-2 (Confidentiality of Records), as they now exist or may hereafter  
2 be amended or changed.

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

10  
11 **V. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

12 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without  
13 prior written consent of COUNTY; provided, however, obligations undertaken by CONTRACTOR  
14 pursuant to this Agreement may be carried out by means of subcontracts, provided such subcontracts are  
15 approved in advance, in writing by ADMINISTRATOR, meet the requirements of this Agreement as  
16 they relate to the service or activity under subcontract, and include any provisions that  
17 ADMINISTRATOR may require. No subcontract shall terminate or alter the responsibilities of  
18 CONTRACTOR to COUNTY pursuant to this Agreement. CONTRACTOR may not assign the rights  
19 hereunder, either in whole or in part, without the prior written consent of COUNTY.

20 B. For CONTRACTORS which are for-profit organizations, any change in the business structure,  
21 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of  
22 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a  
23 change in fifty percent (50%) or more of CONTRACTOR's directors at one time shall be deemed an  
24 assignment pursuant to this paragraph. Any attempted assignment or delegation in derogation of this  
25 paragraph shall be void.

26  
27 **VI. EMPLOYEE ELIGIBILITY VERIFICATION**

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

37 //

**VII. EXPENDITURE AND REVENUE REPORT**

A. No later than sixty (60) calendar days following termination of each Period of this Agreement, CONTRACTOR shall submit to ADMINISTRATOR, for informational purposes only, an Expenditure and Revenue Report for the preceding fiscal year, or portion thereof. Such report shall be prepared in accordance with the procedure that is provided by ADMINISTRATOR and generally accepted accounting principles.

B. CONTRACTOR may be required to submit Periodic Expenditure-Revenue Reports throughout the term of the Agreement.

**VIII. FACILITIES, PAYMENTS AND SERVICES**

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

**IX. INDEMNIFICATION AND INSURANCE**

A. CONTRACTOR agrees to indemnify, defend and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands, 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 CONTRACTOR pursuant to this Agreement. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

B. 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.

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

1 of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation,  
2 each party shall cooperate with the indemnifying party in its defense.

3 D. Without limiting CONTRACTOR's indemnification, CONTRACTOR warrants that it is self-  
4 insured or shall maintain in force at all times during the term of this Agreement, the policy or policies of  
5 insurance covering its operations placed with reputable insurance companies in amounts as specified on  
6 Page 3 of this Agreement. Upon request by ADMINISTRATOR, CONTRACTOR shall provide  
7 evidence of such insurance.

8 E. All insurance policies except Workers' Compensation and Employer's Liability, shall contain  
9 the following clauses:

10 1. "The County of Orange is included as an additional insured with respect to the operations  
11 of the named insured performed under contract with the County of Orange."

12 2. "It is agreed that any insurance maintained by the County of Orange shall apply in excess  
13 of, and not contribute with, insurance provided by this policy."

14 3. "This insurance shall not be cancelled, limited or non-renewed until after thirty (30)  
15 calendar days written notice has been given to Orange County HCA/ Medical & Institutional Health  
16 Services Operations, 405 West 5th Street, Suite 718, Santa Ana, CA 92701-4637."

17 F. Certificates of Insurance and endorsements evidencing the above coverages and clauses shall be  
18 mailed to COUNTY as referenced on Page 3 of this Agreement.

19 G. COUNTY warrants that it is self-insured or maintains policies of insurance placed with  
20 reputable insurance companies licensed to do business in the State of California which insures the perils  
21 of bodily injury, medical, professional liability, and property damage. Upon request by  
22 CONTRACTOR, COUNTY shall provide evidence of such insurance.

23  
24 **X. INSPECTIONS AND AUDITS**

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

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



1 C. AUDIT RESPONSE

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

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

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

18  
19 **XI. LICENSES AND LAW**

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

27 B. CONTRACTOR shall comply with all laws, rules or regulations applicable to the services  
28 provided hereunder, as any may now exist or be hereafter changed.

29 C. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

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

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

37 //

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

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

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

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

## 14 **XII. LITERATURE AND ADVERTISEMENTS**

15 A. Any written information or literature, including educational or promotional materials,  
16 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related  
17 to this Agreement must be approved in advance and in writing by ADMINISTRATOR before  
18 distribution. For the purposes of this Agreement, distribution of written materials shall include, but not  
19 be limited to, pamphlets, brochures, flyers, newspaper or magazine ads, and electronic media such as the  
20 Internet. Such information shall not imply endorsement by COUNTY, unless ADMINISTRATOR  
21 consents thereto in writing.

22 B. Any advertisement through radio, television broadcast, or the Internet, for educational or  
23 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this  
24 Agreement must be approved in advance and in writing by ADMINISTRATOR.

## 25 **XIII. NONDISCRIMINATION**

### 26 **A. EMPLOYMENT**

27 1. During the performance of this Agreement, CONTRACTOR shall not unlawfully  
28 discriminate against any employee or applicant for employment because of his/her ethnic group  
29 identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age (40 and  
30 over), sexual orientation, medical condition, or physical or mental disability. CONTRACTOR shall  
31 warrant that the evaluation and treatment of employees and applicants for employment are free from  
32 discrimination in the areas of employment, promotion, demotion or transfer; recruitment or recruitment  
33 advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training,  
34 including apprenticeship. There shall be posted in conspicuous places, available to employees and  
35 applicants for employment, notices from ADMINISTRATOR and/or the United States Equal  
36 Employment Opportunity Commission setting forth the provisions of the Equal Opportunity clause.  
37

1           2. All solicitations or advertisements for employees placed by or on behalf of  
2 CONTRACTOR shall state that all qualified applicants will receive consideration for employment  
3 without regard to ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,  
4 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability.  
5 Such requirement shall be deemed fulfilled by use of the phrase "an equal opportunity employer."

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

10          B. SERVICES, BENEFITS, AND FACILITIES - CONTRACTOR shall not discriminate in the  
11 provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of  
12 ethnic group identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age  
13 (40 and over), sexual orientation, medical condition, or physical or mental disability in accordance with  
14 Title IX of the Education Amendments of 1972; Title VI of the Civil Rights Act of 1964 (42 U.S.C.A.  
15 §2000d); the Age Discrimination Act of 1975 (42 U.S.C.A. §6101); and Title 9, Division 4, Chapter 6,  
16 Article 1 (§10800, et seq.) of the California Code of Regulations, and all other pertinent rules and  
17 regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all  
18 may now exist or be hereafter amended or changed.

19           1. For the purpose of this Subparagraph B., "discrimination" includes, but is not limited to the  
20 following based on one or more of the factors identified above:

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

30           2. Complaint Process - CONTRACTOR shall establish procedures for advising all clients  
31 through a written statement that CONTRACTOR's clients may file all complaints alleging  
32 discrimination in the delivery of services with CONTRACTOR, ADMINISTRATOR, or the U.S.  
33 Department of Health and Human Services' Office for Civil Rights. CONTRACTOR's statement shall  
34 advise clients of the following:

- 35           a. In those cases where the client's complaint is filed initially with the Office for Civil  
36 Rights (Office), the Office may proceed to investigate the client's complaint, or the Office may request  
37 COUNTY to conduct the investigation.

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

4 C. PERSONS WITH DISABILITIES - CONTRACTOR agrees to comply with the provisions of  
5 Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.A. 794 et seq., as implemented in 45 CFR 84.1  
6 et seq.), and the Americans with Disabilities Act of 1990 (42 U.S.C.A. 12101, et seq.), pertaining to the  
7 prohibition of discrimination against qualified persons with disabilities in all programs or activities, as  
8 they exist now or may be hereafter amended together with succeeding legislation.

9 D. RETALIATION - Neither CONTRACTOR, nor its employees or agents shall intimidate, coerce  
10 or take adverse action against any person for the purpose of interfering with rights secured by federal or  
11 state laws, or because such person has filed a complaint, certified, assisted or otherwise participated in  
12 an investigation, proceeding, hearing or any other activity undertaken to enforce rights secured by  
13 federal or state law.

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

18  
19 **XIV. NOTICES**

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

- 22 1. When written and deposited in the United States mail, first class postage prepaid and  
23 addressed as specified on Page 3 of this Agreement or as otherwise directed by ADMINISTRATOR;  
24 2. When faxed, transmission confirmed;  
25 3. When sent by electronic mail; or  
26 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel  
27 Service, or other expedited delivery service.

28 B. Termination Notices shall be addressed as specified on Page 3 of this Agreement or as  
29 otherwise directed by ADMINISTRATOR and shall be effective when faxed, transmission confirmed,  
30 or when accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other  
31 expedited delivery service.

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

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

**XV. RECORDS MANAGEMENT AND MAINTENANCE**

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

1. California Code of Regulation Title 22, §§70751(c), 71551(c), 73543(a), 74731(a), 75055(a), 75343(a), and 77143(a).

2. State of California, Health and Safety Code §123145.

3. 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).

B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards to ensure the privacy of protected health information (PHI) and prevent the intentional or unintentional use or disclosure of PHI in violation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), federal and state regulations and/or COUNTY HIPAA Policies (see COUNTY HIPAA P&P 1-2). CONTRACTOR shall mitigate to the extent practicable, the known harmful effect of any use or disclosure of protected health information made in violation of federal or state regulations and/or COUNTY policies.

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

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

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

F. CONTRACTOR shall be informed through this Agreement that HIPAA has broadened the definition of medical records and identified this new record set as a Designated Record Set (DRS). CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that clients, participants and patients be provided the right to access or receive a copy of their DRS and/or request addendum to their records. 45 CFR §164.501, defines DRS as a group of records maintained by or for a covered entity that is:

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

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

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

G. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and security of personally identifiable information (hereinafter "PII") and/or protected health information (hereinafter "PHI"). CONTRACTOR shall, immediately upon discovery of a breach of privacy and/or

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1 security of PII and/or PHI by CONTRACTOR, notify ADMINISTRATOR of such breach by telephone  
2 and email or facsimile.

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

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

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

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

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

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

21 N. CONTRACTOR shall notify ADMINISTRATOR of any Public Record Act (PRA) request  
22 within twenty-four (24) hours. CONTRACTOR shall provide ADMINISTRATOR all information that  
23 is requested by the PRA request.

24  
25 **XVI. SEVERABILITY**

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

31  
32 **XVII. STATUS OF CONTRACTOR**

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

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

7  
8 **XVIII. TERM**

9 The term of this Agreement shall commence and terminate as specified on Page 3 of this  
10 Agreement, unless otherwise sooner terminated as provided in this Agreement; provided, however,  
11 CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term,  
12 including but not limited to, obligations with respect to confidentiality, indemnification, audits,  
13 reporting and accounting.

14  
15 **XIX. TERMINATION**

16 A. Either party may terminate this Agreement, or any individual budgeted services specified in  
17 Exhibit A to this Agreement, without cause, upon sixty(60) calendar days written notice given the other  
18 party.

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

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

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

35 //  
36 //  
37 //

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

5 D. CONTINGENT FUNDING

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

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

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

11 2. In the event such funding is subsequently reduced or terminated, COUNTY may terminate  
12 or renegotiate this Agreement upon thirty (30) calendar days written notice given CONTRACTOR.

13 E. In the event this Agreement, or any individually budgeted services specified in Exhibit A to this  
14 Agreement, is terminated prior to the completion of the term, as specified on Page 3 of the Agreement,  
15 ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation of this Agreement in  
16 an amount consistent with the reduced term of the Agreement.

17 F. In the event this Agreement is terminated by either party, after receiving a Notice of  
18 Termination CONTRACTOR shall do the following:

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

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

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

26 4. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with  
27 their best interests.

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

30 6. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and  
31 supplies purchased with funds provided by COUNTY.

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



1 G. The rights and remedies of COUNTY with respect to termination of this Agreement due to a  
2 violation of the Health Insurance Portability and Accountability Act are as set forth in the Business  
3 Associate Terms and Conditions Paragraph of this Agreement and are in addition to the rights and  
4 remedies of COUNTY provided in this Termination paragraph.

5 H. The rights and remedies of COUNTY provided in this Termination paragraph shall not be  
6 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

7  
8 **XX. THIRD PARTY BENEFICIARY**

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

11  
12 **XXI. WAIVER OF DEFAULT OR BREACH**

13 Waiver of any default shall not be considered a waiver of any subsequent default. Waiver of any  
14 breach of any provision of this Agreement shall not be considered a waiver of any subsequent breach.  
15 Waiver of any default or any breach shall not be considered a modification of the terms of this  
16 Agreement.

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

3  
4  
5 ADVANCED MEDICAL MANAGEMENT, INC.

6  
7 DATE: July 22, 2010 DATE: JULY 22, 2010

8  
9 PRINTED NAME: Kathryn Hegstrom PRINTED NAME: PAUL J. PEW

10  
11 BY: K Hegstrom BY: [Signature]

12  
13 TITLE: President TITLE: EXECUTIVE VICE PRESIDENT

14  
15  
16 If Contractor is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President  
17 or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any  
18 Assistant Treasurer. If the Agreement is signed by one (1) authorized individual only, a copy of the corporate resolution or  
19 by-laws whereby the board of directors has empowered said authorized individual to act on its behalf by his or her signature  
20 alone is required.

21  
22  
23 COUNTY OF ORANGE  
24  
25 BY: \_\_\_\_\_  
26 CHAIR OF THE BOARD  
27 OF SUPERVISORS

SIGNED AND CERTIFIED THAT A COPY  
OF THIS DOCUMENT HAS BEEN  
DELIVERED TO THE CHAIR OF THE  
BOARD PER G.C. SEC. 25103, RESO 79-1535  
ATTEST:

28 BY: \_\_\_\_\_  
29 DARLENE J. BLOOM  
30 Clerk of the Board of Supervisors  
31 of Orange County, California

32 APPROVED AS TO FORM  
33 OFFICE OF THE COUNTY COUNSEL  
34 ORANGE COUNTY, CALIFORNIA

35  
36 BY: Christopher J. Miller DATED: 7/21/10  
37 DEPUTY

1 EXHIBIT A  
2 TO AGREEMENT FOR PROVISION OF PATIENT AND PROVIDER SUPPORT SERVICES  
3 FOR THE MEDICAL SERVICES INITIATIVE PROGRAM  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 ADVANCED MEDICAL MANAGEMENT, INC.  
8 SEPTEMBER 1, 2010 THROUGH AUGUST 31, 2013  
9

10 **I. DEFINITIONS**

11 A. "24/7" means twenty-four hours per day, seven days per week.

12 B. "Contracting Hospital" means a hospital that has executed a Hospital Services Agreement for  
13 the Medical Services Initiative Program Agreement with COUNTY.

14 C. "LVN" means Licensed Vocational Nurse, which is a licensed practical nurse in California or  
15 Texas.

16 D. "Medical Service(s)" means a medical service necessary to protect life, prevent significant  
17 disability, or prevent serious deterioration of health.

18 E. "MSI" means Medical Services Initiative Program.

19 F. "MSI Eligible" means in accordance with this Agreement, an adult legal resident between and  
20 including the ages of twenty-one (21) and sixty-four (64) years who lacks sufficient financial resources  
21 to pay for Medical Services, who does not meet federal linkage requirements for Medi-Cal Eligibility,  
22 and who completes the MSI Eligibility process and meets the eligibility standards set forth in Title 22 of  
23 the California Code of Regulations (Title 22) and as established by COUNTY and described in this  
24 Agreement.

25 G. "MSI Patient" means a person who is either MSI Eligible or MSI Pending.

26 H. "MSI Pending" means an adult legal resident between and including the ages of twenty-one  
27 (21) and sixty-four (64) years who lacks sufficient financial resources to pay for Medical Services, who  
28 does not meet federal linkage requirements for Medi-Cal Eligibility, and who has completed an MSI  
29 Eligibility application which has been submitted for approval.

30 I. "MSI Program" means all Medical Services, administrative services, and other services for  
31 which reimbursement is authorized by this Agreement and all other agreements for the MSI Program.

32 J. "Periodic" report or reports mean any listed report in the Reports Paragraph of this Agreement,  
33 or any report listed elsewhere in this Agreement, that shall be produced at intervals determined  
34 collaboratively between CONTRACTOR and ADMINISTRATOR with the final decision at  
35 ADMINISTRATOR'S discretion.

36 K. "Quarter" means a three (3) month period beginning September 1, December 1, March 1, or  
37 June 1, (e.g., Fourth Quarter means the period covering June, July, and August).

L. “Receiving Hospital” means a hospital that is designated by COUNTY to receive and admit MSI Eligibles requiring inpatient hospital services and who are transferred or diverted from a Referring Hospital.

M. “Referring Hospital” means a Contracting Hospital authorized by ADMINISTRATOR to request transfers or diversions of MSI Patients to a Receiving Hospital. Referring Hospitals shall cooperate with Receiving Hospitals in negotiating for reimbursement for MSI Pendants who do not subsequently become MSI Eligible or do not qualify for third party, primary or other insurance or any other third-party coverage.

N. “RN” means a Registered Nurse who is a graduate nurse that has passed a State of California board examination and has been registered and licensed to practice nursing.

O. “Specialized Receiving Hospital” means a Contracting Hospital that has identified specific services it can provide, is willing to accept additional MSI Eligibles requiring these specific services from other Contracting Hospitals, and has entered into a separate agreement with ADMINISTRATOR for the purpose of accepting said MSI Eligibles in accordance with Paragraph II.E of this Exhibit A to the Agreement. Said MSI Eligibles shall not be considered Transfer Patients.

P. “Temporary Eligibility (TE)” means the granting of MSI benefits by ADMINISTRATOR for thirty (30) calendar days. TE shall be granted only under the circumstances defined in the MSI Provider Manual, as it exists now or may be amended.

Q. “Utilization Management Department” or “UMD” means the COUNTY contracted staff responsible for the coordination of services as well as the concurrent and retrospective utilization review of the medical appropriateness, level of care, and utilization of all services provided to MSI Patients by All Providers per the current MSI Utilization Management Agreement.

**II. BUDGET AND PAYMENTS**

A. The following budget is set forth for informational purposes only, and may be adjusted by mutual agreement, in writing by CONTRACTOR and ADMINISTRATOR; provided the total of all payments shall not exceed the Maximum Obligation, as set forth on Page 3 of this Agreement.

1. MSI Program Costs:

<b>Services Description</b>	<b>Period One</b>	<b>Period Two</b>	<b>Period Three</b>
24/7 Nurse Advice Line	\$ 120,000	\$ 122,400	\$ 124,848
Utilization Management	\$ 679,199	\$ 692,783	\$ 706,639
Outpatient Care Management	\$ 1,016,610	\$ 1,036,943	\$ 1,057,682
Patient Education Services	\$ 413,615	\$ 421,888	\$ 430,326
Rx Prior Authorization	\$ 18,612	\$ 18,985	\$ 19,364
<b>Total</b>	<b>\$ 2,248,036</b>	<b>\$ 2,292,999</b>	<b>\$ 2,338,859</b>

B. As compensation to CONTRACTOR for the services described in this Exhibit A to the Agreement, COUNTY shall pay CONTRACTOR monthly, in arrears, in the amounts below; provided,

1 however, that the total of all payments to CONTRACTOR shall not exceed COUNTY'S Maximum  
2 Obligation for each period as specified on Page 3 of this Agreement.

- 3 1. \$187,337 for Period One
- 4 2. \$191,084 for Period Two
- 5 3. \$194,905 for Period Three

6 C. CONTRACTOR'S billings shall be on a form approved or provided by ADMINISTRATOR  
7 and provide such information as is required by ADMINISTRATOR. Billings are due on the tenth (10th)  
8 day of each month and COUNTY should release payments to CONTRACTOR no later than twenty-one  
9 (21) days after receipt of the correctly completed billing form.

10 D. All billings to COUNTY shall be supported, at CONTRACTOR'S facility, by source  
11 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statement,  
12 canceled checks, receipts, receiving records, and records of service provided.

13 E. ADMINISTRATOR may withhold or delay any payment due CONTRACTOR, if  
14 CONTRACTOR fails to comply with any provision of this Agreement.

15 F. CONTRACTOR shall not claim reimbursement for services provided beyond the expiration  
16 and/or termination of the Agreement, except as any otherwise be provided under this Agreement.

### 17 18 **III. SERVICES**

19 A. MSI 24/7 NURSE ADVICE LINE – CONTRACTOR shall create and implement a toll-free,  
20 multilingual MSI 24/7 Nurse Advice Line for MSI Eligible patients.

21 1. The MSI 24/7 Nurse Advice Line shall be staffed with licensed registered nurses (RNs).  
22 CONTRACTOR may use licensed vocational nurses (LVNs), as long as access to an RN is available at  
23 all times to support the LVN. Additionally, Supervising Care Coordinators, Care Coordinators, and  
24 Patient Educators may staff the 24/7 Nurse Advice Line after regular working hours (regular working  
25 hours are 8:00 A.M. to 5:00 P.M. Monday through Friday), on weekends, and holidays; provided,  
26 however, that all calls related to clinical issues shall be referred to an RN or LVN.

27 2. CONTRACTOR shall provide the following services, including but not limited to:

- 28 a. Telephone triage of medical issues
- 29 b. Medical care referrals
- 30 c. Answers to general medical questions
- 31 d. Referral to and/or assistance with administrative processes

32 B. UTILIZATION MANAGEMENT SERVICES – CONTRACTOR shall use nationally  
33 recognized evidence-based guidelines, to provide the following Utilization Management Services to  
34 MSI patients and providers.

35 1. CONTRACTOR shall maintain an MSI Database for patient tracking and medical  
36 histories for all MSI Patients. CONTRACTOR, acting as COUNTY's fiscal intermediary for the  
37 MSI Program may use any electronic data necessary for the development of the MSI Database.

- 1           2. In consultation with the Contracting Hospital's, Receiving Hospital's, or Specialized  
2 Receiving Hospital's utilization manager, coordination of one or more of the following, as appropriate:  
3           a. Authorization and arrangement for hospital inpatient services for MSI Patients.  
4           b. Transfers from MSI Patient's Referring Hospitals to Receiving Hospitals, Specialized  
5 Receiving Hospitals, or a facility outside the County of Orange. These services must be available 24/7.  
6           c. Facilitate obtaining Temporary Eligibility for certain patients to facilitate inpatient  
7 transfers and hospital discharge planning as appropriate.  
8           d. Authorization and arrangement of skilled nursing facility (SNF) services.  
9           e. Authorization and arrangement for home health care services.  
10          f. Authorization and arrangement for durable medical equipment (DME).  
11          g. Access to specialty network services for transition to outpatient settings.  
12          h. Authorization of certain diagnostic tests and specialty diagnostic services.  
13          i. Issuing an authorization/tracking number for each case. Authorization will be used by  
14 CONTRACTOR for the purpose of appropriate billing and payment.  
15          j. Authorization and management of non-formulary medications administered in a  
16 provider's office.

17           3. CONTRACTOR shall receive requests from MSI Patient's Primary Care Physician or  
18 Medical Home Provider requesting authorization for specialty outpatient services. CONTRACTOR  
19 shall provide authorization of outpatient services as follows:

- 20           a. Coordination of requests for urgent referrals within seventy-two (72) hours or three  
21 business days. Determination of the level of urgency shall be at CONTRACTOR'S discretion using  
22 Milliman Care Guidelines, as it now exists or may hereafter be changed.  
23           b. Coordination of requests for non-urgent referrals within five (5) business days.  
24 Determination of the level of urgency shall be at CONTRACTOR'S discretion using Milliman Care  
25 Guidelines, as it now exists or may hereafter be changed.  
26           c. Should any of the aforementioned time periods fall on a weekend or a holiday, the  
27 referral shall be completed by close of business on the next business day.  
28           d. Provision of retrospective authorization requests (exclude any and all inpatient and  
29 anesthesia reviews for outpatient and ambulatory services only).  
30           e. Provision of concurrent reviews for all services not at primary care level.

31           4. Approve or deny inpatient and outpatient services based on clinical documentation as  
32 supplied by Contracting Hospital or other MSI services provider. Said approval or denial shall be  
33 determined by utilizing evidence-based Milliman Care Guidelines, as it now exists or may hereafter be  
34 changed.

35           5. For all services requiring CONTRACTOR'S prior authorization, CONTRACTOR shall  
36 use its best efforts to only authorize Medical Services that are within the MSI scope of benefits.

37 //

1 a. CONTRACTOR may be subject to disallowances for payments made for Medical  
2 Services outside the MSI scope of benefits authorized by CONTRACTOR and not otherwise approved,  
3 in advance, by ADMINISTRATOR and the MSI Program's Medical Director. Such approvals are  
4 anticipated to be infrequent.

5 b. At ADMINISTRATOR'S sole discretion, ADMINISTRATOR and the MSI Program's  
6 Medical Director, or the Medical Review Committee may make a retroactive approval of an authorized  
7 service that would otherwise be considered out of scope of benefits. Such approvals are anticipated to  
8 be infrequent.

9 c. Approval by ADMINISTRATOR and the MSI Program's Medical Director of any out  
10 of scope service shall not be considered approval of any subsequent out of scope service, including, but  
11 not limited to a subsequent request for service which may have been approved previously by  
12 ADMINISTRATOR and the MSI Program's Medical Director, or the Medical Review Committee.

13 C. OUTPATIENT CARE MANAGEMENT – CONTRACTOR shall provide an outpatient care  
14 management program for MSI Eligibles as designated by ADMINISTRATOR.

15 1. ADMINISTRATOR shall work collaboratively with CONTRACTOR to evaluate the  
16 criteria used in assigning qualified MSI Eligibles to Level 1, Level 2, or Level 3 for enrollment in the  
17 Outpatient Care Management Program.

18 a. Persons enrolled in Level 3 shall have diagnoses, conditions, or medical utilization  
19 history that meets enrollment for the criteria specified in Subparagraph III.C.2. below and also have a  
20 complex or high acuity medical condition and a demonstrated history of non-compliance with  
21 prescribed treatment plans.

22 b. Persons enrolled in Level 2 shall have diagnoses, conditions, or medical utilization  
23 history that meets the criteria specified in Subparagraph III.C.2 below.

24 c. Level 1 enrollment shall be for those MSI Eligibles who have been identified by  
25 ADMINISTRATOR and CONTRACTOR as potential candidates for either Level 2 or Level 3  
26 enrollment and who require further assessment.

27 2. Enrollment criteria shall include, but not be limited to, those MSI Patients who:

28 a. Have one more of the following diagnoses:

29 1) Asthma

30 2) Congestive Heart Failure (CHF)

31 3) Diabetes

32 4) Hypertension

33 5) Chronic Pain

34 6) Other diagnoses as mutually agreed upon by CONTRACTOR and  
35 ADMINISTRATOR.

36 b. Or have one or more of the following qualifying conditions:

37 //

1                   1) COUNTY referred patients with a high recidivism rate which is defined as having  
2 two (2) or more inpatient hospitalizations or six (6) or more hospital emergency department visits in the  
3 preceding three (3) months.

4                   2) COUNTY referred patients with a catastrophic diagnosis and/or condition that  
5 severely limits or impairs one or more Activities of Daily Living (ADL's) such as: preparing meals,  
6 managing money, performing housework, etc.

7                   3) COUNTY referred MSI Patients who have inadequate family or community  
8 support including inappropriate or enabling support. COUNTY and CONTRACTOR acknowledge that  
9 interventions may be made by a nonclinical employee of CONTRACTOR with clinical staff assisting as  
10 necessary.

11                   4) COUNTY referred patients with eight (8) or more prescriptions within a thirty (30)  
12 day period, excluding diabetic supplies.

13                   5) COUNTY referred patients with special healthcare needs which may include, but  
14 are not limited to, the following:

15                   a) Limited mobility or mobility issues

16                   b) Oxygen dependency

17                   c) Any condition requiring continuous specialized durable medical equipment

18                   3. COUNTY and CONTRACTOR mutually agree to enroll not less than 700 and not more  
19 than 1,000 MSI Patients in the Outpatient Care Management program to be apportioned between Level  
20 1, Level 2, and Level 3 enrollment.

21                   a. CONTRACTOR shall provide a minimum of ten (10) care management  
22 interventions/interactions per Quarter, as described in Subparagraph III.4. below based on a group  
23 average for Level 3 MSI Eligibles. Due to the complex and higher acuity medical condition, required  
24 assessment and resulting care plan, CONTRACTOR shall use its best efforts to provide the necessary  
25 number of interventions during each Quarter to fulfill care coordination activities and the goals set forth  
26 in the patient's care plan and shall document all attempts to contact the MSI Eligible, including those  
27 that are unsuccessful, in the individual care plan.

28                   b. CONTRACTOR shall provide a minimum of three (3) care management  
29 interventions/interactions per Quarter, as described in Subparagraph III.4. below, based on a group  
30 average for Level 2 MSI Eligibles. Due to the medical condition, required assessment and resulting care  
31 plan, CONTRACTOR shall use its best efforts to provide the necessary number of interventions during  
32 each Quarter to fulfill care coordination activities and the goals set forth in the patient's care plan and  
33 shall document all attempts to contact the MSI Eligible, including those that are unsuccessful, in the  
34 individual care plan.

35                   c. Immediately following identification of qualifying MSI Eligibles by  
36 ADMINISTRATOR, CONTRACTOR shall:

37                   1) Load patient data into a care management system as a Level 1 patient.



- 1 2) Establish initial communication with each MSI Eligible.
- 2 3) Develop a care management treatment plan for each patient delineating treatment
- 3 goals.
- 4 4) Research each MSI Eligible's historical utilization of medical services.
- 5 5) Make an assessment as to the MSI Patient's appropriateness for enrollment, and if
- 6 appropriate, assign as a Level 2 or Level 3.

- 7 4. Patient intervention shall include, but not be limited to, the following activities:
- 8 a. Direct communication with MSI Eligibles
- 9 b. Communication with pharmacy on behalf of MSI Eligibles.
- 10 c. Communication with MSI Utilization Management Department regarding MSI Eligible
- 11 treatment and transitions to higher or lower levels of care as appropriate.
- 12 d. Facilitation of specialty provider referrals for MSI Eligibles.
- 13 e. Communication with MSI Eligible's family members/caregivers.
- 14 f. Communication with MSI Eligible's physician or clinic provider.
- 15 g. Facilitating communications between MSI Eligible and a provider.
- 16 h. Providing referrals to non-medical services (e.g. housing, transportation, etc.)
- 17 i. Providing referrals to Medi-Cal (Cal-Optima) when appropriate.
- 18 j. Admit alert notification follow-up.
- 19 k. Database research and assessment.
- 20 l. Medical Director intervention specific to an MSI Eligible.
- 21 5. For both Level 2 and Level 3 enrollees – CONTRACTOR shall:
- 22 a. Manage each MSI Eligible's Care management plan.
- 23 b. Incorporate clinical, social, and nutritional elements into the Care management plan, as
- 24 called for and determined by Care Manager.
- 25 c. Oversee the ongoing physician interaction and facilitate the delivery of care when
- 26 needed and/or appropriate.
- 27 d. Monitor the MSI Eligible's clinical indicators if made available to CONTRACTOR.

28 6. CONTRACTOR will provide ADMINISTRATOR with access to electronic Care  
29 management information systems, as they become available, for purposes of evaluating Care  
30 management processes and services provided to MSI Eligibles.

31 D. PATIENT EDUCATION – CONTRACTOR shall provide an MSI Patient Education Program  
32 targeting new MSI Eligibles:

- 33 1. CONTRACTOR shall be responsible to ensure the daily data/notification feed is received
- 34 from COUNTY'S MSI Electronic Eligibility System.
- 35 2. CONTRACTOR shall prepare new member information packets to new MSI Eligibles and
- 36 delivering said packets to COUNTY for mailing.

37 //

1 3. Conduct telephonic outreach efforts to new eligible MSI Eligibles and reinstated MSI  
2 Patients, within a time period as determined by ADMINISTRATOR.

3 4. Educate MSI Patients on MSI scope of services.

4 5. Provide a MSI Information telephone number for MSI Patients.

5 6. Provide assistance with MSI service provider and MSI patient surveys, as determined by  
6 ADMINISTRATOR.

7 7. Answer general questions about the MSI Program.

8 8. Educate MSI patients about program benefits, rules, coverage, and procedures.

9 9. Assist patients with choosing or changing their Medical Home/Primary Care Physician  
10 assignment.

11 10. CONTRACTOR and ADMINISTRATOR may mutually agree in writing, to modify the  
12 Patient Education Services, including, but not limited to, re-evaluation of specified performance  
13 measures in consideration of additional or substituted patient education services requested. Further,  
14 COUNTY and CONTRACTOR agree that ADMINISTRATOR may direct, in writing, CONTRACTOR  
15 to perform specific patient education duties related to Coverage Initiative implementation that these  
16 duties may temporarily impact CONTRACTOR'S ability to perform the duties described above.

17 E. PHARMACY PRIOR AUTHORIZATION – CONTRACTOR shall be responsible for prior-  
18 authorization of non-formulary medications for the MSI Program.

19 1. Requests from Providers for consideration of non-formulary medications shall be sent to  
20 CONTRACTOR along with a copy of the MSI Patient's medical record. CONTRACTOR shall review  
21 the chart for medical necessity and, if the requested non-formulary medication is approved, shall  
22 enter into the MSI Program's database with its Pharmacy Benefits Manager and override the system to  
23 allow for coverage of the medication for that specific client/instance.

24 2. CONTRACTOR shall not deny a non-formulary request without presenting it to the MSI  
25 Medical Director.

26 3. CONTRACTOR shall provide staff who, at a minimum, meet the qualifications for a  
27 licensed nurse.

28 F. MSI MEDICAL REVIEW COMMITTEE – CONTRACTOR shall send representatives to  
29 attend the monthly MSI Medical Review Committee meeting.

30 G. The parties agree that costs associated with services provided in accordance with this  
31 Agreement may be claimed by COUNTY to Department of Health Care Services (DHCS) for Coverage  
32 Initiative Administrative Activities.

33 1. Costs associated with utilization and care management services, 24/7, Nurse Advice Line  
34 and Pharmacy Prior Authorization services shall be claimed for CONTRACTOR'S activities related to  
35 providing care and case management to persons in the MSI Program.

36 2. Costs associated with Patient Education services shall be claimed for CONTRACTOR'S  
37 activities related to MSI Program outreach to persons in the MSI Program.

3. COUNTY and CONTRACTOR acknowledge that not all persons enrolled in the MSI Program are claimable under Coverage Initiative rules and guidelines and that CONTRACTOR is not able to make this determination during the course of providing services. Therefore, any claiming of CONTRACTOR'S eligible costs by COUNTY to DHCS for Coverage Initiative Administrative Activities shall be adjusted proportionately by the percentage of enrollees claimable under Coverage Initiative rules and guidelines to the total number of persons enrolled in the MSI Program. For example, if the total number of enrollees claimable under Coverage Initiative rules and guidelines is eighty percent (80%) of the total of the total number of persons enrolled in the MSI Program, COUNTY shall only claim eighty percent (80%) of CONTRACTOR'S eligible costs to DHCS for Coverage Initiative Administrative Activities.

#### IV. STAFFING

A. CONTRACTOR shall provide the following minimum level of staffing, expressed in Full-Time Equivalents (FTE), for each service area. One FTE which shall be equal to an average of forty (40) hours worked per week.

Positions	24/7 Nurse Line	Utilization Mgmt.	Outpatient Care Mgmt.	Patient Education Services	Pharmacy Prior Auth.	Total
Supervising RN	.60	2.00	1.00			3.60
LVN	.60	4.00	5.00		.30	9.90
Care Coordinator	.30	6.00	4.00			10.30
Supervising Patient Educator				1.00		1.00
Patient Educator				5.00		5.00
Pharmacy Authorization Coordinator					1.00	1.00
Total	1.50	12.00	10.00	6.00	1.30	30.80

B. The levels of staffing may be modified, in writing, by mutual consent of CONTRACTOR and ADMINISTRATOR. Staffing levels for the 24/7 Nurse Advice Line, listed in this paragraph IV.A. are designated for after-hours (i.e. evenings after 5p.m., weekends, and holidays) coverage.

C. Supervising RNs and LVNs, listed in Subparagraph IV.A. above, may be utilized interchangeably, as long as the LVNs used interchangeably for the RNs have specific, documentable, and relevant experience.

D. CONTRACTOR may adjust levels of staffing between services so as to maximize cross training opportunities, cover short term vacancies, and ensure staffing and operational efficiencies overall.

//

1 E. No later than September 30, 2010, CONTRACTOR shall provide COUNTY with a current  
2 organizational chart, listing all employees, by name, and any applicable licensure. Further,  
3 CONTRACTOR agrees to notify COUNTY of any significant changes in organizational structure.  
4 Such changes shall include, but not be limited to: addition of new positions, changes in reporting  
5 relations, and internal reorganizations.

6 F. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours,  
7 of any staffing vacancies that occur during the term of this Agreement.

8 G. CONTRACTOR shall make its best efforts to provide services pursuant to this Agreement in a  
9 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR  
10 shall maintain documentation of such efforts which may include, but not be limited to: records of  
11 participation in COUNTY-sponsored or other applicable training; recruitment and hiring policies and  
12 procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of  
13 measures taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

14 H. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,  
15 with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of  
16 this Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used  
17 to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian  
18 institution, or religious belief.

## 19 20 **V. REPORTS**

21 A. 24/7 NURSE ADVICE LINE – CONTRACTOR shall collect, compile, and report descriptive  
22 information for calls to the 24/7 Nurse Advice Line monthly to ADMINISTRATOR. Collected data  
23 shall be reported in a Microsoft Excel compatible format and shall include, but not be limited to the  
24 following:

- 25 1. Characteristics of calls including:
  - 26 a. Count of calls.
  - 27 b. Average time to answer.
  - 28 c. Average time per call.
  - 29 d. Call abandonment rate, if applicable.
  - 30 e. Administrative concern or medical concern,
- 31 2. Classification of administrative calls by type. (e.g. member service referral, program rules,  
32 benefits, etc.)
- 33 3. Classification of medical calls by type. (e.g. musculoskeletal, respiratory, gastrointestinal,  
34 dental, prescriptions, etc.)
- 35 4. Redirection of Care Data
  - 36 a. Total number of redirects where the caller's initial intent has an associated cost.
  - 37 b. Total number of redirects to a lower level of care.

- c. Total number of redirects to same level of care.
- d. Total number of redirects to a higher level of care.
- e. Final outcome of calls where initial intent was an emergency department visit and proportion of these calls diverted to a lower level of care.

B. UTILIZATION MANAGEMENT - CONTRACTOR shall collect, compile, preserve, and report the following information and data in a Microsoft Excel compatible electronic format for the purpose of evaluating the impact of CONTRACTOR'S services on those being served under the terms of this Agreement. Monthly Utilization Management Data reporting shall include the following:

1. INPATIENT CENSUS DATA - CONTRACTOR shall collect, compile, and report descriptive information for all inpatient hospitalizations. ADMINISTRATOR shall ensure that COUNTY'S vendor forwards, on a daily basis, to CONTRACTOR, an electronic inpatient census data feed, if available. Collected data shall include, at minimum, the following:

- a. Patient Name, date of birth, and MSI identification number.
- b. Name of admitting provider and specialty providers involved.
- c. Date of admission and date of discharge.
- d. Authorized hospital days vs. actual length of stay.
- e. Diagnoses.
- f. Date notification of admission received by CONTRACTOR vs. date of actual admission.
- g. Status of transfer to MSI Receiving Hospital/Specialty Receiving Hospital (if applicable)
- h. Number of inpatient referrals by type:
  - 1) Prospective
  - 2) Concurrent
  - 3) Retrospective
  - 4) Pending review with reason (clinical documentation, medical director review)
  - 5) Denied
  - 6) Subauthorization

2. OUTPATIENT CENSUS DATA - Reports to be provided for Outpatient Medical Referrals by CONTRACTOR to ADMINISTRATOR shall include, but not be limited to the following:

- a. Total number of referrals by month and year-to-date
- b. Name of physician and/or facility referred from/to with provider identified by License Number or National Provider Number (NPI)
- c. Date of referral
- d. Type of referral (specialty physician, DME, home health care, SNF, outpatient, diagnostic imaging, etc.)
- e. Number of specialty referrals (pending and completed, and time to completion)

- 1 f. Reason for pending referrals (provider problem or patient problem)
- 2 g. Number of specialty referrals by type:
  - 3 1) Prospective
  - 4 2) Concurrent
  - 5 3) Retrospective
  - 6 4) Pending review with reason (clinical documentation, medical director review, etc.)
  - 7 5) Denied
  - 8 6) Subauthorization

9 C. OUTPATIENT CARE MANAGEMENT - Reports to be provided by CONTRACTOR to  
10 ADMINISTRATOR shall include, but not be limited to the following:

11 1. Periodic programmatic reports, submitted with the CONTRACTOR'S billings, which shall  
12 include, at a minimum, the number of care managed MSI Eligibles served, units of service provided, and  
13 staff hours worked.

14 2. Periodic programmatic reports, which shall be submitted on forms provided or approved by  
15 ADMINISTRATOR, and shall include, but not limited to: current Care Management caseload per FTE,  
16 changes in populations served and reasons for any such changes; client demographics including sex,  
17 age, race, and ethnicity; and service categories by source of reimbursement.

18 3. CONTRACTOR shall compile and keep a Care Management Monthly Encounter Report for  
19 each MSI Eligible served. The Care Management Monthly Encounter Report shall include, at a  
20 minimum, the following data:

- 21 a. Date of encounter
- 22 b. MSI member identification number
- 23 c. Patient name
- 24 d. Start and end date (if applicable) in case management program
- 25 e. Reason for disenrollment (if applicable)
- 26 f. Diagnosis
- 27 g. Mental health status
- 28 h. Substance abuse history
- 29 i. Current update on patient condition
- 30 j. Intervention/contacts made: including total number, type of encounter (telephone,  
31 written, e-mail); length of time for each intervention, and outcome of encounter.
- 32 k. Treatment plan goals
- 33 l. Patient compliance with treatment regimen

34 4. CASE CLOSURE FILE – CONTRACTOR shall compile and keep a Case Closure record  
35 for each MSI Eligible served. The Case Closure File shall include the following data:

- 36 a. Date of disenrollment from Outpatient Care Management Program.
- 37 b. Reason for disenrollment which may include, but not be limited to, the following:

- 1) Termination of MSI eligibility.
  - 2) Achievement of maximum health or functional status.
  - 3) Inability to contact member.
  - 4) Patient refusal of enrollment or participation (non-compliance).
5. Periodic Care Management Progress Report, which shall be submitted on forms provided or approved by ADMINISTRATOR, and shall include, but not limited to:
- a. Patient perception of condition (improved, worsened, or no change).
  - b. Patient short-term goals
  - c. Patient long-term goals
  - d. Patients compliance level based on care manager's perceived rating scale
6. Periodic Cost Benefit Analysis Report, which shall be submitted on forms provided or approved by ADMINISTRATOR, and shall include, but not limited to:
- a. A brief narrative of the care management interactions deployed
  - b. Case management fees
  - c. Avoided charges, potential charges, and reductions in services, products, and/or equipment
  - d. Actual Charge
  - e. Net Savings (gross savings minus care management fees)
7. Death of patient.
8. POPULATION SUMMARY - CONTRACTOR shall provide a Periodic Population Summary to ADMINISTRATOR with aggregate data for all MSI Eligible served. The Periodic Population Summary shall include the following data:
- a. Total number of MSI Eligibles enrolled in case management by Level.
  - b. Total number of MSI Eligibles enrolled in case management by diagnosis.
  - c. Total number patient interventions for the month.
- D. PATIENT EDUCATION - Reports to be provided by CONTRACTOR to ADMINISTRATOR shall include, but not be limited to the following:
1. Periodic programmatic reports, submitted with the CONTRACTOR'S billings, which shall include, at a minimum, the number of clients served, units of service provided and staff hours worked.
  2. Periodic reports on:
    - a. Patient Contact Statistics (Outbound Calls)
    - b. Patient inbound call statistics
    - c. Received patient handbook statistics
    - d. Primary care physician/medical home selected
    - e. Primary care physician/medical home selection assistance
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- 37 //

1 E. PHARMACY PRIOR AUTHORIZATION - Reports to be provided in a Microsoft Excel  
2 compatible electronic format by CONTRACTOR to ADMINISTRATOR shall include, but not be  
3 limited to the following monthly reports:

- 4 1. CONTRACTOR'S Periodic Authorization Volume by Reason Report
- 5 2. CONTRACTOR'S Case Turnaround Report
- 6 3. MSI's Authorization Criteria
- 7 4. CONTRACTOR research of history for Medical Director review
- 8 5. CONTRACTOR entry of Medical Director approval into the PBM System
- 9 6. Ingenix Drug Information report

10 F. SPECIALTY PHYSICIAN REFERRALS - CONTRACTOR shall collect, compile, and report  
11 descriptive information for all Specialty Physician Referrals performed by CONTRACTOR. Collected  
12 data shall include, at minimum, the following:

- 13 1. Total number of referrals by month, and by year-to-date
- 14 2. Name of physician and facility referred to
- 15 3. Date of referral
- 16 4. Type of referral
- 17 5. Number of specialty referrals, completed and uncompleted
- 18 6. Difference between authorization of referral and completion by patient
- 19 7. Reasons for uncompleted referrals. (provider problem or patient problem)

20 G. Data reporting from the MSI database for which format and frequency shall be mutually agreed  
21 upon by CONTRACTOR and ADMINISTRATOR. CONTRACTOR understands that such reports  
22 may be standard reports or customized reports as needed by ADMINISTRATOR. Reports to be  
23 provided by CONTRACTOR to ADMINISTRATOR shall include, but not be limited to the following:

- 24 1. Periodic programmatic reports, submitted with the CONTRACTOR'S billings, which shall  
25 include, at a minimum, the number of MSI Eligibles served, units of service provided and staff hours  
26 worked.
- 27 2. Periodic programmatic reports, which shall be submitted on forms provided or approved  
28 by ADMINISTRATOR, and shall include, but not be limited to: current caseload per FTE, changes in  
29 populations served and reasons for any such changes; client demographics including sex, age, race, and  
30 ethnicity; and service categories by source of reimbursement.

31 H. CONTRACTOR shall submit, on forms provided or approved by ADMINISTRATOR,  
32 financial and/or programmatic reports as requested by ADMINISTRATOR concerning  
33 CONTRACTOR'S activities as they relate to this Agreement. ADMINISTRATOR will be specific as  
34 to the nature of the information requested, provide examples to CONTRACTOR as necessary, and  
35 allow thirty (30) calendar days for CONTRACTOR to respond.

36 I. CONTRACTOR shall provide Periodic staffing reports to ADMINISTRATOR which shall  
37 include, at a minimum, position, name of employee, bilingual abilities, and services(s) assigned.



1 J. ADDITIONAL REPORTS – Upon ADMINISTRATOR’S request, CONTRACTOR shall  
2 make such additional reports as required by ADMINISTRATOR concerning CONTRACTOR’S  
3 activities as they affect services hereunder. ADMINISTRATOR will be specific as to the nature of the  
4 information requested, provide examples to CONTRACTOR as necessary, and allow thirty (30)  
5 calendar days for CONTRACTOR to respond. COUNTY and CONTRACTOR mutually agree that  
6 reports containing easily compiled data or simple requests regarding CONTRACTOR'S operations  
7 shall not be considered Additional Reports for the purposes of this paragraph. ADMINISTRATOR and  
8 CONTRACTOR shall mutually agree, in advance, on any cost associated with these Additional  
9 Reports, if applicable.

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