

1 FIRST AMENDMENT TO AGREEMENT FOR PROVISION OF
 2 SUBSTANCE USE DISORDER RESIDENTIAL OPIATE TREATMENT SERVICES
 3 BETWEEN
 4 COUNTY OF ORANGE
 5 AND
 6 STRAIGHT TALK CLINIC, INC.
 7 JULY 1, 2017 THROUGH JUNE 30, 2019

8
 9 THIS FIRST AMENDMENT TO AGREEMENT entered into this 1st day of ~~July 2017~~
 10 October 2018 (effective date), is by and between the COUNTY OF ORANGE, a political subdivision of
 11 the State of California (COUNTY) and STRAIGHT TALK CLINIC, INC. a California Non-Profit
 12 Corporation (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein
 13 individually as “Party” or collectively as “Parties.” This First Amendment, and the original Agreement
 14 shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

15
16 **W I T N E S S E T H:**

17
18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Substance Use
19 Disorder Residential Opiate Treatment Services described herein to the residents of Orange County; and

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

22
23 WHEREAS, on April 25, 2017, the COUNTY authorized an Agreement with CONTRACTOR for
24 the provision of Substance Use Disorder Residential Opiate Treatment Services for the period of July 1,
25 2017 through June 30, 2019; and

26
27 WHEREAS, on April 25, 2017, the Board of Supervisors authorized ADMINISTRATOR to
28 increase the Agreement Maximum Obligation by an amount not to exceed 10% of the Period One
29 funding for the Agreement; and

30
31 WHEREAS, on October 1, 2018, ADMINISTRATOR authorized an increase of the Agreement
32 amount by \$343,484 revising the Maximum Obligation for Period Two, from \$205,276 to \$548,760, for
33 a revised Total Aggregate Maximum Obligation of \$754,036; and

34
35 WHEREAS, CONTRACTOR desires to accept the additional terms and agrees to provide increased
36 or additional services pursuant to the terms and conditions of the original Agreement and scope of work;

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1 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
2 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2017 through June 30, 2019

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

Period Two means the period from July 1, 2018 through June 30, 2019

Aggregate Maximum Obligation:

Period One Aggregate Maximum Obligation:	\$205,276
Period Two Aggregate Maximum Obligation:	\$205,276
TOTAL AGGREGATE MAXIMUM OBLIGATION:	\$410,552
Period One Aggregate Maximum Obligation:	\$205,276
Period Two Aggregate Maximum Obligation:	\$548,760
TOTAL AGGREGATE MAXIMUM OBLIGATION:	\$754,036

Basis for Reimbursement: Actual Cost

Payment Method: Monthly In Arrears

CONTRACTOR DUNS Number: 09-609-7514

CONTRACTOR TAX ID Number: 23-7314097

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: ~~Kathy Walker~~
~~Straight Talk Clinic, Inc.~~
~~5712 Camp Street~~
~~Cypress, CA 90630~~
~~kathyw@straighttalkcounseling.org~~
~~Straight Talk Clinic, Inc.~~
~~5712 Camp Street~~
~~Cypress, CA 90630~~

1 Janine Schroth, Executive Director
2 Email: jschroth@straighttalkcounseling.org
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I. ACRONYMS

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

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

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

1 BR. USC United States Code
 2 BS. WIC State of California Welfare and Institutions Code
 3

4 **II. ALTERATION OF TERMS**

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

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

12 **III. ASSIGNMENT OF DEBTS**

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

21 **IV. COMPLIANCE**

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

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

29 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
 30 Compliance Program, Code of Conduct and any Compliance related policies and procedures.
 31 CONTRACTOR's Compliance Program, Code of Conduct and any related policies and procedures shall
 32 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required
 33 elements by ADMINISTRATOR's Compliance Officer as described in this Paragraph IV
 34 (COMPLIANCE). These elements include:

- 35 a. Designation of a Compliance Officer and/or compliance staff.
- 36 b. Written standards, policies and/or procedures.
- 37 c. Compliance related training and/or education program and proof of completion.

- d. Communication methods for reporting concerns to the Compliance Officer.
- e. Methodology for conducting internal monitoring and auditing.
- f. Methodology for detecting and correcting offenses.
- g. Methodology/Procedure for enforcing disciplinary standards.

3. If CONTRACTOR does not provide proof of its own Compliance program to ADMINISTRATOR, CONTRACTOR shall acknowledge to comply with ADMINISTRATOR's Compliance Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement a signed acknowledgement that CONTRACTOR shall comply with ADMINISTRATOR's Compliance Program and Code of Conduct.

4. If CONTRACTOR elects to have its own Compliance Program, Code of Conduct and any Compliance related policies and procedures review by ADMINISTRATOR, then CONTRACTOR shall submit a copy of its compliance Program, code of Conduct and all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement. ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not exceed forty five (45) calendar days, and determine if CONTRACTOR's proposed compliance program and code of conduct contain all required elements to the ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

5. Upon written confirmation from ADMINISTRATOR's Compliance Officer that the CONTRACTOR's compliance program, code of conduct and any Compliance related policies and procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of CONTRACTOR's compliance program, code of conduct, related policies and procedures and contact information for the ADMINISTRATOR's Compliance Program.

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

1. For purposes of this Paragraph IV (COMPLIANCE), Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide

1 health care items or services or who perform billing or coding functions on behalf of
2 ADMINISTRATOR. Notwithstanding the above, this term does not include part-time or per-diem
3 employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to
4 work more than one hundred sixty (160) hours per year; except that any such individuals shall become
5 Covered Individuals at the point when they work more than one hundred sixty (160) hours during the
6 calendar year. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are
7 made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and
8 procedures (or CONTRACTOR's own compliance program, code of conduct and related policies and
9 procedures if CONTRACTOR has elected to use its own).

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

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

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

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

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

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

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

36 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
37 entity is currently excluded, suspended or debarred, or is identified as such after being sanction

1 screened. Such individual or entity shall be immediately removed from participating in any activity
2 associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or
3 sanction(s) to CONTRACTOR for services provided by ineligible person or individual.
4 CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the
5 overpayment is verified by ADMINISTRATOR.

6 C. GENERAL COMPLIANCE TRAINING – ADMINISTRATOR shall make General
7 Compliance Training available to Covered Individuals.

8 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's
9 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;
10 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
11 representative to complete the General Compliance Training when offered.

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

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

15 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
16 copies of training certification upon request.

17 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
18 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
19 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
20 CONTRACTOR shall provide copies of the certifications.

21 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
22 Provider Training, where appropriate, available to Covered Individuals.

23 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
24 Individuals relative to this Agreement.

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

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

28 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
29 provide copies of the certifications upon request.

30 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
31 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
32 group setting while CONTRACTOR shall retain the certifications. Upon written request by
33 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

34 E. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

1 federal and state health care program regulations and procedures or instructions otherwise
2 communicated by regulatory agencies including the Centers for Medicare and Medicaid Services or
3 their agents.

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

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

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

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

14 F. Failure to comply with the obligations stated in this Paragraph IV (COMPLIANCE) shall
15 constitute a breach of the Agreement on the part of CONTRACTOR and ground for COUNTY to
16 terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR
17 shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults
18 grounded on this Paragraph IV (COMPLIANCE) prior to ADMINISTRATOR's right to terminate this
19 Agreement on the basis of such default.

20 **V. CONFIDENTIALITY**

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

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

32 C. CONTRACTOR shall have in effect a system to protect Client records from inappropriate
33 disclosure in connection with activity funded under this Agreement. This system shall include
34 provisions for employee education on the confidentiality requirements, and the fact that disciplinary
35 action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative,
36 physical, and technical safeguards that reasonably and appropriately protect the confidentiality,
37

1 integrity, and availability of all confidential information that it creates, receives, maintains or transmits.
 2 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

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

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

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

10 **VI. COST REPORT**

11 A. CONTRACTOR shall submit separate Cost Reports for Period One and Period Two, or for a
 12 portion thereof, to COUNTY no later than forty-five (45) calendar days following the period for which
 13 they are prepared or termination of this Agreement. CONTRACTOR shall prepare the Cost Report in
 14 accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special
 15 Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and
 16 between programs, cost centers, services, and funding sources in accordance with such requirements and
 17 consistent with prudent business practice, which costs and allocations shall be supported by source
 18 documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon
 19 reasonable notice.
 20

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

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

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

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

35 3. In the event that CONTRACTOR does not submit an accurate and complete Cost Report
 36 within one hundred and eighty (180) calendar days following the termination of this Agreement, and
 37 CONTRACTOR has not entered into a subsequent or new agreement for any other services with

1 COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Agreement
2 shall be immediately reimbursed to COUNTY.

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

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

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

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

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

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

Signed _____
Name _____
Title _____
Date _____"

VII. DEBARMENT AND SUSPENSION CERTIFICATION

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

16 **IX. EMPLOYEE ELIGIBILITY VERIFICATION**

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

27 **X. EQUIPMENT**

28 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
 29 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
 30 ADMINISTRATOR to assist in performing the services described in this Agreement. "Relatively
 31 Permanent" is defined as having a useful life of one year or longer. Equipment which costs \$5,000 or
 32 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital
 33 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and
 34 other taxes, and installation costs, or electronic equipment that costs less than \$600 but may contained
 35 PHI or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to
 36 phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of
 37

1 Equipment purchased, in whole or in part, with funds paid pursuant to this Agreement shall be
2 depreciated according to GAAP.

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

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

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

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

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

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

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

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

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

34 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
35 with this Agreement. COUNTY shall compensate, and authorize, when applicable, said services.
36 CONTRACTOR shall operate continuously throughout the term of this Agreement with at least the
37 //

1 minimum number and type of staff which meet applicable federal and state requirements, and which are
2 necessary for the provision of the services hereunder.

3 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
4 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation
5 for the appropriate Period as well as the Total Maximum Obligation. The reduction to the Maximum
6 Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an amount
7 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
8 services, staffing, facilities or supplies.

9 10 **XII. INDEMNIFICATION AND INSURANCE**

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

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

28 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of
29 CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an
30 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for
31 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less
32 than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the
33 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor
34 and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of
35 insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection
36 by COUNTY representative(s) at any reasonable time.

37 //

D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply, indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in an amount in excess of \$50,000 (\$5,000 for automobile liability) shall specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved, CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this Agreement, agrees to all of the following:

1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole cost and expense with counsel approved by Board of Supervisors against same; and

2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the CONTRACTOR's SIR provision shall be interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

E. If CONTRACTOR fails to maintain insurance as required in this Paragraph XII (INDEMNIFICATION AND INSURANCE) for the full term of this Agreement, such failure shall constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate this Agreement.

F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
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1	Automobile Liability including coverage	\$1,000,000 per occurrence
2	for owned, non-owned and hired vehicles	
3		
4	Workers' Compensation	Statutory
5		
6	Employers' Liability Insurance	\$1,000,000 per occurrence
7		
8	Network Security & Privacy Liability	\$1,000,000 per claims made
9		
10	Professional Liability Insurance	\$1,000,000 per claims made
11		\$1,000,000 aggregate
12		
13	Sexual Misconduct Liability	\$1,000,000 per occurrence
14		

15 H. REQUIRED COVERAGE FORMS

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

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

20 I. REQUIRED ENDORSEMENTS

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

23 a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least
24 as broad naming the County of Orange, its elected and appointed officials, officers, employees, and
25 agents as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY**
26 **WRITTEN AGREEMENT**.

27 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at
28 least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-
29 insurance maintained by the County of Orange shall be excess and non-contributing.

30 2. The Network Security and Privacy Liability policy shall contain the following
31 endorsements which shall accompany the Certificate of Insurance:

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

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

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

4 K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving
 5 all rights of subrogation against the County of Orange, its elected and appointed officials, officers,
 6 agents and employees, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN***
 7 ***AGREEMENT.***

8 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy
 9 cancellation and within ten (10) days for non-payment of premium and provide a copy of the
 10 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a
 11 breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate this
 12 Agreement.

13 M. If CONTRACTOR's Professional Liability and/or Network Security & Privacy Liability are
 14 "Claims Made" policy(ies), CONTRACTOR shall agree to maintain coverage for two (2) years
 15 following the completion of the Agreement.

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

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

22 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
 23 CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY
 24 incorporating such changes within thirty (30) calendar days of receipt of such notice, such failure shall
 25 constitute a breach of CONTRACTOR's obligation hereunder and ground for termination of this
 26 Agreement by COUNTY.

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

30 R. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

17 **XIII. INSPECTIONS AND AUDITS**

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

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

32 **C. AUDIT RESPONSE**

33 1. Following an audit report, in the event of non-compliance with applicable laws and
 34 regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement
 35 as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement
 36

37 //

1 appropriate corrective action. A plan of corrective action shall be submitted to ADMINISTRATOR in
2 writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR.

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

10 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an annual
11 Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under
12 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
13 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within
14 fourteen (14) calendar days of receipt.

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

19 20 **XIV. LICENSES AND LAWS**

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

29 **B. 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;

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

- 17 1. ARRA of 2009.
- 18 2. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 19 3. CCC §§1798.80 through 1798.84, Customer Records.
- 20 4. CCC §1798.85, Confidentiality of Social Security Numbers.
- 21 5. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
22 Security.
- 23 6. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse
24 Master Plans.
- 25 7. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 26 8. HSC, §11876, Narcotic Treatment Programs.
- 27 9. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 28 10. Code of Federal Regulations, Title 42, Public Health.
- 29 11. 2 CFR 230, Cost Principles for Nonprofit Organizations
- 30 12. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 31 13. 41 CFR 50, Public Contracts and Property Management.
- 32 14. 42 CFR 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 33 15. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
34 prevention and treatment block grants and/or projects for assistance in transition from
35 homelessness grants.
- 36 16. 45 CFR 93, New Restrictions on Lobbying.
- 37 17. 45 CFR 96.127, Requirements regarding Tuberculosis.

- 1 18. 45 CFR 96.132, Additional Agreements.
- 2 19. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 3 20. 45 CFR 160, General Administrative Requirements.
- 4 21. 45 CFR 162, Administrative Requirements.
- 5 22. 45 CFR 164, Security and Privacy.
- 6 23. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 7 24. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 8 25. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 9 Contracting and Financial Transactions.
- 10 26. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism;
- 11 National Institute on Drug Abuse.
- 12 27. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 13 Administration.
- 14 28. 42 USC §290dd-2, Confidentiality of Records.
- 15 29. 42 USC §1320(a), Uniform reporting systems for health services facilities and
- 16 organizations.
- 17 30. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 18 31. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 19 32. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 20 33. 42 USC §2000d, Civil Rights Act of 1964.
- 21 34. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
- 22 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
- 23 Federal Awards.
- 24 35. U.S. Department of Health and Human Services, National Institutes of Health (NIH),
- 25 Grants Policy Statement (10/13).
- 26 36. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
- 27 Occurring Disorders, Mental Health Services Oversight and Accountability Commission,
- 28 1/17/08.
- 29 37. State of California, Department of Alcohol and Drug Programs Audit Assistance Guide
- 30 Manual.
- 31 38. State of California, Department of Alcohol and Drug Programs, Alcohol and/or Other Drug
- 32 Program Certification Standards, March 2004.
- 33 39. Trafficking Victims Protection Act of 2000, specifically section 106(g) of the Trafficking
- 34 Victims Protection Act of 2000 (22 U.S.C. 7104(g)) as amended by section 1702.

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XV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA

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

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

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

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

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

XVI. MAXIMUM OBLIGATION

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

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

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XVII. MINIMUM WAGE LAWS

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

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

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

XVIII. NONDISCRIMINATION

A. EMPLOYMENT

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

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

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

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

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

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

15 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
 16 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
 17 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental
 18 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
 19 expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the
 20 Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights
 21 Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9,
 22 Division 4, Chapter 6, Article 1 (§10800, et seq.), of the California Code of Regulations; and Title II of
 23 the Genetic Information Nondiscrimination Act of 2008, 42 USC 2000ff, et seq., as applicable, and all
 24 other pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by state
 25 law and regulations, as all may now exist or be hereafter amended or changed. For the purpose of this
 26 Nondiscrimination paragraph, Discrimination includes, but is not limited to the following based on one
 27 or more of the factors identified above:

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

37 //

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

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

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

11 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
 12 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
 13 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended
 14 (42 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
 15 discrimination against qualified persons with disabilities in all programs or activities; and if applicable,
 16 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together
 17 with succeeding legislation.

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

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

27 28 **XIX. NOTICES**

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

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

34 2. When faxed, transmission confirmed;

35 3. When sent by Email; or

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

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

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

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

11
12 **XX. NOTIFICATION OF DEATH**

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

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

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

23 2. WRITTEN NOTIFICATION

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

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

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

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

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

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

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

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

14 1. California Code of Regulations Title 22, §§70751(c), 71551(c), 73543(a), 74731(d),
15 75055(a), 75343(a), and 77143(a).

16 2. State of California, Department of Health Care Services ASRS Manual.

17 3. State of California, Department of Health Care Services DPFS Manual.

18 4. California Health and Safety Code §123145.

19 5. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

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

25
26 **XXIII. RESEARCH AND PUBLICATION**

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

30
31 **XXIV. REVENUE**

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

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

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

11 **XXV. SEVERABILITY**

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

18 **XXVI. SPECIAL PROVISIONS**

19
 20 A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following
 21 purposes:

- 22 1. Making cash payments to intended recipients of services through this Agreement.
- 23 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
 24 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on
 25 use of appropriated funds to influence certain federal contracting and financial transactions).
- 26 3. Fundraising.
- 27 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
 28 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 29 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing
 30 body for expenses or services.
- 31 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
 32 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
 33 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 34 7. Paying an individual salary or compensation for services at a rate in excess of the current
 35 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
 36 Schedule may be found at www.opm.gov.

37 //

- 1 8. Severance pay for separating employees.
- 2 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
- 3 codes and obtaining all necessary building permits for any associated construction.
- 4 10. Purchasing or improving land, including constructing or permanently improving any
- 5 building or facility, except for tenant improvements.
- 6 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
- 7 funds (matching).
- 8 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.
- 9 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or
- 10 alcohol.
- 11 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the
- 12 Controlled Substance Act (21 USC 812).
- 13 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic
- 14 injection of any illegal drug.
- 15 16. Assisting, promoting, or deterring union organizing.
- 16 17. Providing inpatient hospital services or purchasing major medical equipment.
- 17 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
- 18 shall not use the funds provided by means of this Agreement for the following purposes:
- 19 1. Funding travel or training (excluding mileage or parking).
- 20 2. Making phone calls outside of the local area unless documented to be directly for the
- 21 purpose of Client care.
- 22 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 23 4. Purchase of artwork or other items that are for decorative purposes and do not directly
- 24 contribute to the quality of services to be provided pursuant to this Agreement.
- 25 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
- 26 CONTRACTOR's Clients.
- 27 C. Neither party shall be responsible for delays or failures in performance resulting from acts
- 28 beyond the control of the affected party. Such acts shall include, but not be limited to, acts of God, fire,
- 29 flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public
- 30 related utility, or governmental statutes or regulations imposed after the fact.

31 **XXVII. STATUS OF CONTRACTOR**

32 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be

33 wholly responsible for the manner in which it performs the services required of it by the terms of this

34 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and

35 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the

36 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR

37

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

8 **XXVIII. TERM**

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

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

19 **XXIX. TERMINATION**

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

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

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

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

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(s)
10 approved by the Board of Supervisors.

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

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

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

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

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

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

27 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
28 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an
29 orderly transfer.

30 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
31 Client's best interests.

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

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

36 8. To the extent services are terminated, cancel outstanding commitments covering the
37 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding

1 commitments which relate to personal services. With respect to these canceled commitments,
2 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
3 arising out of such cancellation of commitment which shall be subject to written approval of
4 ADMINISTRATOR.

5 9. Provide written notice of termination of services to each Client being served under this
6 Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
7 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar
8 day period.

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

11
12 **XXX. THIRD PARTY BENEFICIARY**

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

16
17 **XXXI. WAIVER OF DEFAULT OR BREACH**

18 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
19 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
20 Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
21 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
22 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 STRAIGHT TALK CLINIC, INC.

5
6
7 BY: _____ DATED: _____

8
9 TITLE: _____

10
11
12 BY: _____ DATED: _____

13
14 TITLE: _____

15
16
17
18 COUNTY OF ORANGE

19
20
21 BY: _____ DATED: _____

22 HEALTH CARE AGENCY

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

29
30 BY: _____ DATED: _____

31 DEPUTY

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

1 EXHIBIT A
 2 TO AGREEMENT FOR PROVISION OF
 3 SUBSTANCE USE DISORDER RESIDENTIAL OPIATE TREATMENT SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 STRAIGHT TALK CLINIC, INC.
 8 JULY 1, 2017 THROUGH JUNE 30, 2019
 9

10 **I. COMMON TERMS AND DEFINITIONS**

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

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

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

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

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

25 5. Client means a person who has been admitted for services.

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

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

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

31 19. SUD means a condition in which the use of one or more substances leads to a clinically
 32 significant impairment or distress per the Diagnostic and Statistical Manual of Mental Disorders, Fifth
 33 Edition (DSM-5).

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

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

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

3 4 II. BUDGET

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

ADMINISTRATIVE COST	PERIOD	PERIOD	
	<u>ONE</u>	<u>TWO</u>	<u>TOTAL</u>
— Salaries	\$ 16,785	\$ 16,785	\$ 33,570
— Benefits	1,576	1,576	3,152
— Services and Supplies	815	815	1,630
SUBTOTAL ADMINISTRATIVE COST	\$ 19,176	\$ 19,176	\$ 38,352
 PROGRAM COST	 \$ 96,214	 \$ 96,214	 \$192,428
— Salaries	25,113	25,113	50,226
— Benefits	50,732	50,732	101,464
— Services and Supplies	2,376	2,376	4,752
SUBTOTAL PROGRAM COST	\$174,435	\$174,435	\$348,870
 TOTAL COST	 \$193,611	 \$193,611	 \$387,222
 REVENUE			
— Client Fees	\$ 0	\$ 0	\$ 0
— Food Stamp	8,430	8,430	16,860
— Donation	6,915	6,915	13,830
TOTAL REVENUE	\$ 15,345	\$ 15,345	\$ 30,690
 MAXIMUM OBLIGATION	 \$ 178,266	 \$ 178,266	 \$356,532

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	<u>PERIOD ONE</u>	<u>PERIOD TWO</u>	<u>TOTAL</u>
<u>ADMINISTRATIVE COST</u>			
Salaries	\$ 16,785	\$ 22,880	\$ 39,665
Benefits	1,576	3,432	5,008
Services and Supplies	815	6,851	7,666
<u>SUBTOTAL ADMINISTRATIVE COST</u>	<u>\$ 19,176</u>	<u>\$ 33,163</u>	<u>\$ 52,339</u>
<u>PROGRAM COST</u>			
Salaries	\$ 96,214	\$302,073	\$398,287
Benefits	25,113	55,839	80,952
Services and Supplies	50,732	138,965	189,697
Subcontractor	2,376	18,720	21,096
<u>SUBTOTAL PROGRAM COST</u>	<u>\$174,435</u>	<u>\$515,597</u>	<u>\$690,032</u>
<u>TOTAL COST</u>	<u>\$193,611</u>	<u>\$548,760</u>	<u>\$742,371</u>
<u>REVENUE</u>			
Food Stamps	\$ 8,430	\$ 5,100	\$ 13,530
Donations	6,915	0	6,915
<u>TOTAL REVENUE</u>	<u>\$ 15,345</u>	<u>\$ 5,100</u>	<u>\$ 20,445</u>
<u>MAXIMUM OBLIGATION</u>	<u>\$178,266</u>	<u>\$543,660</u>	<u>\$721,926"</u>

B. Any increases or decreases to the budget must be approved, in advance and in writing, by ADMINISTRATOR.

C. BUDGET/STAFFING MODIFICATIONS – CONTRACTOR may request to shift funds between programs, or between budgeted line items within a program, for the purpose of meeting specific program needs or for providing continuity of care to its consumers, by utilizing a Budget/Staffing Modification Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing Modification Request to ADMINISTRATOR for consideration, in advance, which will include a justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain written approval from

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1 ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s) may result in
2 disallowance of those costs.

3 D. CFDA Information

4 1. This Agreement includes federal funds paid to CONTRACTOR. The CFDA number and
5 associated information for federal funds paid through this Agreement are specified below:

6
7 CFDA No.: 93.959
8 Program Title: Block Grants for Prevention and Treatment of Substance Abuse
9 Federal Agency: Department of Health and Human Services
10 Award Name: Negotiated Net Amount/Drug Medi-Cal Contract

11
12 2. CONTRACTOR may be required to have an audit conducted in accordance with federal
13 OMB Circular Number A-133. CONTRACTOR shall be responsible for complying with any federal
14 audit requirements within the reporting period specified by OMB Circular Number A-133.

15 3. ADMINISTRATOR may revise the CFDA information listed above, and shall notify
16 CONTRACTOR in writing of said revisions.

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

19
20 **III. GENERAL REQUIREMENTS**

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

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

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

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

1 7. Employee Code of Conduct
 2 8. Evacuation floor plan
 3 9. Equal Employment Opportunity notices
 4 10. Name, address, telephone number for fire department, crisis program, local law
 5 enforcement, and ambulance service.

6 11. List of resources within community which shall include medical, dental, mental health,
 7 public health, social services and where to apply for determination of eligibility for State, Federal or
 8 county entitlement programs.

9 12. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

10 D. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing
 11 activities, regardless of funding sources, with respect to any person who has been referred to
 12 CONTRACTOR by COUNTY under the terms of this Agreement. Further, CONTRACTOR agrees that
 13 the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious
 14 creed or cult, denomination or sectarian institution, or religious belief.

15 E. AUTHORITY – CONTRACTOR shall recognize the authority of OCPD as officers of the
 16 court, and shall extend cooperation to OCPD within the constraints of CONTRACTOR’s program of
 17 substance use disorder residential services.

18 F. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy
 19 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy
 20 shall specify that the facility is “smoke free” and that designated smoking areas are outside the visiting
 21 areas at the facility.

22 G. CLIENT SIGN IN/OUT LOG AND SCHEDULE – CONTRACTOR shall maintain a resident
 23 sign in/out log for all residents, which shall include, but not be limited to, the following:

- 24 1. Client’s schedule for treatment, work, education or other activities;
- 25 2. Location and telephone number where the Client may be reached; and
- 26 3. Requirement for all Clients to notify the program of any change in his/her schedule.

27 H. GOOD NEIGHBOR POLICY – CONTRACTOR shall establish a Good Neighbor Policy,
 28 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not be
 29 limited to, staff training to deal with neighbor complaints, staff contact information available to
 30 neighboring residents and complaint procedures.

31 I. VISITATION POLICY – CONTRACTOR shall establish a written Visitation Policy, which
 32 shall be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the
 33 following:

- 34 1. Sign in logs;
- 35 2. Visitation hours; and
- 36 3. Designated visiting areas at the Facility

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

- 4 1. Admission
- 5 2. Housing arrangement
- 6 3. Bathroom privacy
- 7 4. Drug testing

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

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

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

22 1. CONTRACTOR recognizes that a Token is assigned to a specific individual staff member
 23 with a unique password. Tokens and passwords shall not be shared with anyone.

24 2. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, and the staff
 25 member to whom each is assigned.

26 3. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
 27 Token for each staff member assigned a Token.

28 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
 29 conditions:

- 30 a. Token of each staff member who no longer supports this Agreement.
- 31 b. Token of each staff member who no longer requires access to IRIS.
- 32 c. Token of each staff member who leaves employment of CONTRACTOR.
- 33 d. Tokens malfunctioning.

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

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

3 4 **IV. PAYMENTS**

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

14 B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears the actual
15 cost of the services, less revenues that are actually received by CONTRACTOR provided, however, that
16 the total of such payments shall not exceed the COUNTY's Aggregate Maximum Obligation.
17 CONTRACTOR's invoices shall be on a form approved or provided by ADMINISTRATOR and shall
18 provide such information as is required by ADMINISTRATOR. Invoices are due by the twentieth
19 (20th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY
20 no later than thirty (30) calendar days after receipt of the correctly completed invoice form.

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

24 D. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source
25 documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls,
26 appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks,
27 receipts, receiving records, and records of services provided.

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

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

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

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

V. RECORDS

1
2 A. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
3 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the
4 type of service for which payment is claimed in accordance with generally accepted accounting
5 principles.

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

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

11 B. CLIENT FEES – The Client eligibility determination and fee charged to and collected from
12 Client, according to the COUNTY approved sliding scale fee schedule, together with a record of all
13 invoices rendered and revenues received from any source on behalf of Client treated pursuant to this
14 Agreement, must be reflected in CONTRACTOR’s financial records.

15 C. COUNTY SLIDING FEE SCALE – CONTRACTOR shall utilize the sliding fee scale provided
16 by ADMINISTRATOR. CONTRACTOR must have a policy describing the collection of Client fees.
17 No Client shall be denied access to services due to an inability to pay; however, Clients are responsible
18 for paying their fees according to the provided fee scale once an ability to pay is secured. The Client’s
19 failure to make a reasonable effort to pay the assessed fee is cause for termination of services.

20 D. CLIENT RECORDS – CONTRACTOR shall maintain adequate records on each individual
21 Client in sufficient detail to permit an evaluation of services, which shall include, but not be limited to:

22 1. ADMINISTRATOR’s Treatment Authorization Form for Residential Treatment Services.

23 2. Treatment plans which shall be documented in the Client’s record within fourteen (14)
24 calendar days from the date of admission.

25 3. An admission record which shall include documentation that Residential Treatment
26 Services for substance use disorders are appropriate for the Client. Such documentation shall include a
27 completed ASAM criteria indicating appropriate level of care for Client, and a comprehensive
28 psychosocial assessment.

29 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
30 Records Paragraph of this Exhibit A to the Agreement.

VI. REPORTS

A. MONTHLY PROGRAMMATIC

34 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,
35 including information required and on a form approved or provided by ADMINISTRATOR. These
36 monthly programmatic reports should be submitted to ADMINISTRATOR no later than the tenth (10th)
37 calendar day of the month following the report month.

1 2. CONTRACTOR shall be responsible for including in the monthly programmatic report any
2 problems in implementing the provisions of this Agreement, pertinent facts or interim findings, staff
3 changes, status of license(s) and/or certification(s), changes in population served, and reasons for any
4 changes. Additionally, a statement that the CONTRACTOR is or is not progressing satisfactorily in
5 achieving all the terms of the Agreement shall be included.

6 B. FISCAL

7 1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and
8 Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by
9 ADMINISTRATOR and shall report actual costs and revenues for each of the CONTRACTOR's
10 program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Agreement.
11 CONTRACTOR shall submit these reports by no later than twenty (20) calendar days following the end
12 of the month reported.

13 2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These
14 reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report
15 anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s)
16 described in the Services Paragraph of Exhibit A to the Agreement. Such reports shall include actual
17 monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal
18 year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and
19 Revenue Reports.

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

23 D. CalOMS – CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission
24 record in IRIS within seven (7) calendar days of Client admission. CONTRACTOR shall complete a
25 CalOMS discharge record in IRIS within seven (7) calendar days of Client discharge. CONTRACTOR
26 shall run a CalOMS error report and correct any errors within two (2) business days of submitting the
27 CalOMS admission or discharge, and continue to recheck until error free.

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

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

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

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1 **VII. SERVICES**

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

11
12 1225 W. 6th St.
13 Santa Ana, CA 92703
14

15 B. PERSONS TO BE SERVED

16 1. CONTRACTOR shall serve adults, referred to CONTRACTOR by HCA, age eighteen (18)
17 years and older who have opiate SUD, and may be on MAT such as, but not limited to, suboxone and
18 methadone. Client must meet the ASAM criteria for admission for residential treatment.

19 C. UNITS OF SERVICE

20 1. CONTRACTOR shall provide a minimum of ~~two thousand eighty one (2,081)~~ four
21 thousand one hundred and sixty-four (4,164) Residential Treatment Units of Service for Clients.

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

24 D. ADMISSIONS

25 1. CONTRACTOR shall accept any person who is physically and mentally able to comply
26 with the program's rules and regulations. Said persons shall include persons with a concurrent diagnosis
27 of mental illness, i.e., those identified as having a co-occurring diagnosis. Persons with co-occurring
28 disorders who require prescribed medication shall not be precluded from acceptance or admission solely
29 based on their licit use of prescribed medications. Persons having a concurrent diagnosis of mental
30 illness will be served in accordance with Federal Substance Abuse Prevention and Treatment Block
31 Grant Program requirements and COUNTY guidelines.

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

35 3. Admission Policy – CONTRACTOR shall establish and make available to the public, a
36 written admission policy, which shall include, but not be limited to the following:

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- 1 a. First priority for admission shall be given to pregnant opiate injection drug users (with
- 2 or without methadone treatment).
- 3 b. Second priority for admission shall be given to pregnant opiate users.
- 4 c. Third priority for admission shall be given to all other opiate injection drug users.
- 5 d. Fourth priority for admission shall be given to all other opiate users not identified
- 6 above.
- 7 e. CONTRACTOR shall notify ADMINISTRATOR once Client is admitted.

8 4. CONTRACTOR’s Admission Policy shall reflect all applicable federal, state, and county
9 regulations.

10 5. Prior to admission, CONTRACTOR shall fax or send in secured email a request for
11 treatment authorization to ADMINISTRATOR, for an individual who fulfills the criteria in accordance
12 to Subparagraph VI.B., above. ADMINISTRATOR will authorize the individual’s admission to
13 treatment by sending the treatment authorization to the CONTRACTOR. CONTRACTOR shall not
14 admit any individual into program without prior approval by ADMINISTRATOR. Within one business
15 day of Client’s admission, CONTRACTOR shall fax a completed treatment authorization containing
16 date of admission and CONTRACTOR signature to ADMINISTRATOR.

17 6. CONTRACTOR shall maintain a list of individuals who have requested SUD residential
18 treatment services and for whom a treatment authorization request has been submitted to the county
19 residential placement coordinator.

20 7. CONTRACTOR shall have the right to refuse admission of a person only in accordance
21 with its written Admission Policy; provided, however, CONTRACTOR complies with the
22 Nondiscrimination provisions of this Agreement.

23 8. INTERIM SERVICES – All persons who are not admitted into a Residential Treatment
24 Services shall be provided or referred to Interim Services by CONTRACTOR. Interim Services shall be
25 provided until an individual is admitted to a substance abuse treatment program. The purposes of the
26 services are to reduce the adverse health effects of such abuse, promote the health of the individual, and
27 reduce the risk of transmission of disease. At a minimum, Interim Services include counseling and
28 education about HIV and TB, about the risks of needle-sharing, the risks of transmission to sexual
29 partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not
30 occur, as well as referral for HIV or TB treatment services if necessary. CONTRACTOR shall provide
31 Clients, especially opiate users, with drug overdose education/information. For pregnant women,
32 Interim Services also includes counseling on the effects of alcohol and drug use on the fetus, as well as
33 referral for prenatal care. Provision of Interim Services shall be documented on the DATAR and
34 reported monthly to the State.

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1 F. SERVICES

2 1. CONTRACTOR shall provide to Clients a ~~six (6)~~ **twelve (12)** bed alcohol and drug-free
3 residential treatment program of no more than ninety (90) calendar days without prior approval in
4 writing by ADMINISTRATOR.

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

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

15 4. Residential Treatment program shall consist of the following:

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

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

- 23 1) Overview of Program structure and schedules
- 24 2) Program rules and regulations
- 25 3) Policies regarding Client fees
- 26 4) Client rights
- 27 5) Assignment of a counselor
- 28 6) Staff Code of Conduct
- 29 7) Continuing Care services

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

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

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

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

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

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

27 f. Structured Therapeutic Activities – Residential Treatment Services shall consist of a
 28 minimum of twenty (20) hours of structured activity per week. Of this, Clients must engage in a
 29 minimum of fourteen (14) hours of Therapeutic Activity per week, which shall include, at a minimum
 30 the following:

31 1) Individual Counseling – CONTRACTOR shall provide individual counseling to
 32 Clients.

33 2) Group Counseling – CONTRACTOR shall provide counseling and intervention
 34 within a group setting to Clients. Group interventions and activities may include, but are not limited to
 35 process groups, seminars and educational groups, house and community group meetings, and practical
 36 life and social skills.

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

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

- 12 1) Teaching the concepts of rules, teamwork and sportsmanship.
- 13 2) Providing guidance on use of recreational or leisure time.

14 h. Treatment Activities

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

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

21 i. Resocialization/Re-Entry

22 1) During Resocialization/Re-Entry, CONTRACTOR shall obtain documentation
 23 from Clients regarding efforts to obtain employment.

24 2) As part of the Resocialization/Re-Entry process, CONTRACTOR staff shall
 25 finalize exit plans with the Client.

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

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

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

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

6 1) Include a plan to assist the Client in maintaining a continued alcohol and drug free
 7 lifestyle.

8 2) Address goals on the treatment plan

9 3) Include referrals to appropriate resources such as outpatient treatment, self-help
 10 groups, alumni groups, recovery maintenance services, social services, vocational rehabilitation, job
 11 training, and /or other services as needed.

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

15 1) Reason for discharge

16 2) Description of treatment episodes or recovery services

17 3) Current alcohol and/or drug usage at discharge

18 4) Vocational and educational achievements

19 5) Legal status

20 6) Linkages and referrals made

21 7) Clients comments

22 8) A description of the Client’s goals and achievement towards those goals as
 23 described in the Client’s treatment plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Counseling with respect to TB;

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

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

r. Transportation Services

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

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

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

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

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

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

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

21 b) CONTRACTOR shall be responsible for providing transportation to and from
22 COUNTY contracted Narcotic Replacement Treatment programs, and to other sources of medical or
23 dental care not requiring use of COUNTY's emergency transportation program. Such requirement may
24 be waived for Client consistent with re-entry planning as defined in the Program Protocol.

25 G. ALCOHOL AND/OR DRUG SCREENING

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

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

37 //

1 2. Contractor shall utilize drug testing supplies provided by ADMINISTRATOR.
 2 ADMINISTRATOR shall supply CONTRACTOR with the following drug testing laboratory
 3 information:

- 4 a. A list of all approved COUNTY drug testing laboratories;
- 5 b. A list of all approved drug screening tests; and
- 6 c. The procedure for submitting tests to drug testing laboratories.

7 If CONTRACTOR decides that confirmation testing is required, CONTRACTOR shall send the drug
 8 screening test to a COUNTY approved drug testing laboratory. Unless approved in advance by
 9 ADMINISTRATOR, CONTRACTOR shall be financially responsible for any drug tests submitted to
 10 drug testing laboratories other than those approved by COUNTY, or for any drug screening tests not
 11 found on the list of approved drug screening tests.

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

17 H. FOLLOW-UPS – CONTRACTOR shall conduct follow-ups with Clients after discharge at
 18 intervals designated by ADMINISTRATOR. ADMINISTRATOR shall provide information/questions
 19 to CONTRACTOR for follow up. CONTRACTOR shall track data on client functioning which at
 20 minimum shall include current substance use.

21 I. PERFORMANCE OUTCOMES

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

27 2. Performance Outcome Objectives

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

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

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

37 //

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

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

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

VIII. STAFFING

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

<u>STAFF</u>	<u>FTEs</u>
<u>ADMINISTRATION</u>	
— Executive Director	0.09
— Bookkeeper	0.14
<u>ADMINISTRATION SUBTOTAL</u>	<u>0.23</u>
<u>PROGRAM</u>	
— Program Director	0.53
— Clinical Supervisor	0.26
— Senior Counselor III/Intake Coordinator	0.45
— Counselor II	1.74
— Counselor III	0.59
<u>PROGRAM SUBTOTAL</u>	<u>3.57</u>
<u>TOTAL FTE</u>	<u>3.80</u>

<u>STAFF</u>	<u>FTE's</u>
<u>ADMINISTRATION</u>	
Executive Director	<u>0.38</u>
Operations HR Manager	<u>0.50</u>
<u>ADMINISTRATION SUBTOTAL</u>	<u>0.88</u>

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1	<u>PROGRAM</u>	
2	<u>Program Director</u>	<u>1.00</u>
3	<u>Administrative Assistant</u>	<u>1.00</u>
4	<u>Clinical Supervisor</u>	<u>0.75</u>
5	<u>Sr. Counselor III/Intake Coordinator</u>	<u>1.00</u>
6	<u>Counselor III</u>	<u>1.00</u>
7	<u>Counselor II</u>	<u>3.90</u>
8	<u>Clinical Director/Subcontractor</u>	<u>0.20</u>
9	<u>SUBTOTAL PROGRAM FTEs</u>	<u>8.85</u>
10		
11	<u>TOTAL FTEs</u>	<u>9.73</u>

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

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

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

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

26 D. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with
27 volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing
28 services pursuant to this Agreement, interns shall be Master's Candidates in Counseling or Social Work
29 or have a Bachelor's Degree in a related field or be participating in any state recognized counselor
30 certification program. CONTRACTOR shall provide a minimum of one (1) hour supervision for each
31 ten (10) hours of work by interns or consistent with school or licensing Board requirements.
32 CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions
33 or work contracts. Volunteer or student intern services may not comprise more than twenty percent
34 (20%) of the services provided, unless approved in advance by ADMINISTRATOR

35 E. STAFF CONDUCT – CONTRACTOR shall establish written Policies and Procedures for
36 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be
37 limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of

1 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or
 2 perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought
 3 to the ADMINISTRATOR's attention prior to the occurrence. Prior to providing any services pursuant
 4 to this Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards
 5 set forth in the said Policies and Procedures. A copy of the said Policies and Procedures shall be posted
 6 in writing in a prominent place in the treatment facility and updated annually by the Board of Directors.

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

- 14 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:
 15 a. No person shall have been convicted of a sex offense for which the person is required
 16 to register as a sex offender under PC section 290;
 17 b. No person shall have been convicted of an arson offense – Violation of PC sections
 18 451, 451.1, 451.5, 452, 45231, 453, 454, or 455;
 19 c. No person shall have been convicted of any violent felony as defined in PC section
 20 667.5, which involves doing bodily harm to another person, for which the staff member was convicted
 21 within five (5) years prior to employment;
 22 d. No person shall be on parole or probation;
 23 e. No person shall participate in the criminal activities of a criminal street gang and/or
 24 prison gang; and
 25 f. No person shall have prior employment history of improper conduct, including but not
 26 limited to, forging or falsifying documents or drug tests, sexual assault or sexual harassment, or
 27 inappropriate behavior with staff or residents at another treatment Facility.

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

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

- 33 1. CONTRACTOR shall ensure that within the first (1st) year of employment, all program
 34 staff, including administrator, volunteers and interns having direct contact with Clients shall complete
 35 training on:
 36 a. infectious disease recognition,
 37 b. crisis intervention,

1 c. recognizing physical and psychiatric symptoms that require appropriate referrals to
2 other agencies.

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

- 5 a. County Annual Provider Training
- 6 b. County Annual Compliance Training
- 7 c. Training on topics related to alcohol and drug use
- 8 d. Minimum one hour training in cultural competence

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

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

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1 EXHIBIT B
 2 TO AGREEMENT FOR PROVISION OF
 3 SUBSTANCE USE DISORDER RESIDENTIAL OPIATE TREATMENT SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 STRAIGHT TALK CLINIC, INC.
 8 JULY 1, 2017 THROUGH JUNE 30, 2019
 9

10 **I. BUSINESS ASSOCIATE CONTRACT**

11 A. GENERAL PROVISIONS AND RECITALS

12 1. The Parties agree that the terms used, but not otherwise defined in the Common Terms and
 13 Definitions Paragraph of Exhibit A to the Agreement or in Subparagraph B below, shall have the same
 14 meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at
 15 45 CFR Parts 160 and 164 (the HIPAA regulations) as they may exist now or be hereafter amended.

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

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

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

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

32 6. The Parties understand that the HIPAA Privacy and Security rules, as defined below in
 33 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the
 34 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the
 35 terms of this Business Associate Contract and the applicable standards, implementation specifications,
 36 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,
 37 //

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

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

35 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in
 36 45 CFR § 160.103.

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

3 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
4 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
5 with 45 CFR § 164.502(g).

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

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

11 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in
12 45 CFR § 160.103.

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

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

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

22 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at
23 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

24 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
25 45 CFR § 160.103.

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

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

31 18. "Use" shall have the meaning given to such term under the HIPAA regulations in
32 45 CFR § 160.103.

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

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

37 //

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

5 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of
6 45 CFR Part 164 with respect to electronic PHI COUNTY discloses to CONTRACTOR or
7 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.

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

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

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

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

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

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

32 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
33 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
34 and to make information related to such Disclosures available as would be required for COUNTY to
35 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with
36 45 CFR § 164.528.

37 //

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

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

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

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

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

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

37 //

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

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

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

9 D. SECURITY RULE

10 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
11 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with
12 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to
13 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
14 CONTRACTOR shall develop and maintain a written information privacy and security program that
15 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
16 CONTRACTOR's operations and the nature and scope of its activities.

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

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

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

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

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

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

37 //

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

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

7 E. DATA SECURITY REQUIREMENTS

8 1. Personal Controls

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

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

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

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

34 2. Technical Security Controls

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

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

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

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

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

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

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

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

- 1) Upper case letters (A-Z)
- 2) Lower case letters (a-z)
- 3) Arabic numerals (0-9)
- 4) Non-alphanumeric characters (punctuation symbols)

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

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

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

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

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

29 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
30 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
31 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
32 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
33 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as
34 website access, file transfer, and E-Mail.

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

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

3 3. Audit Controls

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

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

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

17 4. Business Continuity/Disaster Recovery Control

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

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

30 5. Paper Document Controls

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

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

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

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

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

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

22 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

16 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
17 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
18 COUNTY.

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

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

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

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

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

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

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

13 1) The Disclosure is required by law; or

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

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

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

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

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

28 H. PROHIBITED USES AND DISCLOSURES

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

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

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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1 EXHIBIT C
2 TO AGREEMENT FOR PROVISION OF
3 SUBSTANCE USE DISORDER RESIDENTIAL OPIATE TREATMENT SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7 STRAIGHT TALK CLINIC, INC.
8 JULY 1, 2017 THROUGH JUNE 30, 2019
9

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

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

13 A. DEFINITIONS

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

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

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

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

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

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

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

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

31 9. "Required by law" means a mandate contained in law that compels an entity to make a use
32 or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court
33 orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental
34 or tribal inspector general, or an administrative body authorized to require the production of
35 information, and a civil or an authorized investigative demand. It also includes Medicare conditions of
36 participation with respect to health care providers participating in the program, and statutes or
37

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

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

6 B. TERMS OF AGREEMENT

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

11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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