

Attachment D

AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

THIS AGREEMENT entered into this 1st day of July 2017 (effective date), is by and between the COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and ROYALE HEALTH CARE CENTER, INC., a California for profit corporation, (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein individually as “Party” or collectively as “Parties.” This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

W I T N E S S E T H:

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Mental Health Rehabilitation Center (MHRC) Services, Mental Health Skilled Nursing (SNF), and Special Treatment Program (STP) described herein to the residents of Orange County; and

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

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

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2017 through June 30, 2022

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

Period Three means the period from July 1, 2019 through June 30, 2020

Period Four means the period from July 1, 2020 through June 30, 2021

Period Five means the period from July 1, 2021 through June 30, 2022

Maximum Obligation:

| | |
|----------------------------------|----------------------|
| Period One Maximum Obligation: | \$ 13,692,481 |
| Period Two Maximum Obligation: | 13,692,481 |
| Period Three Maximum Obligation: | 13,692,481 |
| Period Four Maximum Obligation: | 13,692,481 |
| Period Five Maximum Obligation: | <u>13,692,481</u> |
| TOTAL MAXIMUM OBLIGATION: | \$ 68,462,405 |

Basis for Reimbursement: Negotiated Amount

Payment Method: Monthly in Advance

CONTRACTOR DUNS Number: 07-953-4772

CONTRACTOR TAX ID Number: 33-0604791

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: Attn: Mitchell A. Kantor
Royale Health Care Center, Inc.
1030 West Warner Avenue
Santa Ana, CA 92707
MitchKantor@aol.com

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Attachment D**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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|-----------|--|
| A. AA | Alcoholics Anonymous |
| B. ABC | Allied Behavioral Care |
| C. ADL | Activities of Daily Living |
| D. AIS | Additional Income Sources |
| E. AMA | Against Medical Advice |
| F. AMHS | Adult Mental Health Services |
| G. ARRA | American Recovery and Reinvestment Act of 2009 |
| H. ASO | Administrative Service Organization |
| I. ASRS | Alcohol and Drug Programs Reporting System |
| J. AWOL | Absent Without Leave |
| K. BBS | Board of Behavioral Sciences |
| L. BHS | Behavioral Health Services |
| M. CAT | Centralized Assessment Team |
| N. CCC | California Civil Code |
| O. CCR | California Code of Regulations |
| P. CFR | Code of Federal Regulations |
| Q. CHPP | COUNTY HIPAA Policies and Procedures |
| R. CHS | Correctional Health Services |
| S. CSW | Clinical Social Worker |
| T. CYS | Child Youth Services |
| U. D/MC | Drug/Medi-Cal |
| V. DCR | Data Collection and Reporting |
| W. DD | Dual Disorders |
| X. DHCS | California Department of Health Care Services |
| Y. DPFS | Drug Program Fiscal Systems |
| Z. DRS | Designated Record Set |
| AA. DSH | Direct Service Hours |
| AB. DSM-V | Diagnostic and Statistical Manual of Mental Disorders, 5th Edition |
| AC. EBP | Evidence-Based Practice |
| AD. EHR | Electronic Health Record |
| AE. ETS | Evaluation and Treatment Services |
| AF. FAX | Facsimile Machine |
| AG. FSP | Full Service Partnership |
| AH. FTE | Full Time Equivalent |

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| AI. GAAP | Generally Accepted Accounting Principles |
| AJ. HCA | County of Orange Health Care Agency |
| AK. HHS | Federal Health and Human Services Agency |
| AL. HIPAA | Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 |
| AM. HITECH Act | Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 |
| AN. HSC | California Health and Safety Code |
| AO. IRIS | Integrated Records and Information System |
| AP. KET | Key Events Tracking |
| AQ. LPS | Lanterman/Petris/Short (Act) |
| AR. LPT | Licensed Psychiatric Technician |
| AS. LTC | Long Term Care |
| AT. MFT | Marriage and Family Therapist |
| AU. MHP | Mental Health Plan |
| AV. MHRC | Mental Health Rehabilitation Center |
| AW. MHS | Mental Health Specialist |
| AX. MHSA | Mental Health Services Act |
| AY. MIHS | Medical and Institutional Health Services |
| AZ. MIO | Mentally Ill Offender |
| BA. MIOP | Mentally Ill Offender Pedophile |
| BB. MORS | Milestones of Recovery Scale |
| BC. MTP | Master Treatment Plan |
| BD. NA | Narcotics Anonymous |
| BE. NOA | Notice of Action |
| BF. NP | Nurse Practitioner |
| BG. NPI | National Provider Identifier |
| BH. NPP | Notice of Privacy Practices |
| BI. OCJS | Orange County Jail System |
| BJ. OCPD | Orange County Probation Department |
| BK. OCR | Office for Civil Rights |
| BL. OCSD | Orange County Sheriff's Department |
| BM. OIG | Federal Office of Inspector General |
| BN. OMB | Federal Office of Management and Budget |
| BO. OPM | Federal Office of Personnel Management |
| BP. P&P | Policies and Procedures |
| BQ. PA DSS | Payment Application Data Security Standard |

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| BR. PAF | Partnership Assessment Form |
| BS. PBM | Pharmaceutical Benefits Management |
| BT. PC | California Penal Code |
| BU. PCI DSS | Payment Card Industry Data Security Standard |
| BV. PEI | Prevention and Early Intervention |
| BW. PHI | Protected Health Information |
| BX. PII | Personally Identifiable Information |
| BY. PRA | California Public Record Act |
| BZ. PSC | Professional Services Coordinator |
| CA. QIC | Quality Improvement Committee |
| CB. RN | Registered Nurse |
| CC. SNC | Skilled Nursing Care |
| CD. SNF | Skilled Nursing Facility |
| CE. STEPS | Striving Towards Enhanced Partnerships |
| CF. STP | Special Treatment Program |
| CG. SRAS | Suicide Risk Assessment Standards |
| CH. SSA | County of Orange Social Services Agency |
| CI. SSD | Social Services Department |
| CJ. SSI | Supplemental Security Income |
| CK. TAR | Treatment Authorization Request |
| CL. TAY | Transitional Age Youth |
| CM. UMDAP | Uniform Method of Determining Ability to Pay |
| CN. USC | United States Code |
| CO. W&IC | California Welfare and Institutions Code |
| CP. WRAP | Wellness Recovery Action Plan |
| CQ. XML | Extensible Markup Language |

II. ALTERATION OF TERMS

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

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

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III. ASSIGNMENT OF DEBTS

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

IV. COMPLIANCE

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

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

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

- a. Designation of a Compliance Officer and/or compliance staff.
- b. Written standards, policies and/or procedures.
- 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

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

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

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

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

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

V. CONFIDENTIALITY

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

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

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

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

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

VI. COST REPORT

A. CONTRACTOR shall submit separate Cost Reports for Period One, Period Two, Period Three, Period Four, and Period Five, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the period for which they are prepared or termination of this Agreement.

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CONTRACTOR shall prepare the Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice.

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

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

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

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

3. In the event that CONTRACTOR does not submit an accurate and complete Cost Report within one hundred and eighty (180) calendar days following the termination of this Agreement, and CONTRACTOR has not entered into a subsequent or new agreement for any other services with COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Agreement shall be immediately reimbursed to COUNTY.

B. The individual and/or consolidated Cost Report prepared for each period shall be the final financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis for final settlement to CONTRACTOR for that period.

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

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

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

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

“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. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

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

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

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

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

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

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

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

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

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

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

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

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

VIII. EMPLOYEE ELIGIBILITY VERIFICATION

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

IX. EQUIPMENT

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

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

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

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

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

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

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

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

X. FACILITIES, PAYMENTS AND SERVICES

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

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

XI. INDEMNIFICATION AND INSURANCE

A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,

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including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

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

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

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.

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E. If CONTRACTOR fails to maintain insurance as required in this Paragraph XI (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 | \$5,000,000 per occurrence \$5,000,000 aggregate |
| Automobile Liability including coverage for owned, non-owned and hired vehicles | \$1,000,000 per occurrence |
| Workers Compensation | Statutory |
| Employers Liability Insurance | \$1,000,000 per occurrence |
| Network Security & Privacy Liability | \$1,000,000 per claims made |
| Professional Liability Insurance | \$5,000,000 per claims made \$5,000,000 aggregate |
| Sexual Misconduct Liability | \$1,000,000 per occurrence |

H. **REQUIRED COVERAGE FORMS**

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

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

I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R. SUBMISSION OF INSURANCE DOCUMENTS

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

- a. Prior to the start date of this Agreement.
- b. No later than the expiration date for each policy.
- c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding changes to any of the insurance types as set forth in Subparagraph G, above.

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

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

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

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

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

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

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XII. INSPECTIONS AND AUDITS

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

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

C. AUDIT RESPONSE

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

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

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

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

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Attachment D**XIII. LICENSES AND LAWS**

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

B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

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

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

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

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

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

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

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

1. ARRA of 2009.
2. Title 22, CCR, §51009, Confidentiality of Records.
3. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
4. D/MC Certification Standards for Substance Abuse Clinics, July 2004.

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5. D/MC Billing Manual (March 23, 2010).
6. Federal Medicare Cost reimbursement principles and cost reporting standards.
7. State of California-Health and Human Services Agency, Department of Health Care Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October 2013 Orange County Medi-Cal Mental Health Managed Care Plan.
8. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management.
9. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
10. WIC, Division 5, Community Mental Health Services.
11. WIC, Division 6, Admissions and Judicial Commitments.
12. WIC, Division 7, Mental Institutions.
13. HSC, §§1250 et seq., Health Facilities.
14. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
15. CCR, Title 9, Rehabilitative and Developmental Services.
16. CCR, Title 17, Public Health.
17. CCR, Title 22, Social Security.
18. CFR, Title 42, Public Health.
19. CFR, Title 45, Public Welfare.
20. USC Title 42. Public Health and Welfare.
21. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
22. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
23. 42 USC §1857, et seq., Clean Air Act.
24. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
25. 31 USC 7501.70, Federal Single Audit Act of 1984.
26. Policies and procedures set forth in Mental Health Services Act.
27. Policies and procedures set forth in DHCS Letters.
28. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
29. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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

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XIV. LITERATURE AND ADVERTISEMENTS

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.

XV. MAXIMUM OBLIGATION

A. The Total Maximum Obligation of COUNTY for services provided in accordance with this Agreement, and the separate Maximum Obligations for each period under this Agreement, are as specified in the Referenced Contract Provisions of this Agreement, except as allowed for in Subparagraph B. below.

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

XVI. 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

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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.

XVII. 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.

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

5. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender

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identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements shall be deemed fulfilled by use of the term EOE.

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

B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of 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 in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of Regulations; and Title II of the Genetic Information Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not limited to the following based on one or more of the factors identified above:

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

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

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

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

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

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

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

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

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

XVIII. NOTICES

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,

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transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or any other expedited delivery service.

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

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

XIX. NOTIFICATION OF DEATH

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

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

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

2. WRITTEN NOTIFICATION

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

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

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

XX. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS

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

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

XXI. RECORDS MANAGEMENT AND MAINTENANCE

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

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

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

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

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

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

1. The medical records and billing records about individuals maintained by or for a covered health care provider;
2. The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or
3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

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

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

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

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

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

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

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

XXII. RESEARCH AND PUBLICATION

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

XXIII. REVENUE

A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other third party health plans, are provided pursuant to this Agreement, their estates and responsible relatives, according to their ability to pay as determined by the State Department of Health Care Services' "Uniform Method of Determining Ability to Pay" (UMDAP) procedure or by any other payment procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title 9 of the California Code of Regulations. Such fee shall not exceed the actual cost of services provided. No client shall be denied services because of an inability to pay.

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

C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately ensure proper billing and collection procedures. CONTRACTOR's procedures shall specifically provide for the identification of delinquent accounts and methods for pursuing such accounts. CONTRACTOR shall provide ADMINISTRATOR, monthly, a written report specifying the current

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status of fees which are billed, collected, transferred to a collection agency, or deemed by CONTRACTOR to be uncollectible.

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

XXIV. SEVERABILITY

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

XXV. SPECIAL PROVISIONS

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

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

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

1. Funding travel or training (excluding mileage or parking).

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- 2. Making phone calls outside of the local area unless documented to be directly for the purpose of client care.
- 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Agreement.
- 5. Purchasing or improving land, including constructing or permanently improving any building or facility, except for tenant improvements.
- 6. Providing inpatient hospital services or purchasing major medical equipment.
- 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds (matching).

XXVI. STATUS OF CONTRACTOR

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

XXVII. TERM

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

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

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XXVIII. TERMINATION

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

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

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

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

D. CONTINGENT FUNDING

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

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

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

1. Comply with termination instructions provided by ADMINISTRATOR in a manner which is consistent with recognized standards of quality care and prudent business practice.
2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract performance during the remaining contract term.
3. Until the date of termination, continue to provide the same level of service required by this Agreement.
4. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR, upon request, all client information and records deemed necessary by ADMINISTRATOR to effect an orderly transfer.
5. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with client's best interests.
6. If records are to be transferred to COUNTY, pack and label such records in accordance with directions provided by ADMINISTRATOR.
7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and supplies purchased with funds provided by COUNTY.
8. To the extent services are terminated, cancel outstanding commitments covering the procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding commitments which relate to personal services. With respect to these canceled commitments, CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims arising out of such cancellation of commitment which shall be subject to written approval of ADMINISTRATOR.
9. Provide written notice of termination of services to each client being served under this Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar day period.

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

XXIX. THIRD PARTY BENEFICIARY

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

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XXX. WAIVER OF DEFAULT OR BREACH

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

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

ROYALE HEALTH CARE CENTER, INC.

BY: DocuSigned by:
Mitch Kantor
881C4797E3164DE...

DATED: 4/20/2017

TITLE: President

COUNTY OF ORANGE

BY: DocuSigned by:
Anna Peters
FF91A79093884BF...
HEALTH CARE AGENCY

DATED: 6/9/2017

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

BY: DocuSigned by:
Eric Divine
C4E3686C4E6B4FD...
DEPUTY

DATED: 4/20/2017

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

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EXHIBIT A
AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

I. COMMON TERMS & DEFINITIONS

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

A. ADL means diet, personal hygiene, clothing care, grooming, money and household management, personal safety, symptom monitoring, etc.

B. Additional Income Source means all income other than SSI and includes such sources of income as retirement income, disability income, trust fund income, Social Security income, Veteran's Affairs disability income, etc.

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

D. Diagnosis means the definition of the nature of the client's disorder. When formulating the diagnosis of client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most current edition of the DSM published by the American Psychiatric Association.

E. LPS means the Act that went into effect July 1, 1972 in California. The Act in effect ended all hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for involuntary detentions.

F. Medical Necessity means the requirements as defined in the MHP Medical Necessity for Medi-Cal reimbursed Specialty Mental Health Services that includes Diagnosis, Impairment Criteria and Intervention Related Criteria.

G. Mental Health Services means interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development and enhanced self-sufficiency. Services shall include:

1. Assessment means a service activity, which may include a clinical analysis of the history and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural issues and history, diagnosis and the use of testing procedures.

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2. Medication Support Services means those services provided by a licensed physician, registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the symptoms of mental illness. These services also include evaluation and documentation of the clinical justification and effectiveness for use of the medication, dosage, side effects, compliance and response to medication, as well as obtaining informed consent, providing medication education and plan development related to the delivery of the service and/or assessment of the beneficiary.

3. Rehabilitation Service means an activity which includes assistance in improving, maintaining, or restoring a client's or group of clients' functional skills, daily living skills, social and leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or medication education.

4. Therapy means a service activity which is a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments. Therapy may be delivered to an individual or group of beneficiaries which may include family therapy in which the beneficiary is present.

H. MHSA means the law that provides funding for expanded community mental health services. It is also known as "Proposition 63."

I. NPI means the standard unique health identifier that was adopted by the Secretary of HHS under HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

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

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

L. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623.

M. Psychologist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 624.

N. Recovery means a "deeply personal, unique process of changing one's attitudes, values, feelings, goals, skills and/or roles. It is a way of living a satisfying, hopeful and contributing life even with limitations caused by the illness. Recovery involves the development of new meaning and purpose in one's life as one grows beyond the catastrophic effects of mental illness. Ultimately, because recovery is a personal and unique process, everyone with a psychiatric illness develops his or her own

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definition of recovery. However, certain concepts or factors are common to recovery.” (William Anthony, 1993).

O. Referral means providing the effective linkage of a client to another service, when indicated; with follow-up to be provided within five (5) working days to assure that the client has made contact with the referred service.

P. SNF/STP means a facility that provides twenty-four (24)-hour/day skilled nursing care and supervision and at least twenty-seven (27) hours of therapeutic programming to clients with a primary psychiatric diagnosis, who may also have co-existing medical conditions. In most cases, clients are conserved under LPS.

Q. SSI means income from a United States government program that provides stipends to low-income people who are either aged (65 or older), blind, or disabled.

R. SSP means additional cash benefits to supplement the federal SSI payment.

S. Unit of Service means one (1) calendar day during which CONTRACTOR provides all of the SNF-STP described hereunder, which day shall begin at twelve o’clock midnight. The number of billable Units of Service shall include the day of admission and exclude the day of discharge unless admission and discharge occur on the same day.

T. HIPAA means the federal law that establishes standards for the privacy and security of health information, as well as standards for electronic data interchange of health information. HIPAA law has two main goals, as its name implies: making health insurance more portable when persons change employers, and making the health care system more accountable for costs-trying, especially to reduce waste and fraud.

II. BUDGET

A. The following budget is set forth for informational purposes only and may be adjusted by mutual written agreement by CONTRACTOR and ADMINISTRATOR:

| <u>Mission Viejo</u> | <u>Period One</u> | <u>Period Two</u> | <u>Period Three</u> | <u>Period Four</u> | <u>Period Five</u> |
|--|-------------------|-------------------|---------------------|--------------------|--------------------|
| Total Program Costs | \$7,539,625 | \$7,637,905 | \$7,737,657 | \$7,838,904 | \$ 7,941,672 |
| Total Revenue | <u>\$ 835,000</u> | <u>\$ 840,000</u> | <u>\$ 845,000</u> | <u>\$ 850,000</u> | <u>\$ 855,000</u> |
| State/County Funds Required (Maximum Obligation) | \$6,644,286 | \$6,644,286 | \$6,644,286 | \$6,644,286 | \$6,644,286 |

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III. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation and operation of the Agreement or COUNTY's P&P's regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Agreement or COUNTY's P&P's regarding services described herein.

B. If the parties are unable to resolve the issue, CONTRACTOR shall give written notice to ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or concern related to the purposes and obligations of the Agreement. ADMINISTRATOR shall have fifteen (15) business days following such notice to obtain resolution of any issue(s) identified in this manner, provided, however, by mutual consent this period of time may be extended to thirty (30) calendar days.

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

D. The rights and remedies provided by this Paragraph are in addition to those provided by law to either party.

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

IV. PATIENT RIGHTS

A. CONTRACTOR shall post the current Patients' Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients without having to ask permission to obtain it.

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

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

2. CONTRACTOR's complaint resolution and grievance processes shall incorporate COUNTY's and the resident County's grievance, patients' rights, and utilization management guidelines and procedures.

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C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and grievance procedures in concert with the resident County that shall include the components outlined below. The resident County will handle such complaints that may include allegations of denial of rights, dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant. COUNTY will handle such complaints regarding access to care or regarding COUNTY's Public Administrator/Public Guardian Office services.

1. Complaint Resolution. This process will specifically address and attempt to resolve Client complaints and concerns at CONTRACTOR's facility.

2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's facility and the Client or Client representative requests it, the complaint becomes a formal grievance. The request is made to the respective resident County or ADMINISTRATOR and represents the first step in the formal grievance process.

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

D. CONTRACTOR agrees that Clients have recourse to initiate a complaint to CONTRACTOR, appeal to the respective resident County or COUNTY's Patients' Rights Office, to file a formal grievance, file a Title IX complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the complaint or grievance, and attempt to resolve the matter.

E. CONTRACTOR agrees that no provision of this Agreement shall be construed as to replacing or conflicting with the duties of COUNTY Patients' Rights Office pursuant to WIC Section 5500.

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

V. PAYMENTS

A. COUNTY shall pay CONTRACTOR for services provided in accordance with this Agreement during Period One, Period Two, Period Three, Period Four, and Period Five as specified in the Referenced Contract Provisions of this Agreement.

B. REVENUE

1. "Revenue" means Medi-Cal and any third party or private reimbursement actually received by CONTRACTOR for Mental Health Inpatient Services provided to patients served pursuant to this Agreement.

2. "Period One Revenue" means revenue actually received during Period One, which revenue is anticipated by the parties to be \$835,000.

3. "Period Two Revenue" means revenue actually received during Period Two, which revenue is anticipated by the parties to be \$840,000.

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4. "Period Three Revenue" means revenue actually received during Period Three, which revenue is anticipated by the parties to be \$845,000.

5. "Period Four Revenue" means revenue actually received during Period Four, which revenue is anticipated by the parties to be \$850,000.

6. "Period Five Revenue" means revenue actually received during Period Five, which revenue is anticipated by the parties to be \$855,000.

7. "Total Revenue" means the total of Revenues received during Period One through Period Five.

8. "Prior Years' Excess Revenue" means the amount of revenue generated above \$4,225,000 for the period July 1, 2017 through June 30, 2022.

9. If the Total Revenue received by CONTRACTOR is greater than \$4,225,000, then the excess shall be either paid to COUNTY or included in whole or in part in a subsequent Agreement between COUNTY and CONTRACTOR and deemed as Prior Years' Excess Revenue and separately identified as such.

10. Prior Years' Excess Revenue

a. CONTRACTOR has agreed to utilize the amount of \$4,225,000, representing prior years' excess revenue, to offset proposed program costs for the period July 1, 2018 through June 30, 2022. This amount is inclusive of the total excess revenue that CONTRACTOR estimates to be generated over the budgeted amount of \$4,225,000, for the period July 1, 2017 through June 30, 2022.

b. CONTRACTOR shall submit in writing to ADMINISTRATOR, prior to utilizing Medi-Cal Revenue, a request to utilize funds for program costs. The request shall be submitted on a report that will include a complete breakdown of funds that will be utilized for the program. Prior to any requests, ADMINISTRATOR will approve a form developed by CONTRACTOR.

c. ADMINISTRATOR shall review the request and respond to CONTRACTOR within two (2) weeks after receiving the request, or three (3) days if deemed an emergency. ADMINISTRATOR shall approve the request after proper documentation has been submitted by CONTRACTOR.

d. CONTRACTOR shall submit to ADMINISTRATOR no later than August 31st a final report of the total amount of revenue generated at the end of each Period as specified in the Referenced Contract Provisions of this Agreement.

e. In the event the revenue generated for each Period is more than \$4,225,000, the excess revenue shall be paid to COUNTY by September 16th after the end of each Period.

f. In the event that MHRC generates less than \$4,225,000 in excess revenue than previously budgeted, CONTRACTOR may use the excess revenue from the Therapeutic Residential Center (TRC) program to cover MHRC costs, upon approval from ADMINISTRATOR.

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C. In the event that this Agreement terminates before June 30, 2022, the Revenues and Total Revenue stipulated in subparagraph V above shall be proportionately modified by ADMINISTRATOR, based upon the number of days this Agreement was in effect.

D. It is understood by the parties that the State Department of Mental Health and Department of Health Services are in the process of modifying Treatment Authorization Request processes and Medi-Cal billing procedures to include the direct involvement of, or control by, County which may impact the way CONTRACTOR bills and collects the Revenues specified herein. CONTRACTOR agrees to comply with any and all state requirements related to Medi-Cal billing, as well as the Orange County Medi-Cal Mental Health Managed Care Plan and related policies and procedures.

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

| | <u>PAYMENTS PER MONTH</u> | | |
|------------------------------------|---------------------------|--------------|--------------|
| | <u>MHRC</u> | <u>STEPS</u> | <u>TOTAL</u> |
| PERIOD ONE | | | |
| July 1, 2017 through June 30, 2018 | \$382,837 | \$170,854 | \$553,691 |
| PERIOD TWO | | | |
| July 1, 2018 through June 30, 2019 | \$382,837 | \$170,854 | \$553,691 |
| PERIOD THREE | | | |
| July 1, 2019 through June 30, 2020 | \$382,837 | \$170,854 | \$553,691 |
| PERIOD FOUR | | | |
| July 1, 2020 through June 30, 2021 | \$382,837 | \$170,854 | \$553,691 |
| PERIOD FIVE | | | |
| July 1, 2021 through June 30, 2022 | \$382,837 | \$170,854 | \$553,691 |

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

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| | <u>RATE PER DAY</u> |
|--------------|---------------------|
| PERIOD ONE | \$18,204 |
| PERIOD TWO | \$18,204 |
| PERIOD THREE | \$18,204 |
| PERIOD FOUR | \$18,204 |
| PERIOD FIVE | \$18,204 |

G. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide such information as is required by ADMINISTRATOR. Invoices should not be submitted before the first (1st) day of the month for which services are being invoiced and are due no later than the tenth (10th) day of the month. Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed and approved invoice.

H. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other revenues due the Client, conservator/guardian, or legally responsible person to determine a client share of cost.

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

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

VI. QUALITY IMPROVEMENT

A. CONTRACTOR shall maintain a written Quality Improvement Plan, which shall meet the SSD guidelines for inpatient services. These shall include the definition of specific levels of care for MHRC utilization review and monitoring processes to evaluate the appropriateness of Client admission, treatment, and the length of stay based on specified behavioral criteria. The plan will also include procedures addressing the quality of clinical records, peer review, medication monitoring, and medical care evaluation studies.

B. CONTRACTOR shall maintain on file at its facility documentation of minutes and the implementation of the Quality Improvement Plan in the form of minutes and records of all quality improvement, utilization review, and medication monitoring processes. Such records and minutes will be subject to review by ADMINISTRATOR.

C. CONTRACTOR shall allow ADMINISTRATOR to participate in utilization review and quality improvement activities.

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

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VII. RECORDS

A. CLIENT RECORDS - CONTRACTOR shall maintain adequate medical records on each individual Client which shall include legal status; diagnosis; psychiatric evaluation; medical history; individual treatment plan; records of Client interviews; progress notes; recommended continuing care plan; discharge summary and records of service provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with generally accepted principles of accounting, the CRDC Manual, and Medicare regulations. The Client eligibility determination and fee charged to and collected from Clients, together with a record of all billings rendered and revenues received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

C. RECORDS LOCATION - All CONTRACTOR'S books of accounts and records related to the costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1) location within the limits of the COUNTY or other local location approved, in writing, by ADMINISTRATOR.

VIII. REPORTS

A. CONTRACTOR shall submit reports as needed to ADMINISTRATOR concerning its activities as they relate to the duties and purposes contained herein, provided CONTRACTOR is given at least thirty (30) days prior written notification thereof.

B. CONTRACTOR shall submit to COUNTY'S Consumers' Rights Advocate monthly reports of Clients' Rights Denials, and separate quarterly reports of Involuntary Detentions for the quarters ending September 30, December 31, March 31, and June 30, of each fiscal year. Quarterly reports are due thirteen (13) business days following the period reported.

C. CONTRACTOR shall submit a monthly report including client's revenue. These reports must be on a form acceptable to ADMINISTRATOR and submitted to ADMINISTRATOR by the twentieth (20th) day of the month following services.

D. CONTRACTOR shall, for persons served pursuant to the Agreement, complete such forms and input data as specified by ADMINISTRATOR for input to COUNTY's IRIS System. Such forms shall be provided by COUNTY, together with training in their completion.

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

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Attachment D**IX. RESPONSIBILITIES**

A. CONTRACTOR shall provide, or cause to be provided, medical services as required to Clients treated pursuant to the Agreement. CONTRACTOR shall follow all mutually agreed upon COUNTY P&P's for arranging medical care for medical emergencies and non-emergencies.

B. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all P&Ps. CONTRACTOR shall provide signature confirmation of the P&P's training for each staff member and placed in their personnel files.

C. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

1. CONTRACTOR recognizes Tokens are assigned to a specific individual staff member with a unique password. Tokens and passwords will not be shared with anyone.

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

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

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

- a. Token of each staff member who no longer supports the Agreement;
- b. Token of each staff member who no longer requires access to the IRIS;
- c. Token of each staff member who leaves employment of CONTRACTOR; or
- d. Token is malfunctioning;
- e. Termination of Agreement.

5. ADMINISTRATOR shall issue Tokens for CONTRACTOR's staff members who require access to the IRIS upon initial training or as a replacement for malfunctioning Tokens.

6. CONTRACTOR shall reimburse the COUNTY for Tokens lost, stolen, or damaged through acts of negligence.

D. CONTRACTOR shall input all IRIS data following COUNTY procedure and practice. All statistical data used to monitor CONTRACTOR shall be compiled using only COUNTY IRIS reports, if available, and if applicable.

E. CONTRACTOR shall obtain a NPI – The standard unique health identifier adopted by the Secretary of HHS under HIPAA of 1996 for health care providers.

1. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

2. CONTRACTOR, including each employee that provides services under the Agreement, will obtain a NPI upon commencement of the Agreement or prior to providing services under the Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by ADMINISTRATOR, all NPI as soon as they are available.

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F. CONTRACTOR shall provide the NPP for the COUNTY, as the MHP, at the time of the first service provided under the Agreement to individuals who are covered by Medi-Cal and have not previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon request, the NPP for the COUNTY, as the MHP, to any individual who received services under the Agreement.

G. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the terms of the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder will not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

H. CONTRACTOR shall provide effective Administrative management of the budget, staffing, recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities are delegated to subcontractors, the CONTRACTOR must ensure that any subcontractor(s) possess the qualifications and capacity to perform all delegated responsibilities, including but not limited to the following:

1. Designate the responsible position(s) in your organization for managing the funds allocated to this program;
2. Maximize the use of the allocated funds;
3. Ensure timely and accurate reporting of monthly expenditures;
4. Maintain appropriate staffing levels;
5. Request budget and/or staffing modifications to the Agreement;
6. Effectively communicate and monitor the program for its success;
7. Track and report expenditures electronically;
8. Maintain electronic and telephone communication between key staff and the ADMINISTRATOR; and
9. Act quickly to identify and solve problems.

I. COUNTY shall assist CONTRACTOR in monitoring CONTRACTOR's program to ensure compliance with workload standards and productivity.

J. COUNTY shall review Client charts to assist CONTRACTOR in ensuring compliance with HCA P&Ps and Medi-Cal documentation requirements.

K. COUNTY shall review and approve all admissions, discharges from the program and extended stays in the program.

L. COUNTY shall monitor CONTRACTOR's completion of corrective action plans.

M. COUNTY shall monitor CONTRACTOR's compliance with COUNTY P&P's.

N. ADMINISTRATOR shall meet regularly, and when requested, with CONTRACTOR's Medical Director/Program Director to discuss program issues, problematic cases, linkage issues, and the results of ADMINISTRATOR'S chart review.

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O. ADMINISTRATOR shall provide consultation and assistance in the development of the facility's Quality Improvement Plan.

P. ADMINISTRATOR shall provide a hearing officer for probable cause hearings, shall assist in screening of individuals for all board and care home placements in COUNTY, and shall provide case management services to individuals discharged from CONTRACTOR's facility.

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

R. ADMINISTRATOR shall provide legal representation in all legal proceedings required for the hospitalization, admission or treatment of Clients provided services hereunder, including but not limited to Habeas Corpus, Riese hearings, conservatorship, seventy-two (72)-hour treatment and evaluation, court-ordered evaluation, and appeal and post-certification proceedings.

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

X. SERVICES

CONTRACTOR shall provide MHRC services as specified in this Exhibit A to the Agreement within a locked facility with a total capacity of eighty (80) MHRC beds, located at:

23228 Madero
Mission Viejo, CA 92691

A. CONTRACTOR shall provide a secure long-term inpatient program, herein referred to as "MHRC," to provide physician, nursing, pharmaceutical, and dietary services and shall maintain the capability of providing such services to eighty (80) persons. The MHRC shall provide a Recovery based rehabilitation and activity program services as specified in the MHRC regulations and shall be designed to assist Clients considered seriously disabled due to a mental illness to develop skills to become self-sufficient and capable of increasing levels of independent functioning in the community. The program will be based upon a recovery model therapeutic milieu with a primary rehabilitation focus using cognitive behavioral programming to serve the severe, persistent, and chronic mental health symptoms of consumers.

1. MHRC admissions and discharges shall occur Monday through Friday during the hours of 7 a.m. to 7 p.m.

2. The rehabilitation program services shall include psychiatric and psychological services, pre-vocational and vocational counseling, development of independent living skills, self-help and social skills, substance use, symptom management and community outreach to develop linkages with other

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support and service systems, including family members. Learning disability assessment and educational services may be included.

3. CONTRACTOR shall dedicate fifteen (15) of the eighty (80) beds to a specialized program, Striving Towards Enhanced Partnerships (STEPS), which assists clients in transitioning to lower levels of care and provides wrap around services to assist in this process.

4. Each Client shall be assigned a primary Psychiatrist for ongoing medication evaluation and treatment; and appropriate program staff for on-going therapy and case management.

5. The Client's family and outpatient Plan Coordinator shall be actively involved in the treatment process in order to facilitate support of the consumer after discharge.

6. CONTRACTOR shall make its best effort to maintain an average length of stay no greater than six (6) months.

7. CONTRACTOR shall initiate a discharge planning conference with ADMINISTRATOR for each Client whose length of stay exceeds nine (9) months. CONTRACTOR shall seek a discharge planning update on a monthly basis thereafter until the Client is discharged.

B. CONTRACTOR shall provide the following:

1. Rooms for group and activities therapies, visiting, and Client recreation.
2. Office space for confidential medical examinations and Client interviews.
3. A secure outside Client recreational area.
4. Access to public transportation.
5. Office space for nursing, psychiatric, and social service staff.
6. Space for Dining.
7. Van transportation for the transfer of COUNTY Clients from CONTRACTOR's facility to

alternative treatment facilities, non-emergency medical treatment and supervised therapeutic outings.

C. CONTRACTOR shall meet the requirements set forth in Title 9 of the CCR to be certified to provide an MHRC.

D. CONTRACTOR shall cause to be provided psychiatric treatment and other services in accordance with physicians' orders and/or guidelines established by CONTRACTOR and ADMINISTRATOR, which shall include, but not be limited to the following:

1. Seven (7) days per week evaluation and treatment services to include a psychiatric and medical history, psychiatric diagnosis including a secondary substance abuse disorder as defined in the most current version of the DSM, and a physical examination of each newly admitted Client within twenty-four (24) hours of admission. CONTRACTOR shall also provide on a seven (7) day per week basis an individual treatment service plan, initiation of certification and conservatorship as well as reappointment of conservatorship processes including declarations in support of reappointment of Conservatorship as well as including declarations in support of termination of Conservatorship as clinically indicated, discharge planning, continuing care planning and referral services for each Client.

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2. Access to twenty-four (24)-hour psychiatric services for MHRC and on-site coverage to comply with applicable regulatory minimum requirements.

3. The names of the Attending Psychiatrist(s) and Medical Director will be posted within each Nursing Unit.

4. Psychiatric, psychological, recreational, occupational and vocational therapy services consistent with the individualized treatment service plan.

5. Discharge planning will begin on admission and placement, and/or referral shall be provided seven (7) days per week.

6. Expert Witness testimony by appropriate mental health professionals in all legal proceedings required for the hospitalization, admission, or treatment of Clients provided services herein. These services shall include, but are not limited to, Writs of Habeas Corpus, conservatorship, court-ordered evaluation, and appeal and post-certification proceedings.

7. Medical Director, or appropriate psychiatric designee, attendance at all treatment service team meetings held for all programs.

8. Availability of Medical Director, Program Director, or appropriate psychiatric designee, either directly or by pager or cell phone, twenty-four (24)-hours per day, every day for unresolved emergencies in all programs.

9. Laboratory services limited to an initial CBC, UA, RPR, comprehensive metabolic panel, thyroid panel, urine pregnancy as indicated, and if needed, a drug or alcohol screen.

10. Appropriate laboratory services for any psychiatric medication which requires additional pre-screening or regular tests.

11. Radiology services, primarily for the evaluation and treatment of psychiatric disorders.

12. Pharmaceutical services primarily for the evaluation and treatment of psychiatric disorders including medications provided to Clients.

13. Daily Utilization Review of psychiatric inpatient services to assure that the medical necessity is clearly documented.

E. CONTRACTOR shall interface with the Client's health plan, Primary Care Physician, and/or CalOptima if Client is a COUNTY Medi-Cal Beneficiary to obtain authorization for medical services and to exchange relevant clinical information.

F. CONTRACTOR shall link with the Client's outpatient Plan Coordinator if the Client has been receiving services from COUNTY, and involve the Plan Coordinator in treatment service planning and discharge planning.

G. CONTRACTOR shall notify ADMINISTRATOR of all admissions who qualify for COUNTY services.

H. CONTRACTOR shall coordinate all discharges that are referred to COUNTY, including COUNTY contractors, and link with outpatient Plan Coordinators.

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I. CONTRACTOR shall develop specialized treatment service modules focusing on the needs of the dually diagnosed (i.e. psychiatric and substance use disorders), and on the needs of multicultural populations served by the program.

J. CONTRACTOR shall develop a tobacco use prevention and cessation program based on "best practices" for those Clients who use tobacco and are served by the program. CONTRACTOR shall serve Clients in a smoke free environment.

K. CONTRACTOR shall provide those services required by Title 9 CCR for MHRC which shall include, but not be limited to the following:

1. Direct Services - Room and dietetic services, nursing services including drug administration and Client care, Client activities to include occupational/recreational/vocational services, and provision of a therapeutic milieu.

2. Support Services - Housekeeping, laundry, maintenance, medical records, drug order processing, written procedures for obtaining emergency and non-emergency medical services and ambulance services.

L. CONTRACTOR shall:

1. Serve and treat chronic and persistently mentally ill Clients who are medically stable, including those with co-existing substance use disorders and require long-term stabilization and rehabilitation presenting high risk of further decompensation if not treated.

2. Admit and treat only those persons referred and/or approved by COUNTY, excluding consumers who present themselves primarily as acutely intoxicated, and/or those who require emergency medical assessment or treatment. CONTRACTOR shall not refuse admission of consumers referred by COUNTY, provided, however, such consumers meet the COUNTY's medical criteria for admission to the COUNTY CSU.

3. Provide services to persons eighteen (18) years of age or older and emancipated minors as defined in Section 62 of the California Civil Code, with a psychiatric diagnosis as defined in the current DSM who meet CONTRACTOR's admissions criteria, and who are admitted pursuant to WIC §6000, §5350, §5353, and §5358. In the event no other inpatient treatment resource is available, persons less than eighteen (18) years old may be admitted by CONTRACTOR, on a case by case basis.

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

XI. STAFFING

A. CONTRACTOR shall provide the following staffing, expressed in Full-Time Equivalent (FTE) which shall be equal to an average of forty (40) hours work per week including sick leaves, holidays, vacation, and "on-call" time.

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| <u>MISSION VIEJO – MHRC</u> | <u>FTEs</u> |
|-----------------------------|-------------|
| Adjunctive Therapy Director | 1.00 |
| Adjunctive Therapy Staff | 3.00 |
| Clerical/Driver | 1.00 |
| Dietary Staff | 8.00 |
| Dietary Supervisor | 1.00 |
| Director of Nursing | 1.00 |
| Facility Director | 1.00 |
| General Clerical | 1.00 |
| Hair Dresser | 0.40 |
| Housekeeping Staff | 3.60 |
| LVN/LPT | 16.80 |
| Maintenance Director | 1.00 |
| Maintenance Staff | 1.00 |
| Medical Director | 0.10 |
| Medical Records | 1.00 |
| MHW/MHA | 26.80 |
| Peer Mentor | 1.00 |
| Pre-Vocational Specialist | 1.00 |
| Program Director | 1.00 |
| Social Services | 2.00 |
| Substance Abuse | 0.20 |
| Ward Clerk | <u>2.00</u> |
| TOTAL MHRC | 74.90 |

B. CONTRACTOR will hire bilingual/bicultural staff in sufficient number to meet the needs of Clients serviced pursuant to the Agreement.

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

D. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to ADMINISTRATOR.

E. CONTRACTOR shall provide ADMINISTRATOR a list of current staff on a quarterly basis.

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EXHIBIT B
AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

I. COMMON TERMS & DEFINITIONS

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

A. ADL means diet, personal hygiene, clothing care, grooming, money and household management, personal safety, symptom monitoring, etc.

B. Additional Income Source means all income other than SSI and includes such sources of income as retirement income, disability income, trust fund income, Social Security income, Veteran's Affairs disability income, etc.

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

D. Diagnosis means the definition of the nature of the client's disorder. When formulating the diagnosis of client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most current edition of the DSM published by the American Psychiatric Association.

E. LPS means the Act that went into effect July 1, 1972 in California. The Act in effect ended all hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for involuntary detentions.

F. Medical Necessity means the requirements as defined in the MHP Medical Necessity for Medical reimbursed Specialty Mental Health Services that includes Diagnosis, Impairment Criteria and Intervention Related Criteria.

G. Mental Health Services means interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development and enhanced self-sufficiency. Services shall include:

1. Assessment means a service activity, which may include a clinical analysis of the history and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural issues and history, diagnosis and the use of testing procedures.

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2. Medication Support Services means those services provided by a licensed physician, registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the symptoms of mental illness. These services also include evaluation and documentation of the clinical justification and effectiveness for use of the medication, dosage, side effects, compliance and response to medication, as well as obtaining informed consent, providing medication education and plan development related to the delivery of the service and/or assessment of the beneficiary.

3. Rehabilitation Service means an activity which includes assistance in improving, maintaining, or restoring a client's or group of clients' functional skills, daily living skills, social and leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or medication education.

4. Therapy means a service activity which is a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments. Therapy may be delivered to an individual or group of beneficiaries which may include family therapy in which the beneficiary is present.

H. MHSA means the law that provides funding for expanded community mental health services. It is also known as "Proposition 63."

I. NPI means the standard unique health identifier that was adopted by the Secretary of HHS under HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

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

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

L. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623.

M. Psychologist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 624.

N. Recovery means a "deeply personal, unique process of changing one's attitudes, values, feelings, goals, skills and/or roles. It is a way of living a satisfying, hopeful and contributing life even with limitations caused by the illness. Recovery involves the development of new meaning and purpose in one's life as one grows beyond the catastrophic effects of mental illness. Ultimately, because recovery is a personal and unique process, everyone with a psychiatric illness develops his or her own

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definition of recovery. However, certain concepts or factors are common to recovery.” (William Anthony, 1993).

O. Referral means providing the effective linkage of a client to another service, when indicated; with follow-up to be provided within five (5) working days to assure that the client has made contact with the referred service.

P. SNF/STP means a facility that provides twenty-four (24)-hour/day skilled nursing care and supervision and at least twenty-seven (27) hours of therapeutic programming to clients with a primary psychiatric diagnosis, who may also have co-existing medical conditions. In most cases, clients are conserved under LPS.

Q. SSI means income from a United States government program that provides stipends to low-income people who are either aged (65 or older), blind, or disabled.

R. SSP means additional cash benefits to supplement the federal SSI payment.

S. Unit of Service means one (1) calendar day during which CONTRACTOR provides all of the SNF-STP described hereunder, which day shall begin at twelve o'clock midnight. The number of billable Units of Service shall include the day of admission and exclude the day of discharge unless admission and discharge occur on the same day.

T. HIPAA means the federal law that establishes standards for the privacy and security of health information, as well as standards for electronic data interchange of health information. HIPAA law has two main goals, as its name implies: making health insurance more portable when persons change employers, and making the health care system more accountable for costs-trying, especially to reduce waste and fraud.

II. BUDGET

A. The following budget is set forth for informational purposes only and may be adjusted by mutual written agreement by CONTRACTOR and ADMINISTRATOR:

| <u>Santa Ana</u> | <u>Period One</u> | <u>Period Two</u> | <u>Period Three</u> | <u>Period Four</u> | <u>Period Five</u> |
|--|-------------------|-------------------|---------------------|--------------------|--------------------|
| Total Program Costs | \$17,303,242 | \$17,535,998 | \$ 17,772,243 | \$18,012,031 | \$18,255,409 |
| Total Revenue | <u>10,315,386</u> | <u>10,641,422</u> | <u>10,972,419</u> | <u>11,308,454</u> | <u>11,649,600</u> |
| State/County Funds Required (Maximum Obligation) | \$ 7,048,195 | \$ 7,048,195 | \$ 7,048,195 | \$7,048,195 | \$ 7,048,195 |
| // | | | | | |
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III. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation and operation of the Agreement or COUNTY's P&P's regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Agreement or COUNTY's P&P's regarding services described herein.

B. If the parties are unable to resolve the issue, CONTRACTOR shall give written notice to ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or concern related to the purposes and obligations of the Agreement. ADMINISTRATOR shall have fifteen (15) business days following such notice to obtain resolution of any issue(s) identified in this manner, provided, however, by mutual consent this period of time may be extended to thirty (30) calendar days.

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

D. The rights and remedies provided by this Paragraph are in addition to those provided by law to either party.

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

IV. PATIENT RIGHTS

A. CONTRACTOR shall post the current Patients' Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients without having to ask permission to obtain it.

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

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

2. CONTRACTOR's complaint resolution and grievance processes shall incorporate COUNTY's and the resident County's grievance, patients' rights, and utilization management guidelines and procedures.

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C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and grievance procedures in concert with the resident County that shall include the components outlined below. The resident County will handle such complaints that may include allegations of denial of rights, dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant. COUNTY will handle such complaints regarding access to care or regarding COUNTY's Public Administrator/Public Guardian Office services.

1. Complaint Resolution. This process will specifically address and attempt to resolve Client complaints and concerns at CONTRACTOR's facility.

2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's facility and the Client or Client representative requests it, the complaint becomes a formal grievance. The request is made to the respective resident County or ADMINISTRATOR and represents the first step in the formal grievance process.

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

D. CONTRACTOR agrees that Clients have recourse to initiate a complaint to CONTRACTOR, appeal to the respective resident County or COUNTY's Patients' Rights Office, to file a formal grievance, file a Title IX complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the complaint or grievance, and attempt to resolve the matter.

E. CONTRACTOR agrees that no provision of this Agreement shall be construed as to replacing or conflicting with the duties of COUNTY Patients' Rights Office pursuant to WIC Section 5500.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify Patient Rights Paragraph of this Exhibit B to the Agreement.

V. PAYMENTS

A. COUNTY shall pay CONTRACTOR for services provided in accordance with this Agreement during Period One, Period Two, Period Three, Period Four, and Period Five as specified in the Referenced Contract Provisions of this Agreement.

B. REVENUE

1. "Revenue" means Medi-Cal and any third party or private reimbursement actually received by CONTRACTOR for Mental Health Inpatient Services provided to patients served pursuant to this Agreement.

2. "Period One Revenue" means revenue actually received during Period One, which revenue is anticipated by the parties to be \$10,315,386.

3. "Period Two Revenue" means revenue actually received during Period Two, which revenue is anticipated by the parties to be \$10,641,422.

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4. "Period Three Revenue" means revenue actually received during Period Three, which revenue is anticipated by the parties to be \$10,972,419.

5. "Period Four Revenue" means revenue actually received during Period Four, which revenue is anticipated by the parties to be \$11,308,454.

6. "Period Five Revenue" means revenue actually received during Period Five, which revenue is anticipated by the parties to be \$11,649,600.

7. "Total Revenue" means the total of Revenues received during Period One through Period Five.

8. "Prior Years' Excess Revenue" means the amount of revenue generated above \$54,887,281 for the period July 1, 2017 through June 30, 2022.

9. If the Total Revenue received by CONTRACTOR is greater than \$54,887,281, then the excess shall be either paid to COUNTY or included in whole or in part in a subsequent Agreement between COUNTY and CONTRACTOR and deemed as Prior Years' Excess Revenue and separately identified as such.

10. Prior Years' Excess Revenue

a. CONTRACTOR has agreed to utilize the amount of \$54,887,281, representing prior years' excess revenue, to offset proposed program costs for the period July 1, 2018 through June 30, 2022. This amount is inclusive of the total excess revenue that CONTRACTOR estimates to be generated over the budgeted amount of \$54,887,281, for the period July 1, 2017 through June 30, 2022.

b. CONTRACTOR shall submit in writing to ADMINISTRATOR, prior to utilizing Medi-Cal Revenue, a request to utilize funds for program costs. The request shall be submitted on a report that will include a complete breakdown of funds that will be utilized for the program. Prior to any requests, ADMINISTRATOR will approve a form developed by CONTRACTOR.

c. ADMINISTRATOR shall review the request and respond to CONTRACTOR within two (2) weeks after receiving the request, or three (3) days if deemed an emergency. ADMINISTRATOR shall approve the request after proper documentation has been submitted by CONTRACTOR.

d. CONTRACTOR shall submit to ADMINISTRATOR no later than August 31st a final report of the total amount of revenue generated at the end of each Period as specified in the Referenced Contract Provisions of this Agreement.

e. In the event the revenue generated for each Period is more than \$54,887,281, the excess revenue shall be paid to COUNTY by September 16th after the end of each Period.

f. CONTRACTOR may use the excess revenue from the TRC program to cover MHRC costs in the event that MHRC generates less than \$4,225,000 in excess revenue than previously budgeted, upon approval from ADMINISTRATOR.

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C. In the event that this Agreement terminates before June 30, 2022, the Revenues and Total Revenue stipulated in subparagraph V above shall be proportionately modified by ADMINISTRATOR, based upon the number of days this Agreement was in effect.

D. It is understood by the parties that the State Department of Mental Health and Department of Health Services are in the process of modifying Treatment Authorization Request processes and Medi-Cal billing procedures to include the direct involvement of, or control by, County which may impact the way CONTRACTOR bills and collects the Revenues specified herein. CONTRACTOR agrees to comply with any and all state requirements related to Medi-Cal billing, as well as the Orange County Medi-Cal Mental Health Managed Care Plan and related policies and procedures.

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

PAYMENTS PER MONTH

| | |
|------------------------------------|-----------|
| PERIOD ONE | |
| July 1, 2017 through June 30, 2018 | \$587,350 |
| PERIOD TWO | |
| July 1, 2018 through June 30, 2019 | \$587,350 |
| PERIOD THREE | |
| July 1, 2019 through June 30, 2020 | \$587,350 |
| PERIOD FOUR | |
| July 1, 2020 through June 30, 2021 | \$587,350 |
| PERIOD FIVE | |
| July 1, 2021 through June 30, 2022 | \$587,350 |

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

RATE PER DAY

| | |
|--------------|----------|
| PERIOD ONE | \$19,310 |
| PERIOD TWO | \$19,310 |
| PERIOD THREE | \$19,310 |
| PERIOD FOUR | \$19,310 |
| PERIOD FIVE | \$19,310 |

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G. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide such information as is required by ADMINISTRATOR. Invoices should not be submitted before the first (1st) day of the month for which services are being invoiced and are due no later than the tenth (10th) day of the month. Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed and approved invoice.

H. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other revenues due the Client, conservator/guardian, or legally responsible person to determine a client share of cost.

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

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

VI. QUALITY IMPROVEMENT

A. CONTRACTOR shall maintain a written Quality Improvement Plan, which shall meet the State DHCS guidelines for inpatient services. These shall include the definition of specific levels of care for Unit I, Unit II, and Unit III utilization review and monitoring processes to evaluate the appropriateness of Client admission, treatment, and the length of stay based on the medical necessity for Unit I, and specified behavioral criteria for Unit II and Unit III. The plan will also include procedures addressing the quality of clinical records, peer review, medication monitoring, and medical care evaluation studies.

B. CONTRACTOR shall maintain on file at its facility documentation of minutes and the implementation of the Quality Improvement Plan in the form of minutes and records of all quality improvement, utilization review, and medication monitoring processes. CONTRACTOR shall provide ADMINISTRATOR a semi-annual summary of such records and minutes upon request.

C. CONTRACTOR shall allow ADMINISTRATOR to participate in utilization review and quality improvement activities.

D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Quality Improvement Paragraph of this Exhibit B to the Agreement.

VII. RECORDS

A. CLIENT RECORDS - CONTRACTOR shall maintain adequate medical records on each individual Client which shall include legal status; diagnosis; psychiatric evaluation; medical history; individual treatment plan; records of Client interviews; progress notes; recommended continuing care plan; discharge summary and records of service provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

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B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with generally accepted principles of accounting, the CRDC Manual, and Medicare regulations. The Client eligibility determination and fee charged to and collected from Clients, together with a record of all billings rendered and revenues received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

C. RECORDS LOCATION - All CONTRACTOR'S books of accounts and records related to the costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1) location within the limits of the COUNTY or other local location approved, in writing, by ADMINISTRATOR.

VIII. REPORTS

A. CONTRACTOR shall submit reports as needed to ADMINISTRATOR concerning its activities as they relate to the duties and purposes contained herein, provided CONTRACTOR is given at least thirty (30) days prior written notification thereof.

B. CONTRACTOR shall submit to COUNTY'S Consumers' Rights Advocate monthly reports of Clients' Rights Denials, and separate quarterly reports of Involuntary Detentions including 5270 data reports, Probable Cause hearings and Riese hearings for the quarters ending September 30, December 31, March 31, and June 30, of each fiscal year. Quarterly reports are due thirteen (13) business days following the period reported.

C. CONTRACTOR shall submit a monthly report including client's revenue. These reports must be on a form acceptable to ADMINISTRATOR and submitted to ADMINISTRATOR by the twentieth (20th) day of the month following services.

D. CONTRACTOR shall, for persons served pursuant to the Agreement, complete such forms and input data as specified by ADMINISTRATOR for input to COUNTY'S IRIS System. Such forms shall be provided by COUNTY, together with training in their completion.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports Paragraph of this Exhibit B to the Agreement.

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

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E. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to ADMINISTRATOR.

IX. RESPONSIBILITIES

A. CONTRACTOR shall provide, or cause to be provided, medical services as required to Clients treated pursuant to the Agreement. CONTRACTOR shall follow all mutually agreed upon COUNTY P&P's for arranging medical care for medical emergencies and non-emergencies.

B. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all P&Ps. CONTRACTOR shall provide signature confirmation of the P&P's training for each staff member and placed in their personnel files.

C. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

1. CONTRACTOR recognizes Tokens are assigned to a specific individual staff member with a unique password. Tokens and passwords will not be shared with anyone.

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

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

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

- a. Token of each staff member who no longer supports the Agreement;
- b. Token of each staff member who no longer requires access to IRIS;
- c. Token of each staff member who leaves employment of CONTRACTOR; or
- d. Token is malfunctioning;
- e. Termination of Agreement.

5. ADMINISTRATOR shall issue Tokens for CONTRACTOR's staff members who require access to the IRIS upon initial training or as a replacement for malfunctioning Tokens.

6. CONTRACTOR shall reimburse the COUNTY for Tokens lost, stolen, or damaged through acts of negligence.

D. CONTRACTOR shall input all IRIS data following COUNTY procedure and practice. All statistical data used to monitor CONTRACTOR shall be compiled using only COUNTY IRIS reports, if available, and if applicable.

E. CONTRACTOR shall obtain a NPI - The standard unique health identifier adopted by the Secretary of HHS under HIPAA of 1996 for health care providers.

1. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

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2. CONTRACTOR, including each employee that provides services under the Agreement, will obtain a NPI upon commencement of the Agreement or prior to providing services under this Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by ADMINISTRATOR, all NPI as soon as they are available.

F. CONTRACTOR shall provide the NPP for the COUNTY, as the MHP, at the time of the first service provided under the Agreement to individuals who are covered by Medi-Cal and have not previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon request, the NPP for the COUNTY, as the MHP, to any individual who received services under the Agreement.

G. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the terms of the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder will not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

H. CONTRACTOR shall provide effective Administrative management of the budget, staffing, recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities are delegated to subcontractors, the CONTRACTOR must ensure that any subcontractor(s) possess the qualifications and capacity to perform all delegated responsibilities. Including but not limited to the following:

1. Designate the responsible position(s) in your organization for managing the funds allocated to this program;
2. Maximize the use of the allocated funds;
3. Ensure timely and accurate reporting of monthly expenditures;
4. Maintain appropriate staffing levels;
5. Request budget and/or staffing modifications to the Agreement;
6. Effectively communicate and monitor the program for its success;
7. Track and report expenditures electronically;
8. Maintain electronic and telephone communication between key staff and the ADMINISTRATOR; and
9. Act quickly to identify and solve problems.

I. COUNTY shall assist CONTRACTOR's in monitoring CONTRACTOR's program to ensure compliance.

J. COUNTY shall review Client charts to assist CONTRACTOR in ensuring compliance with HCA P&Ps and Medi-Cal documentation requirements.

K. COUNTY shall review and approve all admissions, discharges from the program and extended stays in the program.

L. COUNTY shall monitor CONTRACTOR's completion of corrective action plans.

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M. COUNTY shall monitor CONTRACTOR's compliance with COUNTY P&P's.

N. ADMINISTRATOR shall meet regularly, including upon request, with CONTRACTOR's Medical Director/Program Director to discuss program issues, problematic cases, linkage issues, and the results of ADMINISTRATOR'S chart review.

O. ADMINISTRATOR will authorize certifications for STP services.

P. ADMINISTRATOR shall provide consultation and assistance in the development of the facility's Quality Improvement Plan.

Q. ADMINISTRATOR shall provide a hearing officer for probable cause hearings, shall assist in screening of individuals for all board and care home placements in COUNTY, and shall provide case management services to individuals discharged from CONTRACTOR's facility.

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

S. ADMINISTRATOR shall provide legal representation in all legal proceedings required for the hospitalization, admission or treatment of Clients provided services hereunder, including but not limited to Habeas Corpus, Riese hearings, conservatorship, seventy-two (72)-hour treatment and evaluation, court-ordered evaluation, and appeal and post-certification proceedings.

T. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Responsibilities Paragraph of this Exhibit B to the Agreement.

X. SERVICES

CONTRACTOR shall provide the SNF/STP services within a locked, skilled nursing facility, with a total capacity of one hundred twenty-four (124) beds, located at:

1030 West Warner Avenue
Santa Ana, CA 92707

1. CONTRACTOR shall provide a separate, secure forty (40) bed designated short-term inpatient program, herein referred to as "Unit I," to include skilled nursing, and psychiatric services as well as recreational, occupational, and vocational therapy, and shall maintain the capability of providing such services to forty (40) persons. Unit I shall be designed to stabilize individuals as quickly as possible followed by referral to the COUNTY'S Mental Health Services, the private sector, or other community resources. The program will be based upon a therapeutic community model.

a. CONTRACTOR shall provide, within Unit I, two (2) seclusion rooms.

b. Unit I admissions and discharges shall occur twenty-four (24) hours per day, seven (7) days per week.

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c. Each Client will be assigned a primary psychiatrist for ongoing medication evaluation and treatment; and appropriate program staff for on-going therapy and case management.

d. The Client's family and outpatient Plan Coordinator will be actively involved in the treatment process in order to facilitate support of the Client after discharge.

e. CONTRACTOR shall make its best effort to maintain an average length of stay of five (5) to nine (9) days.

g. Lengths of stay in excess of seventeen (17) days require the approval of ADMINISTRATOR based on documented medical necessity or the documented inability of the CONTRACTOR to transfer the Client to a clinical setting determined to be more appropriate.

2. CONTRACTOR shall provide a separate, secure forty-eight (48) bed intermediate term inpatient program, herein referred to as "Unit II", and a thirty-six (36) bed intermediate term inpatient program herein referred to as "Unit III". Both will include skilled nursing and psychiatric services, as well as recreational, occupational, and vocational therapy, and shall maintain the capability of providing such services to eighty-four (84) persons. Unit II and Unit III shall be designed based upon a therapeutic milieu with a primary rehabilitation focus and behavioral management program. The program will be based upon a therapeutic community model and emphasize the development of skills for self-care, development of behaviors for re-entry into a lower level of care, and placement to that lower level of care within the community when appropriate.

a. CONTRACTOR shall provide one (1) seclusion room or designated quiet or relaxation room within Unit II and one (1) within Unit III.

b. The majority of Unit II and Unit III admissions and discharges shall occur during the hours of 7 a.m. to 4 p.m.

c. Consumers will be provided with skills training which will enable them to better function within a community setting.

d. Each Client will participate in individual, group, and other milieu therapies.

e. The Client's family and outpatient Plan Coordinator shall be actively involved in the treatment process.

f. CONTRACTOR shall maintain an average length of stay of three (3) to six (6) months.

g. CONTRACTOR may approve lengths of stay up to six (6) months.

h. CONTRACTOR shall initiate a discharge planning conference with ADMINISTRATOR for each Client hospitalized more than six (6) months. CONTRACTOR shall seek monthly discharge planning conferences with ADMINISTRATOR thereafter until the consumer is discharged.

i. The majority of referrals to Unit II and Unit III will come from Unit I and other contract hospitals.

3. In addition, CONTRACTOR shall provide the following:

a. Rooms for group and activities therapies, visiting, and Client recreation.

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- b. Office space for confidential medical examinations, and Client interviews.
 - c. An entrance separate from CONTRACTOR's geriatric program, and a secure enclosed passageway from Unit I and Unit II to COUNTY's outpatient CSU facility.
 - d. A secure outside Client recreational area.
 - e. Access to public transportation.
 - f. Office space for nursing, psychiatric, and social service staff.
 - g. Space for Dining.
 - h. Van transportation for the transfer of COUNTY Clients from CONTRACTOR's facility or the ETS to alternative treatment facilities, non-emergency medical treatment and supervised therapeutic outings.
4. CONTRACTOR shall meet the requirements set forth in Title 22 of the CCR to be certified to provide a STP.
5. CONTRACTOR shall cause to be provided psychiatric treatment and other services in accordance with physicians' orders and/or guidelines established by CONTRACTOR and ADMINISTRATOR, which shall include, but not be limited to the following:
- a. Seven (7) days per week evaluation and treatment services to include a psychiatric and medical history, psychiatric diagnosis including a secondary substance abuse disorder as defined in the current DSM, and a physical examination of each newly admitted Client. This will be accomplished within twenty-four (24) hours of admission for Unit I and seventy-two (72) hours of admission for Units II and III. CONTRACTOR shall also provide on a seven (7) day per week basis an individual treatment plan, initiation of certification and conservatorship processes including declarations in support of termination of Conservatorship as clinically indicated, discharge planning, continuing care planning and referral services for each Client.
 - b. Provision of twenty-four (24)-hour psychiatric services for Units I, II and III as specified in Services Paragraph of this Exhibit B to the Agreement.
 - 1) Monday through Friday from 8 a.m. to 5 p.m., such coverage shall be on-site.
 - 2) Saturday and Sunday, such coverage shall be on-site for a minimum of three (3) hours.
 - c. Psychiatrist schedules for all programs shall be provided to liaison facilities including the CSU and ADMINISTRATOR. These schedules shall include all scheduled on-site and on-call hours for each Psychiatrist.
 - d. Psychiatric, psychological, recreational, occupational and vocational therapy services consistent with the individualized treatment plan.
 - e. Discharge planning shall begin upon admission and placement and/or referral shall be provided seven (7) days per week.
 - f. Expert Witness testimony by appropriate mental health professionals in all legal proceedings required for the hospitalization, admission, or treatment of Clients provided services herein.

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These services shall include but are not limited to, Writs of Habeas Corpus, Riese hearings, conservatorship, court-ordered evaluation, Certification Review hearings, and appeal and post-certification proceedings.

g. Medical Director, or appropriate designee, attendance at all treatment team meetings held for all programs.

h. Availability of Medical Director, Program Director, or appropriate psychiatric designee, either directly or by pager or cell phone, twenty-four (24)-hours per day, every day for unresolved emergencies in all programs.

i. Laboratory services limited to an initial CBC with differential, comprehensive metabolic panel, thyroid panel, urine pregnancy as needed, UA, RPR, and if needed, a drug or alcohol screen.

j. Appropriate laboratory services for any psychiatric medication which requires additional pre-screening or regular tests.

k. Radiology services, primarily for the evaluation and treatment of psychiatric disorders.

l. Pharmaceutical services primarily for the evaluation and treatment of psychiatric disorders including medications provided to consumers.

m. Daily Utilization Review of psychiatric inpatient services to assure that the medical necessity for continued stay on Unit I is clearly documented; and that the stated behavioral goals for each Client's stay on Unit II and Unit III are clearly documented and implemented.

6. CONTRACTOR shall interface with the Client's health plan, Primary Care Physician, and/or CalOptima if Client is a COUNTY Medi-Cal Beneficiary to obtain authorization for medical services and to exchange relevant clinical information.

7. CONTRACTOR shall link with the Client's outpatient Plan Coordinator if the consumer has been receiving services from COUNTY, and involve the Plan Coordinator in treatment planning and discharge planning.

8. CONTRACTOR shall notify ADMINISTRATOR of all admissions who qualify for COUNTY services.

9. CONTRACTOR shall coordinate all discharges that are referred to COUNTY, including COUNTY contractors, and link with outpatient Plan Coordinators or substance abuse staff.

10. CONTRACTOR shall develop specialized treatment modules focusing on the needs of the dually diagnosed (i.e. psychiatric and substance abuse disorders), and on the needs of multicultural populations served by the program.

11. CONTRACTOR shall develop a tobacco use prevention and cessation program based on "best practices" for those Clients who use tobacco and are served by the program. CONTRACTOR shall serve Clients in a smoke free environment.

12. CONTRACTOR shall provide those services required by Title 22, CCR, for skilled nursing facilities which shall include, but not be limited to the following:

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a. Direct Services - Dietetic services, nursing services including drug administration and Client care, Client activities to include occupational/recreational/vocational services, and provision of a recovery based therapeutic milieu.

b. Support Services - Housekeeping, laundry, maintenance, medical records, drug order processing, written procedures for obtaining emergency and non-emergency medical services and ambulance transportation.

13. CONTRACTOR shall provide dietetic and laundry services to the CSU facility.

14. CONTRACTOR shall provide services to:

a. Unit I, Unit II, and Unit III shall serve and treat the chronically and persistently mentally ill Client and those in crisis with severe psychiatric symptoms that are difficult to manage, including those with co-existing substance abuse disorders. Behaviors and symptoms of Clients' illnesses may vary from aggressive and assaultive to acutely depressed, psychotic, and regressed.

b. Within Unit I, Unit II, and Unit III CONTRACTOR shall admit and treat only those persons referred and/or approved by COUNTY on a twenty-four (24)-hour basis, seven (7) days per week, excluding Clients who present themselves primarily as acutely intoxicated, and/or those who require emergency medical assessment or treatment.

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

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

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

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

g. CONTRACTOR shall provide services to persons eighteen (18) years of age or older and emancipated minors as defined in Section 62 of the California Civil Code, with a psychiatric diagnosis as defined in the DSM IV who meet CONTRACTOR'S admissions criteria, and who are admitted pursuant to WIC §6000, §5150, §5250, §5260, and §5350. In the event no other inpatient treatment resource is available, persons less than eighteen (18) years old may be admitted by CONTRACTOR, on a case by case basis.

15. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit B to the Agreement.

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Attachment D**XI. STAFFING**

A. CONTRACTOR shall provide the following staffing, expressed in Full-Time Equivalent (FTE) which shall be equal to an average of forty (40) hours work per week including sick leaves, holidays, vacation, and "on-call" time.

| <u>TRC ADMINISTRATION/PROGRAM SUPPORT</u> | <u>FTEs</u> |
|---|-------------|
| Adjunctive Therapy Director | 1.00 |
| Admission Coordinator | 1.00 |
| Assistant DON | 1.00 |
| General Clerical | 3.00 |
| Laundry Aide | 1.00 |
| Medi-Cal Clerical | 2.00 |
| Medi-Cal Director | 1.00 |
| Medical Director | 0.90 |
| Medical Records | 1.00 |
| Peer Mentor | 1.00 |
| Program Director | 1.00 |
| Psychologist | 1.00 |
| Resident Assessment Coordinator | 2.00 |
| Social Service Director | 1.00 |
| Staff Developer | <u>1.00</u> |
| TOTAL FTEs | 18.90 |

| <u>DIRECT</u> | <u>Unit I</u> | <u>Unit II</u> | <u>Unit III</u> | <u>TOTAL</u> |
|----------------------|------------------|------------------|------------------|-------------------|
| | <u>(40 Beds)</u> | <u>(48 Beds)</u> | <u>(36 Beds)</u> | <u>(124 Beds)</u> |
| Adjunctive Therapy | 2.40 | 3.00 | 3.00 | 8.40 |
| LVN/LPT | 2.80 | 10.40 | 8.00 | 21.20 |
| Mental Health Worker | 26.60 | 21.00 | 17.20 | 64.80 |
| Psychiatrist | 3.40 | 1.00 | 1.00 | 5.40 |
| RN | 11.20 | 0.00 | 0.00 | 11.20 |
| Social Worker | 4.40 | 4.00 | 3.00 | 11.40 |
| Ward Clerk | <u>2.40</u> | <u>1.00</u> | <u>1.00</u> | <u>4.40</u> |
| TOTAL FTEs | 53.20 | 40.40 | 33.20 | 126.80 |

B. The Psychologist and Social Worker Director listed above shall be licensed.

C. CONTRACTOR will hire bilingual/bicultural staff in sufficient number to meet the needs of Clients serviced pursuant to the Agreement.

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EXHIBIT C
AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

I. BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

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

B. DEFINITIONS

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

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

a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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a. CONTRACTOR does not promptly enter into negotiations to amend this Business Associate Contract when requested by COUNTY pursuant to this subparagraph C; or

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

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

D. SECURITY RULE

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

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

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

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

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

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

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

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

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

E. DATA SECURITY REQUIREMENTS

1. Personal Controls

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

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

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

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

2. Technical Security Controls

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Audit Controls

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

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

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

4. Business Continuity/Disaster Recovery Control

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

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

5. Paper Document Controls

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

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

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

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

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

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

F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

1) The Disclosure is required by law; or

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

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

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

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

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

H. PROHIBITED USES AND DISCLOSURES

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

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

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I. OBLIGATIONS OF COUNTY

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

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

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

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

J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

b. CONTRACTOR shall retain no copies of the PHI.

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

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

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EXHIBIT D
AGREEMENT FOR PROVISION OF
MENTAL HEALTH INPATIENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
ROYALE HEALTH CARE CENTER, INC.
JULY 1, 2017 THROUGH JUNE 30, 2022

I. PERSONAL INFORMATION AND SECURITY CONTRACT

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

A. DEFINITIONS

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

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

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

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

5. "IEA" shall mean the Information Exchange Agreement currently in effect between the SSA and DHCS.

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

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

8. "PI" shall have the meaning given to such term in California Civil Code § 1798.3(a).

9. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of

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participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

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

B. TERMS OF AGREEMENT

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

2. Responsibilities of CONTRACTOR

CONTRACTOR agrees:

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

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

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

1) Complying with all of the data system security precautions listed in subparagraph E of the Business Associate Contract, Exhibit B to the Agreement; and

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

3) If the data obtained by CONTRACTOR from COUNTY includes PII, CONTRACTOR shall also comply with the substantive privacy and security requirements in the CMPPA Agreement between the SSA and the CHHS and in the Agreement between the SSA and

Attachment D

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

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

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

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

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

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

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

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**AMENDMENT NO. 1
TO
CONTRACT NO. MA 042-18010294
FOR
MENTAL HEALTH INPATIENT SERVICES**

This Amendment (“Amendment No. 1”) to Contract No. MA 042-18010294 for Mental Health Inpatient Services is made and entered into on December 23, 2020 (“Effective Date”) between Royale Health Care Center, Inc. (“Contractor”), with a place of business at 1030 West Warner Avenue, Santa Ana, CA 92707 and the County of Orange, a political subdivision of the State of California (“County”), through its Health Care Agency, with a place of business at 405 W. 5th Street, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, on February 26, 2020, the County’s Health Officer declared a local health emergency in response to the novel coronavirus (named “COVID-19”) emergency and outbreak threat in Orange County, as necessary for the preservation of public health and safety; and

WHEREAS, on March 2, 2020, the Board of Supervisors adopted Resolution No. 2020-11 ratifying the local health emergency declared by the County’s Health Officer; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in the State of California as a result of the COVID-19 emergency and outbreak; and

WHEREAS, on March 12, 2020, the Governor of the State of California issued Executive Order N-25-20, ordering all California residents to heed any orders and guidance of State and local public health officials, including but not limited to imposition of social distancing measures, to control the spread of COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States issued a Proclamation on Declaring a National Emergency Concerning the COVID-19 Outbreak; and

WHEREAS, on March 22, 2020, the President of United States declared a major disaster exists in the State of California and ordered Federal assistance to supplement State and local recovery efforts in the areas affected by the COVID-19 pandemic; and

WHEREAS, the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) has issued the Public Assistance Program and Policy Guide, Version 4 (Guide) that provides guidance on the availability of federal funding to states and local governments during emergencies pursuant to Section 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act); and

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WHEREAS, the Guide identifies the services described herein as an eligible cost during emergencies; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President of the United States on March 27th, 2020; and

WHEREAS, the CARES Act established the Coronavirus Relief Fund and the County received an allocation of funds from the Coronavirus Relief Fund under section 601(a) of the Social Security Act, as added by section 5001 of the CARES Act; and

WHEREAS, Section 601(a) and 601(d) of the Social Security Act, as added by Section 5001 of the CARES Act, provides that payments from the CARES Act funds may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, County is in need of the services described herein in order to support its efforts to respond to the COVID-19 pandemic in a manner consistent with the above declarations and authorities, and any continuing executive orders and declarations as part of the on-going emergencies; and

WHEREAS, the Parties executed Contract No. MA 042-18010294 for Mental Health Inpatient Services, effective July 1, 2017 through June 30, 2022, in an amount not to exceed \$68,462,405 ("Contract"); and

WHEREAS, the Parties now desire to enter into this Amendment No. 1 to include Federal Emergency Management Agency (FEMA) provisions to Contract for Covid-19 related needs for the term of July 1, 2020 through December 30, 2020 to allow invoicing for Covid-19 related expenditures; and

NOW THEREFORE, Contractor and County, in consideration of the above recitals, and in consideration of the mutual covenants, benefits and promises contained herein, agree to amend the Contract as follows:

1. Table below is added to the Referenced Contract Provisions as follows:

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| <u>CFDA#</u> | <u>FAIN#</u> | <u>Program/ Service Title</u> | <u>Federal Funding Agency</u> | <u>Federal Award Date</u> | <u>Federal Award Indirect Rate</u> | <u>Federal Award Amount</u> | <u>R&D Award (Y/N)</u> |
|--------------|--------------|---|---------------------------------------|-----------------------------------|--|---------------------------------|------------------------------------|
| 21.019 | SLT012 | Coronavirus Relief Fund (CRF) | US Department of Treasury | 4/22/2020 | N/A or 10% de minimis rate | \$554,133,765 | N |

2. Paragraph 32 is added to the Contract as follows:

“Contract Work Hours And Safety Standards Act:

- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- (3) *Withholding for unpaid wages and liquidated damages.* The County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

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(4) *Subcontracts.* The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.”

3. Paragraph 33 is added to the Contract as follows:

“Clean Air Act And The Federal Water Pollution Control Act:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

Federal Water Pollution Control Act

1. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.”

4. Paragraph 34 is added to the Contract as follows:

“Suspension and Debarment:

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

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(2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by County. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.”

5. Paragraph 35 is added to the Contract as follows:

“Byrd Anti-Lobbying Amendment:

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency. Contractor must execute the certification, as provided in Attachment C.”

6. Paragraph 36 is added to the Contract as follows:

“Procurement of Recovered Materials:

- i. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired
 - 1. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - 2. Meeting contract performance requirements; or
 - 3. At a reasonable price.

Attachment D

- ii. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

7. Paragraph 37 is added to the Contract as follows:

"Access To Records:

- (1) The Contractor agrees to provide County, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- (2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- (3) The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- (4) In compliance with the Disaster Recovery Act of 2018, the County and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States."

8. Paragraph 38 is added to the Contract as follows:

"Department of Homeland Security (DHS) Seal, Logo, And Flags:

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval."

9. Paragraph 39 is added to the Contract as follows:

"Compliance with Federal Law, Regulations, And Executive Orders:

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives."

10. Paragraph 40 is added to the Contract as follows:

"No Obligation by Federal Government:

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The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, Contractor, or any other party pertaining to any matter resulting from the contract.”

11. Paragraph 41 is added to the Contract as follows:

“Program Fraud and False Or Fraudulent Statements Or Related Acts:

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.”

12. Paragraph 42 is added to the Contract as follows:

“Single Audit Requirement:”

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

13. Exhibit E, Attachment 1 is added to the Contract.

This Amendment No. 1 modifies the Contract, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 1, and the Contract, the terms and conditions of this Amendment No. 1 prevail. In all other respects, the terms and conditions of the Contract, not specifically changed by this Amendment No. 1 remain in full force and effect.

SIGNATURE PAGE FOLLOWS

Attachment D

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1. If the company is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor: Royale Health Care Center, Inc.

| | |
|---|----------------|
| Mitch Kantor | President |
| _____ Print Name | _____ Title |
| DocuSigned by: Miche Kantor Signature | 12/23/2020 |
| _____ Signature | _____ Date |
| _____ Print Name | _____ Title |
| _____ Signature | _____ Date |

County of Orange, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

| | |
|--|-------------------------|
| William Norsetter | Deputy Purchasing Agent |
| _____ Print Name | _____ Title |
| DocuSigned by: William Norsetter Signature | 12/23/2020 |
| _____ Signature | _____ Date |

Attachment D

Exhibit E

ATTACHMENT I

CERTIFICATION REGARDING ANTI-LOBBYING

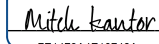
Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, Royale Health Care Center, Inc., certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

DocuSigned by:


Signature of Contractor's Authorized Official

Mitch Kantor President

Name and Title of Contractor's Authorized Official

12/23/2020

Date



**AMENDMENT NO. 2
TO
CONTRACT NO. MA 042-18010294
FOR
MENTAL HEALTH INPATIENT SERVICES**

This Amendment ("Amendment No. 2") to Contract No. MA 042-18010294 for Mental Health Inpatient Services is made and entered into on or about April 1, 2021 ("Effective Date") between Royale Health Care Center, Inc. ("Contractor"), with a place of business at 1030 West Warner Avenue, Santa Ana, CA 92707 and the County of Orange, a political subdivision of the State of California ("County"), through its Health Care Agency, with a place of business at 405 W. 5th Street, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, the Parties executed Contract No. MA 042-18010294 for Mental Health Inpatient Services, effective July 1, 2017 through June 30, 2022, in an amount not to exceed \$68,462,405 ("Contract"); and

WHEREAS, on December 23, 2020, the Parties executed Amendment No. 1 to include Federal Emergency Management Agency (FEMA) provisions to Contract for Covid-19 related needs for the term of July 1, 2020 through December 30, 2020 to allow invoicing for Covid-19 related expenditures; and

WHEREAS, the Parties now desire to enter into this Amendment No. 2 to modify the services with a pilot program, at no additional costs, for the term of July 1, 2020 through June 30, 2022, to allow for increased number of beds available at the MHRC location in Mission Viejo; and

NOW THEREFORE, Contractor and County, in consideration of the above recitals, and in consideration of the mutual covenants, benefits and promises contained herein, agree to amend the Contract as follows:

2. Exhibit A, Paragraph X. Services, subparagraph X. N is added to the Contract with the following:

N. CONTRACTOR will temporarily add a pilot program to increase the number of beds not to exceed eight (8), for the Period to start and end on or about April 1, 2021 through October 31, 2021. The start and end of the pilot program will depend on state and local authorities approval timeframes and can be adjusted by mutual agreement.

1. CONTRACTOR and ADMINISTRATOR agree that not all beds will be available at the start of the pilot program. Realistically it may only be up to a six (6) bed increase at the start. The other two (2) beds shall be subject to availability upon COVID regulatory changes and

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criteria. CONTRACTOR and ADMINISTRATOR will mutually agree on the use of all pilot program beds to ensure the safety of staff and clients.

2. CONTRACTOR will supply all staffing, services, as referenced in the Services paragraph of this Exhibit A, to the Contract, beds and equipment needed so there is no cost to the County for this pilot program.

3. Either Party shall be able to terminate the pilot at any time. Upon termination of the pilot program CONTRACTOR and ADMINISTRATOR will mutually agree on the winding down by curtailing admissions and not suddenly discharging clients. If CONTRACTOR finds that the converting of common areas to resident rooms has a significant negative impact on the existing 80 bed program; it will be brought to the attention of the ADMINISTRATOR for mutual agreement of a termination date.

4. The pilot program is projected to end on or about October 31, 2021 and can be extended by mutual agreement. If additional services and cost are needed it will be negotiated with CONTRACTOR for an Amendment and budget modification

This Amendment No. 2 modifies the Contract, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 2, and the Contract, the terms and conditions of this Amendment No. 2 prevail. In all other respects, the terms and conditions of the Contract, not specifically changed by this Amendment No. 1 remain in full force and effect.

SIGNATURE PAGE FOLLOWS

Attachment D

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2. If the company is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor: Royale Health Care Center, Inc.

Mitchell A. Kantor

President

Print Name

Title

DocuSigned by:

Mitchell A. Kantor

3/25/2021

Signature

Date

County of Orange, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

vicki wheeler

Deputy Purchasing Agent

Print Name

Title

DocuSigned by:

Vicki Wheeler

3/25/2021

Signature

Date