

1 CONTRACT FOR PROVISION OF  
 2 ADULT RESIDENTIAL DRUG MEDI-CAL  
 3 SUBSTANCE USE DISORDER TREATMENT SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 PHOENIX HOUSE ORANGE COUNTY, INC.  
 8 JULY 22, 2022 THROUGH JUNE 30, 2023  
 9

10 THIS AGREEMENT entered into this 22<sup>nd</sup> day of July 2022 (effective date), is by and between the  
 11 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and PHOENIX  
 12 HOUSE ORANGE COUNTY, INC. a Non-Profit (CONTRACTOR). COUNTY and CONTRACTOR  
 13 may sometimes be referred to herein individually as “Party” or collectively as “Parties.” This  
 14 Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).  
 15

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

18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Adult  
 19 Residential Drug Medi-Cal Substance Use Disorder Treatment Services described herein to the residents  
 20 of Orange County; and

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

23 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained  
 24 herein, COUNTY and CONTRACTOR do hereby agree as follows:  
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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 22, 2022 through June 30, 2023

Period One means the period from July 22, 2022 through June 30, 2023

**Maximum Obligation:**

Period One Maximum Obligation: \$ 6,541,430  
 TOTAL MAXIMUM OBLIGATION: \$ 6,541,430

**Basis for Reimbursement:** Negotiated Rate and Actual Cost

**Payment Method:** Monthly in Arrears

**CONTRACTOR UEI Number:** G5EYM14QM7D9

**CONTRACTOR TAX ID Number:** 22-2268070

**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:** Phoenix House Orange County, Inc.  
 Alice Gleghorn  
 11600 Eldridge Avenue  
 Lake view Terrace, Ca 91342  
[agleghorn@phoenixhouseca.org](mailto:agleghorn@phoenixhouseca.org)

CFDA#	FAIN#	Program/ Service Title	Federal Funding Agency	Federal Award Date	Amount	R&D Award (Y/N)
Pending	Pending	Pending	Pending	Pending	Pending	Pending

## I. ACRONYMS

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

1		
2		
3		
4	A. AES	Advanced Encryption Standard
5	B. AOD	Alcohol and Other Drug
6	C. ARRA	American Recovery and Reinvestment Act
7	D. ASAM	American Society of Addiction Medicine
8	E. ASRS	Alcohol and Drug Programs Reporting System
9	F. BCP	Business Continuity Plan
10	G. CalOMS	California Outcomes Measurement System
11	H. CAP	Corrective Action Plan
12	I. CCC	California Civil Code
13	J. CCR	California Code of Regulations
14	K. CD/DVD	Compact Disc/Digital Video or Versatile Disc
15	L. CEO	County Executive Office
16	M. CESI	Client Evaluation of Self at Intake
17	N. CEST	Client Evaluation of Self and Treatment
18	O. CHHS	California Health and Human Services Agency
19	P. CFR	Code of Federal Regulations
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. CIPA	California Information Practices Act
23	T. CMPPA	Computer Matching and Privacy Protection Act
24	U. COI	Certificate of Insurance
25	V. CSU	Crisis Stabilization Unit
26	W. DATAR	Drug Abuse Treatment Access Report
27	X. DHCS	Department of Health Care Services
28	Y. D/MC	Drug/Medi-Cal
29	Z. DMC ODS	Drug Medi-Cal Organized Delivery System
30	AA. DoD	US Department of Defense
31	AB. DPFS	Drug Program Fiscal Systems
32	AC. DRP	Disaster Recovery Plan
33	AD. DRS	Designated Record Set
34	AE. DSM-5	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
35	AF. DSS	Department of Social Services
36	AG. EBPs	Evidenced Based Treatment Practices
37	AH. EHR	Electronic Health Records

1	AI. ePHI	Electronic Protected Health Information
2	AJ. EPSDT	Early Periodic Screening, Diagnostic and Treatment
3	AK. FIPS	Federal Information Processing Standards
4	AL. FTE	Full Time Equivalent
5	AM. GAAP	Generally Accepted Accounting Principles
6	AN. HCA	Health Care Agency
7	AO. HHS	Health and Human Services
8	AP. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
9		Law 104–191
10	AQ. HITECH Act	The Health Information Technology for Economic and Clinical Health
11		Act, Public Law 111–005
12	AR. HSC	California Health and Safety Code
13	AS. ID	Identification
14	AT. IEA	Information Exchange Agreement
15	AU. IRIS	Integrated Records and Information System
16	AV. ISO	Insurance Services Office
17	AW. LPHA	Licensed Practitioner of the Healing Arts
18	AX. MAT	Medication Assisted Treatment
19	AY. NIST	National Institute of Standards and Technology
20	AZ. NPI	National Provider Identifier
21	BA. NPPES	National Plan and Provider Enumeration System
22	BB. OCPD	Orange County Probation Department
23	BC. OCR	Office for Civil Rights
24	BD. OIG	Office of Inspector General
25	BE. OMB	Office of Management and Budget
26	BF. OPM	Federal Office of Personnel Management
27	BG. P&P	Policy and Procedure
28	BH. PA DSS	Payment Application Data Security Standard
29	BI. PC	State of California Penal Code
30	BJ. PCI DSS	Payment Card Industry Data Security Standard
31	BK. PHI	Protected Health Information
32	BL. PII	Personally Identifiable Information
33	BM. PI	Personal Information
34	BN. RPC	Residential Placement Coordinator
35	BO. RTS	Residential Treatment Services
36	BP. SIR	Self-Insured Retention
37	BQ. SMA	Statewide Maximum Allowance

1	BR. STC	Special Terms and Conditions
2	BS. SUD	Substance Use Disorder
3	BT. TB	Tuberculosis
4	BU. UMDAP	Uniform method of Determining Ability to Pay
5	BV. USC	United States Code

## 6

### 7 **II. ALTERATION OF TERMS**

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

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

### 15

### 16 **III. ASSIGNMENT OF DEBTS**

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

### 24

### 25 **IV. COMPLIANCE**

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

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

32 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
33 compliance program, code of conduct and any compliance related policies and procedures.  
34 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall  
35 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required  
36 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to  
37 this Agreement. These elements include:

- 1 a. Designation of a Compliance Officer and/or compliance staff.
- 2 b. Written standards, policies and/or procedures.
- 3 c. Compliance related training and/or education program and proof of completion.
- 4 d. Communication methods for reporting concerns to the Compliance Officer.
- 5 e. Methodology for conducting internal monitoring and auditing.
- 6 f. Methodology for detecting and correcting offenses.
- 7 g. Methodology/Procedure for enforcing disciplinary standards.

8 3. If CONTRACTOR does not provide proof of its own compliance program to  
9 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance  
10 Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within  
11 thirty (30) calendar days of execution of this Agreement a signed acknowledgement that  
12 CONTRACTOR will internally comply with ADMINISTRATOR's Compliance Program and Code of  
13 Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete  
14 ADMINISTRATOR's annual compliance training to ensure proper compliance.

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

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

32 B. SANCTION SCREENING – CONTRACTOR must screen all Covered Individuals employed or  
33 retained to provide services related to this Agreement to ensure that they are not designated as Ineligible  
34 Persons, as pursuant to this Agreement. Screening must be conducted against the Social Security  
35 Administration's Death Master File at the date of employment. Screening must be conducted monthly  
36 against the General Services Administration's Excluded Parties List System or System for Award  
37 Management, the Health and Human Services/Office of Inspector General List of Excluded



1 Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, and/or any  
2 other list or system as identified by ADMINISTRATOR.

3 1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees,  
4 interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items  
5 or services or who perform billing or coding functions on behalf of ADMINISTRATOR.  
6 CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of  
7 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or  
8 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if  
9 CONTRACTOR has elected to use its own).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered  
24 Individuals relative to this Agreement. This includes compliance with federal and state healthcare  
25 program regulations and procedures or instructions otherwise communicated by regulatory agencies;  
26 including the Centers for Medicare and Medicaid Services or their agents.

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

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

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

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

36 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS  
37

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

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

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

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

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

17           6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement  
18 Standards established by Authority and Quality Improvement Services (AQIS) and participate in the  
19 quality improvement activities developed in the implementation of the DMC-ODS Quality Management  
20 Program. CONTRACTOR shall establish an internal Quality Management program and appoint  
21 designated Quality Improvement (QI) staff consisting of at least one dedicated QI  
22 coordinator/professional to participate in QI activities with ADMINISTRATOR and to ensure service  
23 delivery and support program staff implement QI initiatives and requirements appropriately at the  
24 program site.

25           7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural  
26 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural  
27 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,  
28 §1810.410.subds.(c)-(d).

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

## V. CONFIDENTIALITY

1  
2 A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any  
3 audio and/or video recordings, in accordance with all applicable federal, state and county codes and  
4 regulations, including 42 USC §290dd-2 (Confidentiality of Records), as they now exist or may  
5 hereafter be amended or changed.

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

13 C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate  
14 disclosure in connection with activity funded under this Agreement. This system shall include  
15 provisions for employee education on the confidentiality requirements, and the fact that disciplinary  
16 action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative,  
17 physical, and technical safeguards that reasonably and appropriately protect the confidentiality,  
18 integrity, and availability of all confidential information that it creates, receives, maintains or transmits.  
19 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

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

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

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

## VI. CONFLICT OF INTEREST

27  
28  
29 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions  
30 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation  
31 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of  
32 goods and services provided under this Agreement. CONTRACTOR's efforts shall include, but not be  
33 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from  
34 providing or offering gifts, entertainment, payments, loans or other considerations which could be  
35 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of  
36 their duties.

## **VII. COST REPORT**

1  
2 A. CONTRACTOR shall submit an individual and/or consolidated Cost Report for each Period, or  
3 for a portion thereof to COUNTY no later than forty-five (45) calendar days following the period for  
4 which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the individual  
5 and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY  
6 requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall  
7 allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in  
8 accordance with such requirements and consistent with prudent business practice, which costs and  
9 allocations shall be supported by source documentation maintained by CONTRACTOR, and available at  
10 any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple  
11 Agreements for mental health services that are administered by HCA, consolidation of the individual  
12 Cost Reports into a single consolidated Cost Report may be required, as stipulated by  
13 ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later  
14 than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to  
15 be incorporated into a consolidated Cost Report.

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

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

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

27 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the  
28 Cost Report setting forth good cause for justification of the request. Approval of such requests shall be  
29 at the sole discretion of ADMINISTRATOR and shall not be unreasonably denied. In no case shall  
30 extensions be granted for more than seven (7) calendar days.

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

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

1 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are  
2 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The  
3 Cost Report shall be the final financial record for subsequent audits, if any.

4 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,  
5 less applicable revenues and any late penalty, not to exceed the negotiated rate as specified in the  
6 Agreement. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable  
7 pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment  
8 made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an  
9 unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or  
10 other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or  
11 COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the  
12 reimbursement due COUNTY.

13 D. Costs of Medi-Cal services shall not exceed the negotiated rate as specified in this Agreement.

14 E. If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to  
15 this Agreement, less applicable revenues and any late penalty, are higher than the aggregate of interim  
16 monthly payments to CONTRACTOR, then COUNTY shall pay CONTRACTOR the difference,  
17 provided such payment does not exceed the COUNTY's Total Aggregate Maximum Obligation and  
18 separate non-Medi-Cal Aggregate Maximum Obligation and Aggregate Medi-Cal Maximum Obligation.

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

21  
22 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and  
23 supporting documentation prepared by \_\_\_\_\_ for the cost report period  
24 beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my  
25 knowledge and belief, costs reimbursed through this Agreement are reasonable and  
26 allowable and directly or indirectly related to the services provided and that this Cost  
27 Report is a true, correct, and complete statement from the books and records of  
28 (provider name) in accordance with applicable instructions, except as noted. I also  
29 hereby certify that I have the authority to execute the accompanying Cost Report.

30  
31 Signed \_\_\_\_\_  
32 Name \_\_\_\_\_  
33 Title \_\_\_\_\_  
34 Date \_\_\_\_\_"

### **VIII. DEBARMENT AND SUSPENSION CERTIFICATION**

#### **A. CONTRACTOR certifies that it and its principals:**

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

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

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

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

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

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

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

### **IX. 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 agrees that if there is a change or transfer in ownership of CONTRACTOR's business prior to completion of this Agreement, and COUNTY agrees to an assignment of the Agreement, the new owners shall be required under the terms of sale or other instruments of transfer to assume CONTRACTOR's duties and obligations contained in this Agreement and complete them to the

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

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

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

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

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

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

28 6. COUNTY reserves the right to immediately terminate the Agreement in the event  
29 COUNTY determines, in its sole discretion, that the assignee is not qualified or is otherwise  
30 unacceptable to COUNTY for the provision of services under the Agreement.

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

36 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the  
37 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor



1 subsequently fails to meet the requirements of this Agreement or any provisions that  
2 ADMINISTRATOR has required. ADMINISTRATOR may disallow subcontractor expenses reported  
3 by CONTRACTOR.

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

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

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

11 D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's  
12 status with respect to name changes that do not require an assignment of the Agreement.  
13 CONTRACTOR is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party  
14 to any litigation against COUNTY, or a party to litigation that may reasonably affect the  
15 CONTRACTOR's performance under the Contract, as well as any potential conflicts of interest between  
16 CONTRACTOR and County that may arise prior to or during the period of Agreement performance.  
17 While CONTRACTOR will be required to provide this information without prompting from COUNTY  
18 any time there is a change in CONTRACTOR's name, conflict of interest or litigation status,  
19 CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever  
20 requested by COUNTY.

## 21 22 **X. DISPUTE RESOLUTION**

23 A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the  
24 dispute concerning a question of fact arising under the terms of this Agreement is not disposed of in a  
25 reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be  
26 brought to the attention of the COUNTY Purchasing Agency by way of the following process:

27 1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a  
28 final decision regarding the disposition of any dispute between the Parties arising under, related to, or  
29 involving this Agreement, unless COUNTY, on its own initiative, has already rendered such a final  
30 decision.

31 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if  
32 such demand involves a cost adjustment to the Agreement, CONTRACTOR shall include with the  
33 demand a written statement signed by an authorized representative indicating that the demand is made in  
34 good faith, that the supporting data are accurate and complete, and that the amount requested accurately  
35 reflects the Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

36 B. Pending the final resolution of any dispute arising under, related to, or involving this  
37 Agreement, CONTRACTOR agrees to proceed diligently with the performance of services secured via

1 this Agreement, including the delivery of goods and/or provision of services. CONTRACTOR's failure  
2 to proceed diligently shall be considered a material breach of this Agreement.

3 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and  
4 shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a  
5 decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed  
6 a final decision adverse to CONTRACTOR's contentions.

7 D. This Agreement has been negotiated and executed in the State of California and shall be  
8 governed by and construed under the laws of the State of California. In the event of any legal action to  
9 enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent  
10 jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit  
11 to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the  
12 Parties specifically agree to waive any and all rights to request that an action be transferred for  
13 adjudication to another county.

#### 14 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

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

#### 25 **XII. EQUIPMENT**

26 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all  
27 property of a Relatively Permanent nature with significant value, purchased in whole or in part by  
28 ADMINISTRATOR to assist in performing the services described in this Agreement. "Relatively  
29 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000  
30 or over, including freight charges, sales taxes, and other taxes, and installation costs are defined as  
31 Capital Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes  
32 and other taxes, and installation costs, or electronic equipment that costs less than \$600 but may  
33 contained PHI or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not  
34 limited to phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of  
35 Equipment purchased, in whole or in part, with funds paid pursuant to this Agreement shall be  
36 depreciated according to GAAP.  
37

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

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

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

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

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

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

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

### 30 **XIII. FACILITIES, PAYMENTS AND SERVICES**

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

#### XIV. INDEMNIFICATION AND INSURANCE

1  
2 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,  
3 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special  
4 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board  
5 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,  
6 including but not limited to personal injury or property damage, arising from or related to the services,  
7 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is  
8 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the  
9 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and  
10 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall  
11 request a jury apportionment.

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

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

28 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand  
29 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of  
30 CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved,  
31 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this  
32 Agreement, agrees to all of the following:

33 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all  
34 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or  
35 subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole  
36 cost and expense with counsel approved by Board of Supervisors against same; and  
37

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

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

6           E. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of  
7 this Agreement, the COUNTY may terminate this Agreement.

8           F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Passenger vehicles (7 passengers or less)	\$2,000,000 per occurrence
Passenger vehicles (8 passengers or more)	\$5,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims -made

1		
2	Professional Liability Insurance	\$1,000,000 per claims -made
3		\$1,000,000 aggregate
4		
5	Sexual Misconduct Liability	\$1,000,000 per occurrence
6		

7 H. REQUIRED COVERAGE FORMS

- 8
- 9 1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a
- 10 substitute form providing liability coverage at least as broad.
- 11 2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA
- 12 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

13 I. REQUIRED ENDORSEMENTS

14 1. The Commercial General Liability policy shall contain the following endorsements, which

15 shall accompany the COI:

16 a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least

17 as broad naming the County of Orange, its elected and appointed officials, officers, agents and

18 employees as Additional Insureds, or provide blanket coverage, which will state AS REQUIRED BY

19 WRITTEN AGREEMENT.

20 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at

21 least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-

22 insurance maintained by the County of Orange shall be excess and non-contributing.

23 2. The Network Security and Privacy Liability policy shall contain the following

24 endorsements, which shall accompany the COI:

25 a. An Additional Insured endorsement naming the County of Orange, its elected and

26 appointed officials, officers, agents and employees as Additional Insureds for its vicarious liability.

27 b. A primary and non-contributing endorsement evidencing that the Contractor's

28 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be

29 excess and non-contributing.

30 J. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving

31 all rights of subrogation against the County of Orange, its elected and appointed officials, officers,

32 agents and employees, or provide blanket coverage, which will state AS REQUIRED BY WRITTEN

33 AGREEMENT.

34 K. All insurance policies required by this Agreement shall waive all rights of subrogation against

35 the County of Orange, its elected and appointed officials, officers, agents and employees when acting

36 within the scope of their appointment or employment.

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

6 M. If CONTRACTOR's Professional Liability, Technology Errors & Omissions and/or Network  
7 Security & Privacy Liability are "Claims -Made" policies, CONTRACTOR shall agree to maintain  
8 coverage for two (2) years following the completion of the Agreement.

9  
10 N. The Commercial General Liability policy shall contain a "severability of interests" clause also  
11 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

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

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

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

#### 24 R. SUBMISSION OF INSURANCE DOCUMENTS

25 1. The COI and endorsements shall be provided to COUNTY as follows:  
26 a. Prior to the start date of this Agreement.  
27 b. No later than the expiration date for each policy.  
28 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
29 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

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

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

35 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR  
36 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the  
37

1 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are  
2 submitted to ADMINISTRATOR.

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

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

9 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
10 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs  
11 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.  
12

### 13 **XV. INSPECTIONS AND AUDITS**

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

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

#### 28 C. AUDIT RESPONSE

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

34 2. If the audit reveals that money is payable from one Party to the other, that is,  
35 reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to  
36 CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60)  
37 calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to



1 COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may,  
2 in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an  
3 amount not to exceed the reimbursement due COUNTY.

4 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an  
5 annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under  
6 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for  
7 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within  
8 fourteen (14) calendar days of receipt.

9 E. ADMINISTRATOR shall inform providers and CONTRACTOR, at the time they enter into a  
10 contract, of the following:

11 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in  
12 42 C.F.R. 438.400 through 42 C.F.R. 438.424.

13 2. The beneficiary's right to file grievances and appeals and the requirements and timeframes  
14 for filing.

15 3. The availability of assistance to the beneficiary with filing grievances and appeals.

16 4. The beneficiary's right to request continuation of benefits that the ADMINISTRATOR  
17 seeks to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable  
18 timeframes, although the beneficiary may be liable for the cost of any continued benefits while the  
19 appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

20 5. The conduction of random reviews to ensure beneficiaries are being notified in a timely  
21 manner.

22 F. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,  
23 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal  
24 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms  
25 of the Agreement or determinations of amounts payable available at any time for inspection,  
26 examination of copying by the State, CMS, HHS Inspector General, the United States Comptroller  
27 General, their designees, and other authorized federal and state agencies. (42 CFR §438.3(h)) This audit  
28 right will exist for ten (10) years from the final date of the contract period or from the date of  
29 completion of any audit, whichever is later. (42 CFR §438.230(c)(3)(iii).) The State, CMS, or the HHS  
30 Inspector General may inspect, evaluate, and audit the CONTRACTOR at any time if there is a  
31 reasonable possibility of fraud or similar risk, then. (42 CFR §438.230(c)(3)(iv).)

## 32 **XVI. LICENSES AND LAWS**

34 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
35 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,  
36 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and  
37 required by the laws, regulations and requirements of the United States, the State of California,

1 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify  
2 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the  
3 pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers  
4 and exemptions. Said inability shall be cause for termination of this Agreement. In addition, all  
5 treatment providers will be certified by the State Department of Health Care Services as a Drug Medi-  
6 Cal provider and must meet any additional requirements established by COUNTY as part of this  
7 certification

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

- 11 1. ARRA of 2009.
- 12 2. Trafficking Victims Protection Act of 2000.
- 13 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 14 4. CCC §§1798.80 through 1798.84, Customer Records.
- 15 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 16 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social  
17 Security.
- 18 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse  
19 Master Plans.
- 20 8. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 21 9. Code of Federal Regulations, Title 42, Public Health.
- 22 10. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 23 11. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 24 12. 41 CFR 50, Public Contracts and Property Management.
- 25 13. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 26 14. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse  
27 prevention and treatment block grants and/or projects for assistance in transition from homelessness  
28 grants.
- 29 15. 45 CFR 93, New Restrictions on Lobbying.
- 30 16. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 31 17. 45 CFR 96.132, Additional Agreements.
- 32 18. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 33 19. 45 CFR 160, General Administrative Requirements.
- 34 20. 45 CFR 162, Administrative Requirements.
- 35 21. 45 CFR 164, Security and Privacy.
- 36 22. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 37 23. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.

- 1 24. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 2 Contracting and Financial Transactions.
- 3 25. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
- 4 26. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 5 Administration.
- 6 27. 42 USC §290dd-2, Confidentiality of Records.
- 7 28. 42 USC §1320(a), Uniform reporting systems for health services facilities and
- 8 organizations.
- 9 29. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 10 30. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 11 31. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 12 32. 42 USC §2000d, Civil Rights Act of 1964.
- 13 33. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
- 14 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 15 34. U.S. Department of Health and Human Services, National Institutes of Health (NIH),
- 16 Grants Policy Statement (10/13).
- 17 35. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
- 18 Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
- 19 36. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other
- 20 Drug Program Certification Standards, December 2020.
- 21 37. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and
- 22 77143(a).
- 23 38. State of California, Department of Health Care Services ASRS Manual.
- 24 39. State of California, Department of Health Care Services DPFS Manual.
- 25 40. HSC §123145.
- 26 41. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
- 27 42. 5 USC §7321 – §7326, Political Activities (Hatch Act)
- 28 43. DMC Certification Title 22, California Code of Regulations (CCR).
- 29 44. DMC Billing Manual April 2019.
- 30 45. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 31 46. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan
- 32 47. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions,
- 33 August 2015, and subsequent versions.
- 34 48. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
- 35 49. California Code of Regulations (CCR), Title 22, Section 51341.1; 51490.1; 51516.1 and the
- 36 Drug Medi-Cal Certification Standards for Substance Abuse Clinics.
- 37 50. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1.

- 1 51. Standards for Drug Treatment Programs (October 21, 1981).  
 2 52. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.  
 3 53. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.  
 4 54. Title 9, CCR, Section 1810.435.  
 5 55. Title 9, CCR, Section 1840.105.  
 6 56. Title 22, CCR, §51009, Confidentiality of Records.  
 7 57. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.

8  
 9 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

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

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

33  
 34 **XVIII. MAXIMUM OBLIGATION**

35 A. The Total Aggregate Maximum Obligation of COUNTY for services provided in accordance  
 36 with this Agreement, and the separate Aggregate Maximum Obligations for each period under this  
 37

1 Agreement, are as specified in the Referenced Contract Provisions of this Agreement, except as allowed  
2 for in Subparagraph B. below.

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

### 6 **XIX. MINIMUM WAGE LAWS**

7 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and  
8 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the  
9 federal or California Minimum Wage to all its Covered Individuals (as defined within the “Compliance”  
10 paragraph of this Agreement) that directly or indirectly provide services pursuant to this Agreement, in  
11 any manner whatsoever. CONTRACTOR shall require and verify that all of its Covered Individuals  
12 providing services pursuant to this Agreement be paid no less than the greater of the federal or  
13 California Minimum Wage.

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

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

### 22 **XX. NONDISCRIMINATION**

#### 23 A. EMPLOYMENT

24 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals (as  
25 defined in the “Compliance” paragraph of this Agreement) shall not unlawfully discriminate against any  
26 employee or applicant for employment because of his/her race, religious creed, color, national origin,  
27 ancestry, physical disability, mental disability, medical condition, genetic information, marital status,  
28 sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.  
29 Additionally, during the term of this Agreement, CONTRACTOR and its Covered Individuals shall  
30 require in its subcontracts that subcontractors shall not unlawfully discriminate against any employee or  
31 applicant for employment because of his/her race, religious creed, color, national origin, ancestry,  
32 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,  
33 gender identity, gender expression, age, sexual orientation, or military and veteran status.

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

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

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

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

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

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

- 31           1. Denying a Client or potential Client any service, benefit, or accommodation.
- 32           2. Providing any service or benefit to a Client which is different or is provided in a different  
33 manner or at a different time from that provided to other Clients.
- 34           3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by  
35 others receiving any service and/or benefit.

1 4. Treating a Client differently from others in satisfying any admission requirement or  
2 condition, or eligibility requirement or condition, which individuals must meet in order to be provided  
3 any service and/or benefit.

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

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

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

13 a. COUNTY shall establish a formal resolution and grievance process in the event  
14 grievance is not able to be resolved at point of service.

15 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as  
16 to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right to  
17 request a State Fair Hearing.

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

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

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

**XXI. NOTICES**

1  
2 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements  
3 authorized or required by this Agreement shall be effective:

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

7 2. When faxed, transmission confirmed;

8 3. When sent by Email; or

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

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

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

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

**XXII. NOTIFICATION OF DEATH**

21  
22  
23 A. Upon becoming aware of the death of any person served pursuant to this Agreement,  
24 CONTRACTOR shall immediately notify ADMINISTRATOR.

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

28 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by  
29 telephone immediately upon becoming aware of the death due to non-terminal illness of any person  
30 served pursuant to this Agreement; notice need only be given during normal business hours.

31 2. WRITTEN NOTIFICATION

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

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



1 c. When notification via encrypted email is not possible or practical CONTRACTOR may  
2 hand deliver or fax to a known number said notification.

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

7 D. All death reports must be verified by the coroner's office. The information should include date  
8 of the death as well as the cause of death.

### 9 10 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

### 18 19 **XXIV. BENEFICIARIES' RIGHTS**

20 A. CONTRACTOR shall post the current Drug Medi-Cal Organized Delivery System (DMC-  
21 ODS) Grievance and Appeals poster in locations readily available to Clients and staff and have  
22 Grievance and Appeal forms in the threshold languages and envelopes readily accessible to Clients to  
23 take without having to request it on the unit.

24 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an  
25 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have  
26 access.

27 1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance and/or  
28 utilization management guidelines and procedures. The beneficiary has the right to utilize either or both  
29 grievance process simultaneously in order to resolve their dissatisfaction.

30 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to  
31 CONTRACTOR and file a grievance or complaint.

### 32 33 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

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

1           1. CONTRACTOR shall maintain records that are adequate to substantiate the services for  
2 which claims are submitted for reimbursement under this Agreement and the charges thereto. Such  
3 records shall include, but not be limited to, individual patient charts and utilization review records.

4           2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN  
5 Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was  
6 rendered, and such additional information as ADMINISTRATOR or DHCS may require.

7           3. CONTRACTOR shall maintain books, records, documents, accounting procedures and  
8 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature  
9 claimed to have been incurred in the performance of this Agreement and in accordance with Medicare  
10 principles of reimbursement and GAAP.

11           4. CONTRACTOR shall ensure the maintenance of medical records required by §70747  
12 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical  
13 necessity of the service, and the quality of care provided. Records shall be maintained in accordance  
14 with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

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

23           D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the  
24 termination of the contract, unless a longer period is required due to legal proceedings such as litigations  
25 and/or settlement of claims.

26           E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years  
27 following discharge of the participant, client and/or patient.

28           F. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,  
29 billings, and revenues available at one (1) location within the limits of the County of Orange. If  
30 CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide  
31 written approval to CONTRACTOR to maintain records in a single location, identified by  
32 CONTRACTOR.

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

36           H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that  
37 clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or

1 request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records  
2 maintained by or for a covered entity that is:

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

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

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

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

11 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit  
12 or site visit.

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

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

17 J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and  
18 security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or  
19 security of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law  
20 or regulation, and copy ADMINISTRATOR on such notifications.

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

24 L. CONTRACTOR shall obtain an NPI for each site identified as a location for providing  
25 contractual services. Provider's site NPIs must be submitted to the ADMINISTRATOR prior to  
26 rendering services to Clients. Contractors providing direct or indirect services for State reporting must  
27 also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member  
28 providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are  
29 on file with ADMINISTRATOR in advance of providing services to Clients. It is the responsibility of  
30 each contract provider site and individual staff member that bills Medi-Cal to obtain an NPI from the  
31 NPPEs. Each contract site, as well as every staff member that provides billable services, is responsible  
32 for notifying the NPPEs within 30 calendar days of any updates to personal information, which may  
33 include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

1 **XXVI. RESEARCH AND PUBLICATION**

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

5  
6 **XXVII. REVENUE**

7 A. CLIENT FEES – CONTRACTOR shall not charge a fee to DMC beneficiaries to whom  
8 services are provided pursuant to this Agreement, their estates and/or responsible relatives, unless a  
9 Share of Cost is determined per Medi-Cal eligibility.

10 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all  
11 available third-party reimbursement for which persons served pursuant to this Agreement may be  
12 eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR’s usual and customary  
13 charges. An Assignment of Benefits must be present in a Participant’s file when applicable.

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

20  
21 **XXVIII. SEVERABILITY**

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

27  
28 **XXIX. SPECIAL PROVISIONS**

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

- 31 1. Making cash payments to intended recipients of services through this Agreement.
- 32 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications  
33 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on  
34 use of appropriated funds to influence certain federal contracting and financial transactions).
- 35 3. Fundraising.
- 36 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
37 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.

1           5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing  
2 body for expenses or services.

3           6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,  
4 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized  
5 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.

6           7. Paying an individual salary or compensation for services at a rate in excess of the current  
7 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary  
8 Schedule may be found at [www.opm.gov](http://www.opm.gov).

9           8. Severance pay for separating employees.

10          9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building  
11 codes and obtaining all necessary building permits for any associated construction.

12          10. Purchasing or improving land, including constructing or permanently improving any  
13 building or facility, except for tenant improvements.

14          11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal  
15 funds (matching).

16          12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.

17          13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or  
18 alcohol.

19          14. Promoting the legalization of any drug or other substance included in Schedule 1 of the  
20 Controlled Substance Act (21 USC 812).

21          15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic  
22 injection of any illegal drug.

23          16. Assisting, promoting, or deterring union organizing.

24          17. Providing inpatient hospital services or purchasing major medical equipment.

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

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

28           2. Making phone calls outside of the local area unless documented to be directly for the  
29 purpose of client care.

30           3. Payment for grant writing, consultants, certified public accounting, or legal services.

31           4. Purchase of artwork or other items that are for decorative purposes and do not directly  
32 contribute to the quality of services to be provided pursuant to this Agreement.

33           5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
34 CONTRACTOR's clients.

35          C. Neither Party shall be responsible for delays or failures in performance resulting from acts  
36 beyond the control of the affected Party. Such acts shall include, but not be limited to, acts of God, fire,  
37

1 flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public  
2 related utility, or governmental statutes or regulations imposed after the fact.

#### 4 **XXIX. STATUS OF CONTRACTOR**

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

#### 17 **XXX. TERM**

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

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

#### 28 **XXXI. TERMINATION**

29 A. COUNTY may terminate this Contract, without cause, upon thirty (30) calendar days' written  
30 notice. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be  
31 exclusive, and are in addition to any other rights and remedies provided by law or under this Contract.

32 B. CONTRACTOR shall be responsible for meeting all programmatic and administrative  
33 contracted objectives and requirements as indicated in this Contract. CONTRACTOR shall be subject  
34 to the issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not  
35 meet goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe  
36 as determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is  
37 resolved and/or the Contract could be terminated.

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

5 D. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of  
6 any of the following events:

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

21 E. CONTINGENT FUNDING

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

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

35 G. In the event this Contract is terminated by either Party pursuant to Subparagraphs B., C., or D.  
36 above, CONTRACTOR shall do the following:  
37

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

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

5 3. Until the date of termination, continue to provide the same level of service required by this  
6 Contract.

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

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

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

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

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

22 9. Provide written notice of termination of services to each Client being served under this  
23 Contract, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of  
24 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendars  
25 day period.

### 26 27 **XXXII. THIRD-PARTY BENEFICIARY**

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

### 31 32 **XXXIII. WAIVER OF DEFAULT OR BREACH**

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



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

3  
4 PHOENIX HOUSE ORANGE COUNTY, INC.

5 DocuSigned by:  
6 BY: Alice Gleghorn DATED: 7/13/2022  
7 E036800A6FBE428...

8 TITLE: President and CEO

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10  
11 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

12  
13 TITLE: \_\_\_\_\_

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17 COUNTY OF ORANGE

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19  
20 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
21 HEALTH CARE AGENCY

22  
23  
24  
25 APPROVED AS TO FORM  
26 OFFICE OF THE COUNTY COUNSEL  
27 ORANGE COUNTY, CALIFORNIA

28 DocuSigned by:  
29 BY: Massoud Shamel DATED: 7/13/2022  
30 79055CA571A94F8...  
31 DEPUTY

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35 If the contracting Party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President;  
36 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)  
37 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  
TO CONTRACT FOR PROVISION OF  
ADULT RESIDENTIAL DRUG MEDI-CAL  
SUBSTANCE USE DISORDER TREATMENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
PHOENIX HOUSE ORANGE COUNTY, INC.  
JULY 22, 2022 THROUGH JUNE 30, 2023

**I. SERVICES TO BE PROVIDED**

CONTRACTOR agrees to provide the following Adult Residential Drug Medi-Cal Substance Use Disorder Treatment Services pursuant to the terms and conditions specified in the Contract for provision of such services by and between COUNTY and CONTRACTOR dated November 3, 2020 as hereinafter indicated. CONTRACTOR and COUNTY may mutually agree, in writing, to add or delete services to be provided by CONTRACTOR.

Adult Residential Treatment Services as specified in Exhibit C	<u>  X  </u>
Adult Co-Occurring Residential Treatment Services as specified in Exhibit C	<u>  X  </u>
Adult Clinically Managed Withdrawal Management Services as specified in Exhibit C	<u>  X  </u>

Services shall be provided at the following location, or at any other location approved in advance, in writing, by ADMINISTRATOR:

265 South Anita Drive  
Orange, CA 92868

EXHIBIT B  
 TO CONTRACT FOR PROVISION OF  
 ADULT RESIDENTIAL DRUG MEDICAL  
 SUBSTANCE USE DISORDER TREATMENT SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 PHOENIX HOUSE ORANGE COUNTY, INC.  
 JULY 22, 2022 THROUGH JUNE 30, 2023

**I. COMMON TERMS AND DEFINITIONS**

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

1. AB109 means services for those Clients deemed eligible by Assembly Bill 109, Public Safety Realignment, under which the Client's last offense was non-violent, non-sexual, and non-serious.

2. AB109 Supervision means an offender released from prison to OCPD, or sentenced under AB109 and is doing their incarceration in jail instead of prison.

3. ASAM Criteria means a comprehensive set of guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-occurring conditions.

4. ART Team means a Health Care Agency Assessment for Residential Treatment team that conducts assessments and authorizes treatment for residential treatment services.

5. DHCS LOC means a designation that is issued by DHCS to a residential program based on the services provided at the facility. For the purposes of this Contract, CONTRACTOR shall provide services in accordance with one of the following DHCS-Designated Levels of Care:

a. 3.1 - Clinically Managed Low-Intensity Residential Services: 24-hour structure with available trained personnel; at least five (5) hours of clinical service/week and prepare for outpatient treatment and/or sober living.

b. 3.3 - Clinically Managed Population-Specific High-Intensity Residential Services: 24-hour care with trained counselors to stabilize multidimensional imminent danger. Less intense milieu and group treatment with at least five (5) hours of clinical service/week for those with cognitive or other impairments unable to use full active milieu or therapeutic community and prepare for outpatient treatment.

c. 3.5 - Clinically Managed High-Intensity Residential Services: 24-hour care with trained counselors to stabilize multidimensional imminent danger, at least five (5) hours of clinical service/week, and prepare for outpatient treatment. Clients are able to tolerate and use full milieu or therapeutic community.

1           6. Bed Day means one (1) calendar day during which CONTRACTOR provides Residential  
2 Treatment Services as described in Exhibit B of the Contract. If admission and discharge occur on the  
3 same day, one (1) Bed Day will be charged.

4           7. CalOMS means a statewide Client-based data collection and outcomes measurement system  
5 as required by the State to effectively manage and improve the provision of alcohol and drug treatment  
6 services at the State, COUNTY, and provider levels.

7           8. Case Management or Care Coordination means services that assist a Client to access  
8 needed medical, educational, social, prevocational, vocational, rehabilitative, or other community  
9 services.

10          9. CESI/CEST means self-administered survey instruments designed to assess Clients'  
11 motivation for change, engagement in treatment, social and peer support, and other psychosocial  
12 indicators of progress in recovery.

13          10. Client means a person who has a substance use disorder, for whom a COUNTY-approved  
14 intake and admission for Residential Treatment Services as appropriate have been completed pursuant to  
15 this Contract.

16          11. Clinical Component means services designed to improve a Client's ability to structure and  
17 organize tasks of daily living and recovery.

18          12. Completion means the completion of the Residential Treatment Services program whereby  
19 the Client has successfully completed goals and objectives documented in the Client's treatment plan  
20 and no longer has medical necessity for the Residential Level of Care.

21          13. Co-Occurring means a person has at least one substance use disorder and one mental health  
22 disorder that can be diagnosed independently of each other.

23          14. DATAR means the DHCS system used to collect data on SUD treatment capacity and  
24 waiting lists.

25          15. EPSDT means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-  
26 covered beneficiaries less than twenty-one (21) years of age to receive any Medicaid service necessary  
27 to correct or help to improve a defect, mental illness, or other condition, such as a substance-related  
28 disorder, that is discovered during a health screening.

29          16. Health Care Practitioner (HCP) means a person duly licensed and regulated under Division  
30 2 (commencing with Section 500) of the Business and Professions Code, who is acting within the scope  
31 of their license or certificate.

32          17. Incidental Medical Services means optional services, approved by DHCS to be provided at  
33 a licensed adult alcoholism or drug use residential treatment facility by or under the supervision of a  
34 HCP that addresses medical issues associated with either detoxification or substance use.

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

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

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

8 21. LPHA means any Physician, Nurse Practitioners, Physician Assistants, Registered Nurses,  
9 Registered Pharmacists, Licensed Clinical Psychologists, Licensed Clinical Social Worker, Licensed  
10 Professional Clinical Counselor, Licensed Marriage and Family Therapists, or Licensed Eligible  
11 Practitioners working under the supervision of Licensed Clinicians within their scope of practice.

12 22. MAT Services means the use of Federal Drug Administration-approved medications in  
13 combination with behavioral therapies to provide a whole Client approach to treating substance use  
14 disorders.

15 23. Perinatal means the condition of being pregnant or postpartum. This condition must be  
16 documented to apply billing descriptor for perinatal attached to services.

17 24. Perinatal Residential Treatment Services means AOD treatment services that are provided  
18 to a woman, eighteen (18) years and older, who is pregnant and/or has custody of dependent children up  
19 to twelve (12) years of age, in her care; who has a primary problem of substance use disorder; and who  
20 demonstrates a need for perinatal substance use disorder residential treatment services. Services are  
21 provided in a twenty-four (24) hour residential program. These services are provided in a non-medical,  
22 residential setting that has been licensed and certified by DHCS to provide perinatal services. These  
23 treatment services are provided to both perinatal and parenting women in accordance with the Perinatal  
24 Network Service Guidelines.

25 25. Postpartum means the 60-day period beginning on the last day of pregnancy, regardless of  
26 whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar  
27 month in which the 60th day occurs.

28 26. Recovery Services means billable services available after the Client has completed a course  
29 of treatment. Recovery services emphasize the Client's central role in managing their health, using  
30 effective self-management support strategies, and organizing internal and community resources to  
31 provide ongoing self-management support to Client.

32 27. Residential Treatment Authorization means the approval that is provided by the HCA ART  
33 team for a Client to receive residential services to ensure that the beneficiary meets the requirements for  
34 the service.

35 28. RTS means alcohol and other drug treatment services that are provided to Clients at a  
36 twenty-four (24) hour residential program. Services are provided in an alcohol and drug free  
37

1 environment and support recovery from alcohol and/or other drug related problems. These services are  
2 provided in a non-medical, residential setting that has been licensed and certified by DHCS.

3 29. Self-Help Meetings means a non-professional, peer participatory meeting formed by people  
4 with a common problem or situation offering mutual support to each other towards a goal or healing or  
5 recovery.

6 30. Structured Therapeutic Activities means organized program activities that are designed to  
7 meet treatment goals and objectives for increased social responsibility, self-motivation, and integration  
8 into the larger community. Such activities would include participation in the social structure of the  
9 residential program. It also includes the Client's progression, with increasing levels of responsibility  
10 and independence through job and other assignments culminating in employment seeking and  
11 employment-initiation activities in the community.

12 31. SUD means a condition in which the use of one or more substances leads to a clinically  
13 significant impairment or distress per the DSM-5.

14 32. Token means the security device which allows an individual user to access IRIS.

15 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
16 Common Terms and Definitions Paragraph of this Exhibit B to the Contract.

17  
18 **II. PAYMENTS**

19 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided  
20 pursuant to the Contract, COUNTY shall pay CONTRACTOR monthly in arrears at the following rates  
21 of reimbursement; provided, however, the total of all such payments to CONTRACTOR shall not  
22 exceed COUNTY’s Maximum Obligation as set forth in the Referenced Contract Provisions of the  
23 Contract; and provided further, that CONTRACTOR’s costs are allowable pursuant to applicable  
24 COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to provide  
25 services due to non-compliance with licensure and/or certification standards of the state, COUNTY or  
26 OCPD, ADMINISTRATOR may elect to reduce COUNTY’s maximum obligation proportionate to the  
27 length of time that CONTRACTOR is ineligible to provide services. CONTRACTOR shall ensure  
28 compliance with all DMC billing and documentation requirements when entering Units of Service into  
29 COUNTY IRIS system. ADMINISTRATOR may reduce, withhold or delay any payment associated  
30 with non-compliant billing practices. If CAPs are not completed within timeframes as determined by  
31 ADMINISTRATOR, payments may be reduced accordingly. ADMINISTRATOR may, at its discretion,  
32 pay supplemental invoices or make advance payments for any month during the term.

33 1. For Medi-Cal services provided pursuant to the Contract, COUNTY shall claim  
34 reimbursement to the State Medi-Cal unit on behalf of CONTRACTOR to the extent these services are  
35 eligible.

36 2. Proper DMC certification and enrollment with the Provider Enrollment Division (PED) of  
37 DHCS, through the Provider Application and Validation for Enrollment (PAVE) system is required.

1 CONTRACTOR shall submit proof of enrollment for each new rendering provider as required by  
2 regulations. Failure to demonstrate provider enrollment within six months of services being rendered  
3 shall result in disallowance of those services by pending providers.

4 3. CONTRACTOR shall submit appropriate Medi-Cal billing to ADMINISTRATOR on a  
5 monthly basis. ADMINISTRATOR shall review billing and remit to Accounting for submission to the  
6 State Medi-Cal unit.

7 4. CONTRACTOR shall assume responsibility for any audit disallowances or penalties  
8 imposed on COUNTY by the State related to amounts or services claimed by COUNTY on behalf of  
9 CONTRACTOR. CONTRACTOR shall reimburse COUNTY for any such disallowances or penalties  
10 within thirty (30) days of written notification by COUNTY.

Mode of Service	Reimbursement Rate
	Period One
Residential Treatment 3.1 (per bed day)	\$327.42
Withdrawal Management Residential Treatment 3.2 (per bed day)	\$453.79
Co-Occurring Residential Treatment 3.3/3.5 (per bed day)	\$341.81
Room and Board 3.1 (per bed day)	Actual Cost
Room and Board 3.2 (per bed day)	Actual Cost
Room and Board 3.3/3.5 (per bed day)	Actual Cost
Case Management (per 15 minute increment)	\$34.30
Recovery Services (per 15 minute increment)	\$34.30
Medication Assisted Treatment (per 15 minute increment)	\$31.58

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

1 may, at its discretion, pay supplemental invoices or make advance payments for any month during the  
2 term.

### 3 4 **III. RECORDS**

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

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

12 2. CONTRACTOR shall account for funds provided through this Contract separately from  
13 other funds, and maintain a clear audit trail for the expenditure of funds.

14 3. CLIENT FEES – Pursuant to 42 CFR 438.106, CONTRACTOR shall not collect fees from  
15 a Medi-Cal beneficiary or persons acting on behalf of the beneficiary for any SUD or related  
16 administrative services provided under this Contract, except to collect other health insurance coverage,  
17 share of cost, and co-payments. Drug Medi-Cal is payment in full for treatment services rendered for  
18 Medi-Cal beneficiaries.

19 B. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the  
20 licensing authority, DHCS, the COUNTY Guidelines, and CCR, Title 22, related to DMC on each  
21 individual Client in sufficient detail to permit an evaluation of services, which shall include, but not  
22 limited to:

23 1. Documentation of ADMINISTRATOR's Residential Treatment Authorization for  
24 Residential Treatment Services.

25 2. Documentation that RTS for substance use disorders are appropriate for the Client. This  
26 shall include initial medical necessity determination for the DMC-ODS benefit performed through a  
27 face-to-face review by a LPHA. Additionally the ASAM Criteria assessment will be applied to  
28 determine placement into the level of assessed services and documented in the Client record.

29 3. Intake and admission data, including, if applicable, a physical examination;

30 4. Treatment plans;

31 5. Reassessments of client functioning based on ASAM criteria;

32 6. Progress notes;

33 7. Continuing services justifications;

34 8. Laboratory test orders and results;

35 9. Referrals;

36 10. Discharge plan;

37 11. Discharge summary;



1 12. Any other information relating to the treatment services rendered to the Client; and

2 13. A sign-in sheet for every group counseling session.

3 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
4 Records Paragraph of this Exhibit B to the Contract.

#### 6 **IV. REPORTS**

##### 7 **A. MONTHLY PROGRAMMATIC**

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

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

##### 17 **B. FISCAL**

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

24 2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These  
25 reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report  
26 anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s)  
27 described in the Services Paragraph of Exhibit A to the Contract. Such reports shall include actual  
28 monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal  
29 year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and  
30 Revenue Reports

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

34 D. CalOMS – CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission  
35 record in IRIS within seven (7) calendar days of Client admission. CONTRACTOR shall complete a  
36 CalOMS discharge record in IRIS within seven (7) calendar days of Client discharge. CONTRACTOR  
37

1 shall run a CalOMS error report and correct any errors within two (2) business days of submitting the  
2 CalOMS admission or discharge, and continue to recheck until error free.

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

6 F. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by  
7 ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the services hereunder.  
8 ADMINISTRATOR will be specific as to the nature of the information requested and the timeframe the  
9 information is needed.

10 G. CONTRACTOR agrees to enter psychometrics into COUNTY’s EHR system as requested by  
11 ADMINISTRATOR. Said psychometrics are for the COUNTY’s analytical uses only, and shall not be  
12 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY  
13 harmless, and indemnify pursuant to Section XI, from any claims that arise from non-COUNTY use of  
14 said psychometrics.

15 H. CONTRACTOR agrees to submit reports as required by the ADMINISTRATOR and/or the  
16 State.

17 I. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
18 Reports Paragraph of this Exhibit B to the Contract.

## 19 20 **V. GENERAL REQUIREMENTS**

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

24 1. Active participation in regular SUD Quality Improvement (QI) Coordinators' meetings  
25 organized by the Authority and Quality Improvement Services (AQIS) Quality Management program is  
26 required for at least one dedicated program QI coordinator/professional.

### 27 **B. ALCOHOL AND/OR DRUG SCREENING**

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

35 a. Establish procedures that protect against the falsification and/or contamination of any  
36 body specimen sample collected for drug screening; and,

37

1 b. Assure that all urine specimen collections shall be observed by sex-congruent staff;  
2 and,

3 c. Document results of the drug screening in the Client's record.

4 2. In the event CONTRACTOR wishes to utilize a COUNTY-contracted laboratory for drug  
5 screening purposes, CONTRACTOR shall collect and label samples from Clients. Such testing shall be  
6 provided at COUNTY's expense. For tests not already covered in the County-contracted laboratory  
7 agreement, CONTRACTOR must receive approval from ADMINISTRATOR prior to using COUNTY-  
8 contracted laboratory for drug screenings.

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

14 C. CESI/CEST – CONTRACTOR shall have all Clients complete the CESI at the time of intake.  
15 The CEST shall be completed at mid-point and at completion, and information incorporated in the  
16 formulation of treatment plan.

17 1. CONTRACTOR shall ensure that surveys are completed as designated by  
18 ADMINISTRATOR and accurately by designated Clients. This includes, but is not limited to, ensuring  
19 surveys contain CONTRACTOR number, Client ID number, responses to all psychosocial questions,  
20 along with other important Client and CONTRACTOR information, and fields filled and/or marked  
21 appropriately.

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

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

28 D. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.  
29 CONTRACTORS must ensure that their policies, procedures, and practices are consistent with the  
30 principles outlined and are embedded in the organizational structure, as well as being upheld in day-to-  
31 day operations. Translation services must be available for beneficiaries, as needed. CONTRACTOR  
32 shall maintain documentation of such efforts which may include; but not be limited to: records of  
33 participation in COUNTY-sponsored or other applicable training; recruitment and hiring policies and  
34 procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of  
35 measures taken to enhance accessibility for, and sensitivity to, individuals who are physically  
36 challenged.

37

1 E. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold  
2 languages as determined by COUNTY. Whenever possible, bilingual/bicultural staff should be retained.  
3 Any clinical vacancies occurring at a time when bilingual and bicultural composition of the clinical  
4 staffing does not meet the above requirement must be filled with bilingual and bicultural staff unless  
5 ADMINISTRATOR consents, in writing, to the filling of those positions with non-bilingual staff.  
6 Salary savings resulting from such vacant positions may not be used to cover costs other than salaries  
7 and employees benefits unless otherwise authorized in writing, in advance, by ADMINISTRATOR.

8 F. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 9 1. State Licensure and Certification
- 10 2. Business License
- 11 3. Conditional Use Permit (if applicable)
- 12 4. Fire clearance
- 13 5. Client rights
- 14 6. Grievance procedure
- 15 7. Employee Code of Conduct
- 16 8. Evacuation floor plan
- 17 9. Equal Employment Opportunity notices
- 18 10. Name, address, telephone number for fire department, crisis program, local law  
19 enforcement, and ambulance service.
- 20 11. List of resources within community which shall include medical, dental, mental health,  
21 public health, social services and where to apply for determination of eligibility for Federal, State, or  
22 County entitlement programs.

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

24 G. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing  
25 activities, regardless of funding sources, with respect to any person who has been referred to  
26 CONTRACTOR by COUNTY under the terms of this Contract. Further, CONTRACTOR agrees that  
27 the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious  
28 creed or cult, denomination or sectarian institution, or religious belief.

29 H. AUTHORITY – CONTRACTOR shall recognize the authority of OCPD as officers of the  
30 court, and shall extend cooperation to OCPD within the constraints of CONTRACTOR’s program of  
31 substance use disorder residential services.

32 I. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy  
33 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy  
34 shall specify that the facility is “smoke free” and that designated smoking areas are outside the visiting  
35 areas at the facility.

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

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

4 K. GOOD NEIGHBOR POLICY – ADMINISTRATOR has established a Good Neighbor Policy  
5 for the purpose of identifying community impacts and measures to mitigate those impacts. The Good  
6 Neighbor Policy is a set of principles and activities designed to provide a consistent means of  
7 communication between facilities that provide client services and their respective neighbors. The Good  
8 Neighbor Policy is applicable for Residential Programs when the CONTRACTOR provides service to  
9 County residents and the services have a potential impact including but not limited to community safety,  
10 cleanliness, and security in the surrounding neighborhood(s).

11 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the Good Neighbor  
12 Policy, attached hereto as Exhibit F.

13 2. CONTRACTOR agrees to adhere to the Good Neighbor Policy to the fullest extent  
14 possible. In addition, each facility shall develop a written procedure for the handling of neighborhood  
15 complaints which shall be approved by ADMINISTRATOR. Approved procedure must be available  
16 onsite, readily accessible upon request, and include ADMINISTRATOR's contact information as  
17 provided.

18 3. Non-compliance with this Paragraph and Exhibit F shall constitute a material breach of this  
19 Contract and constitute cause for termination of this Contract. L. VISITATION POLICY –  
20 CONTRACTOR shall establish a written Visitation Policy, which shall be reviewed and approved by  
21 ADMINISTRATOR, which shall include, but not be limited to, the following:

- 22 1. Sign in logs;
- 23 2. Visitation hours; and
- 24 3. Designated visiting areas at the Facility.

25 M. TRANSGENDER POLICY – CONTRACTOR shall establish a written Transgender Policy,  
26 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not limited  
27 to, the following:

- 28 1. Admission
- 29 2. Housing arrangement
- 30 3. Bathroom privacy
- 31 4. Drug testing

32 N. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy, which  
33 shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited to  
34 the securing, handling, and administration of medication(s) prescribed to the Client. The policy shall  
35 address Medications that are prescribed for substance and mental health disorders. Clients shall be  
36 allowed to have Medications during their stay with the program, and/or to have the ability to get  
37 refill(s).

1 O. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available  
2 at each program site at minimum two (2) Naloxone doses for the treatment of known or suspected  
3 opioid overdose. At least one (1) staff per shift shall be trained in administering the Naloxone.  
4 Naloxone is not a substitute for emergency medical care. CONTRACTOR shall always seek emergency  
5 medical assistance in the event of a suspected, potentially life-threatening opioid emergency.

6 P. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens  
7 for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

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

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

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

- 16 a. Token of each staff member who no longer supports this Contract.
- 17 b. Token of each staff member who no longer requires access to IRIS.
- 18 c. Token of each staff member who leaves employment of CONTRACTOR.
- 19 d. Tokens malfunctioning.

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

23 Q. FACILITY – CONTRACTOR shall operate a DHCS licensed substance use disorder residential  
24 treatment facility in accordance with the standards established by COUNTY and the State within the  
25 specifications stated below, unless otherwise authorized by the ADMINISTRATOR. Program shall  
26 have DMC certification and must be designated by DHCS as capable of delivering care consistent with  
27 ASAM treatment criteria. The environment shall be healthy and safe and the facility shall be clean and  
28 in good repair. Unless otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall  
29 maintain regularly scheduled service hours, seven (7) days a week, twenty-four (24) hours per day, three  
30 hundred sixty-five (365) days a year.

31 R. MEDI-CAL ELIGIBILITY- MEDICAL NECESSITY

32 1. CONTRACTOR must verify the Medicaid eligibility determination of potential Clients.  
33 The verification shall be reviewed and approved by the ADMINISTRATOR prior to payment for  
34 services, unless the individual is eligible to receive services from tribal health programs operating under  
35 the Indian Self Determination and Education Assistance Act (ISDEAA – Pub.L 93-638, as amended)  
36 and urban Indian organizations operating under Title V of the IHCIA. If the individual is eligible to  
37

1 receive services from tribal health programs operating under the ISDEAA, then the determination shall  
2 be conducted as set forth in the Tribal Delivery System – Attachment BB to the STCs.

3 2. The initial medical necessity determination for an individual to receive a DMC-ODS  
4 benefit must be performed through a face-to-face review or telehealth by a LPHA. After establishing a  
5 diagnosis, the ASAM Criteria shall be applied by the diagnosing individual to determine placement into  
6 the level of assessed services. In residential treatment the ASAM criteria will be reapplied at thirty (30)  
7 days after admission and sixty (60) days after admission to reassess for appropriate level of care. It shall  
8 also be used to justify a treatment extension request if appropriate.

9 3. Medical necessity for an adult [an individual age twenty-one (21) and over] is determined  
10 using the following criteria:

11 a. The individual must have received at least one diagnosis from the DSM for Substance-  
12 Related and Addictive Disorders with the exception of Tobacco-Related Disorders and Non-Substance-  
13 Related Disorders;

14 b. The individual must meet the ASAM Criteria definition of medical necessity for  
15 services based on the ASAM Criteria.

16 4. Individuals under age twenty-one (21) are eligible to receive Medicaid services pursuant to  
17 the EPSDT mandate. Under the EPSDT mandate, beneficiaries under the age of twenty-one (21) are  
18 eligible to receive all appropriate and medically necessary services needed to correct and ameliorate  
19 health conditions that are coverable under section 1905(a) Medicaid authority. For individuals under the  
20 age of twenty-one (21), a service is “medically necessary” or a “medical necessity” if the service is  
21 necessary to correct or ameliorate screened health conditions. Consistent with federal guidance,  
22 services need not be curative or completely restorative to ameliorate a health condition, including  
23 substance misuse and SUDs. Services that sustain, support, improve, or make more tolerable substance  
24 misuse or a SUD are considered to ameliorate the condition and are thus covered as EPSDT services.

## 25 S. ADMISSIONS

26 1. CONTRACTOR shall accept any person with Orange County Medi-Cal; and who is  
27 physically and mentally able to comply with the program's rules and regulations. Said persons shall  
28 include persons with a concurrent diagnosis of mental illness, i.e., those identified as having a co-  
29 occurring diagnosis. Persons with co-occurring disorders and others who require prescribed medication  
30 shall not be precluded from acceptance or admission solely based on their licit use of prescribed  
31 medications.

32 2. Beneficiaries shall be referred to CONTRACTOR by access points determined by  
33 ADMINISTRATOR. Beneficiaries will not be able to admit to program without referral from  
34 ADMINISTRATOR access point.

35 3. CONTRACTOR shall have policies and procedures in place to screen for emergency  
36 medical conditions and immediately refer beneficiaries to emergency medical care.

37

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

4 6. CONTRACTOR's Admission Policy shall reflect all applicable federal, state, and county  
5 regulations. CONTRACTOR shall have the right to refuse admission of a person only in accordance  
6 with its written Admission Policy; provided, however, CONTRACTOR complies with the  
7 Nondiscrimination provisions of this Contract.

8 7. CONTRACTOR shall initial services within reasonable promptness and shall have a  
9 documented system for monitoring and evaluating the quality, appropriateness, and accessibility of care,  
10 including a system for addressing problems that develop regarding admission wait times.

11 T. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing  
12 materials and provider lists that meet the content requirements of 42 CRF 438.100 to beneficiaries when  
13 they first access SUD services through the DMC-ODS and on request. Informing materials will be  
14 provided by ADMINISTRATOR.

15 U. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
16 General Requirements Paragraph of this Exhibit B to the Contract.

## 17 18 **VI. STAFFING**

19 A. CONTRACTOR shall provide twenty-four (24) hour supervision with at least one (1) staff  
20 member on-site at all times. Residential programs shall require twenty-four (24)-hour awake  
21 supervision.

22 B. Professional staff shall be licensed, registered, certified or recognized under California scope of  
23 practice statutes. Professional staff shall provide services within their individual scope of practice and  
24 receive supervision required under their scope of practice laws.

25 C. Professional staff shall undergo the HCA credentialing process by the AQIS Managed Care  
26 Support Team (MCST) prior to rendering any Medi-Cal covered services.

27 1 CONTRACTOR shall comply with the requirements of the State's established uniform  
28 credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined  
29 in DHCS Information Notice 18-019.

30 2. CONTRACTOR shall follow COUNTY'S process for credentialing and re-credentialing of  
31 network providers and shall ensure that all registered, licensed or certified staff who deliver Medi-Cal  
32 covered services are properly credentialed by COUNTY before delivering any Medi-Cal covered  
33 services.

34 D. Non-professional staff shall receive appropriate onsite orientation and training prior to  
35 performing assigned duties. Non-professional staff shall be supervised by professional and/or  
36 administrative staff.

37



1 E. Professional and Non-professional staff are required to have appropriate experience and any  
2 necessary training at the time of hiring.

3 F. Registered and certified SUD counselors shall adhere to all requirements in the CCR, Title 9,  
4 Division 4, Chapter 8.

5 G. Pursuant to the CCR, Title 9, Division 4, Chapter 8, Subchapter 2, at least thirty percent (30%)  
6 of CONTRACTOR staff providing counseling services shall be licensed or certified. All other  
7 counseling staff shall be registered.

8 H. CONTRACTOR must have a Medical Director who, prior to the delivery of services under this  
9 Contract with COUNTY has enrolled with DHCS under applicable state regulations, has been screened  
10 in accordance with 42 CFR 455.450(a) as a "limited" categorical risk within a year prior to serving as a  
11 Medical Director under this Contract.

12 1. The Medical Director's responsibilities shall, at a minimum include all of the following:

13 a. Ensure that medical care provided by physicians, registered nurse practitioners, and  
14 physician assistants meets the applicable standard of care;

15 b. Ensure that physicians do not delegate their duties to non-physician personnel;

16 c. Develop and implement medical policies and standards for the provider;

17 d. Ensure that physicians, registered nurse practitioners, and physician assistants follow  
18 the provider's medical policies and standards;

19 e. Ensure that the medical decisions made by physicians are not influenced by fiscal  
20 considerations;

21 f. Ensure that provider's physicians and LPHAs are adequately trained to perform  
22 diagnosis of substance use disorders for beneficiaries and determine the medical necessity of treatment  
23 for beneficiaries;

24 g. Ensure that provider's physicians are adequately trained to perform other physician  
25 duties, as outlined in this section.

26 h. Ensure the physical examination requirements are met for Clients as follows: if a Client  
27 had a physical examination within the twelve month period prior to the Client's admission to treatment  
28 date, the physician or registered nurse practitioner or physician's assistant (physician extenders) shall  
29 review documentation of the Client's most recent physical examination within thirty (30) calendar days  
30 of the Client's admission to treatment date. As an alternative, the physician or physician extender may  
31 perform a physical examination of the Client within thirty (30) calendar days of the Client's admission  
32 to treatment date. Written roles and responsibilities and a code of conduct for the medical director shall  
33 be clearly documented, signed and dated by a provider representative and the physician by way of a  
34 subcontractor agreement.

35 2. The substance use disorder medical director may delegate his/her responsibilities to a  
36 physician consistent with the provider's medical policies and standards; however, the substance use  
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1 disorder medical director shall remain responsible for ensuring all delegated duties are properly  
2 performed.

3 3. Written roles and responsibilities and a code of conduct for the Medical Director shall be  
4 clearly documented, signed and dated by a provider representative and the physician.

5 I. CONTRACTOR's certification to participate in the DMC program shall automatically  
6 terminate in the event that the CONTRACTOR or its owners, officers or directors are convicted of Medi-  
7 Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty  
8 or nolo contendere.

9 J. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with  
10 volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing  
11 services pursuant to this Contract, interns shall be Master's Candidates in Counseling or Social Work or  
12 have a Bachelor's Degree in a related field or be participating in any state recognized counselor  
13 certification program. Additionally, volunteers or student interns must be AOD registered or certified.  
14 CONTRACTOR shall provide supervision of work by interns or consistent with school or licensing  
15 Board requirements. CONTRACTOR shall provide supervision to volunteers as specified in the  
16 respective job descriptions or work contracts. Volunteer or student intern services may not comprise  
17 more than twenty percent (20%) of the services provided, unless approved in advance by  
18 ADMINISTRATOR.

19 K. STAFF CONDUCT – CONTRACTOR shall establish written Policies and Procedures for  
20 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be  
21 limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of  
22 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or  
23 perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought  
24 to the ADMINISTRATOR's attention prior to the occurrence. Prior to providing any services pursuant  
25 to this Contract all employees, volunteers, and interns shall agree in writing to maintain the standards set  
26 forth in the said Policies and Procedures. A copy of the said Policies and Procedures shall be posted in  
27 writing in a prominent place in the treatment facility and updated annually by the Board of Directors.

28 L. STAFF/VOLUNTEER/INTERN SCREENING – CONTRACTOR shall provide pre-  
29 employment "live scan" screening of any staff person providing services pursuant to this Contract. All  
30 new staff, volunteers, and interns shall pass a one-time "live scan" finger printing background check  
31 prior to employment. All staff shall be subject to sanction screening as referenced in the Compliance  
32 paragraph on a bi-annual basis. All staff shall also be screened by Megan's Law, OC Courts and OC  
33 Sheriff's Department on an annual basis. The results of the fingerprint checks will be sent directly from  
34 the Department of Justice to CONTRACTOR. Results must remain in staff file.

35 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:

36 a. No person shall have been convicted of a sex offense for which the person is required  
37 to register as a sex offender under PC section 290;

1 b. No person shall have been convicted of an arson offense – Violation of PC sections  
2 451, 451.1, 451.5, 452, 45231, 453, 454, or 455;

3 c. No person shall have been convicted of any violent felony as defined in PC section  
4 667.5, which involves doing bodily harm to another person, for which the staff member was convicted  
5 within five (5) years prior to employment;

6 d. No person shall be on parole or probation;

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

10 M. STAFF TRAINING – CONTRACTOR shall develop a written plan for staff training. All Staff  
11 training shall be documented and maintained as part of the training plan.

12 1. All personnel shall be trained or shall have experience which provides knowledge of the  
13 skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and  
14 effective job performance:

15 a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of  
16 recovery;

17 b. Housekeeping and sanitation principles;

18 c. Principles of communicable disease prevention and control;

19 d. Recognition of early signs of illness and the need for professional assistance;

20 e. Availability of community services and resources;

21 f. Recognition of individuals under the influence of alcohol and/or drugs; and

22 g. Principles of nutrition, food preparation and storage, and menu planning.

23 2. Facility personnel who provide withdrawal management services or who monitor or  
24 supervise the provision of such services shall:

25 a. Complete six (6) hours of orientation training that covers the needs of the Clients;

26 b. Repeat the orientation training within fourteen (14) calendar days of return after not  
27 working for one hundred and eighty (180) or more consecutive calendar days; and

28 c. Complete eight (8) hours of training on an annual basis covering the needs of residents  
29 receiving withdrawal management services.

30 3. CONTRACTOR shall ensure that within thirty (30) calendar days of hire and on an annual  
31 basis, all program staff, including administrator, volunteers and interns having direct contact with  
32 Clients, shall have completed:

33 a. Annual County Compliance Training; and

34 b. A minimum of one (1) hour training in cultural competence annually.

35 4. In addition to the above, CONTRACTOR shall ensure that staff complete training as  
36 follows:

1 a. Professional staff (Licensed Professionals of the Healing Arts), including Medical  
2 Directors, shall receive a minimum of five (5) hours of continuing education related to addiction  
3 medicine annually.

4 b. All providers, including volunteers and interns, providing DMC-ODS services are  
5 required to be trained and complete at least once prior to providing services, the following two training  
6 modules:

7 i. American Society of Addiction Medicine (ASAM) Multidimensional Assessment  
8 (sometimes referred to as ASAM-A or ASAM I).

9 ii. Assessment to Service Planning and Level of Care (sometimes referred to as  
10 ASAM-B or ASAM II).

11 iii. This requirement applies to all physicians and Medical Directors regardless of their  
12 role in the program and may only be waived for physicians/Medical Directors who are Board Certified  
13 with an Addiction sub-specialty.

14 c. All providers and administrators shall receive training on DMC-ODS requirements at  
15 least annually. These requirements will be contained in the COUNTY-developed Annual Provider  
16 Training.

17 d. DMC-ODS/SUD documentation training within ninety (90) calendar days of hire is  
18 mandatory for all clinical staff, all on-site Quality Management staff, and all supervisors; however,  
19 compliant documentation is required from the onset of services.

20 e. Annual training in the two minimum evidence-based practices (EBP) utilized at the  
21 program.

22 f. Motivational Interviewing must be taken at least once and will count as one EBP for  
23 the year; Contractor may choose other EBP courses after taking Motivational Interviewing;

24 g. Naloxone Administration Training; and

25 h. CPR / first aid Training.

26 N. PERSONNEL FILES – CONTRACTOR shall maintain personnel files and ensure continued  
27 compliance with required credentials and trainings for each staff persons, including management and  
28 other administrative positions, subcontractors, and volunteers/interns, both direct and indirect to the  
29 Contract, which shall include, but not be limited to, the following:

- 30 1. Application for employment and/or resume;
- 31 2. Signed employment confirmation statement/duty statement;
- 32 3. Job description;
- 33 4. Salary schedule and salary adjustment information;
- 34 5. Performance evaluations;
- 35 6. Health records/status as required by the provider, AOD Certification or Title 9;
- 36 7. Other personnel actions (e.g. commendations, discipline, status change, employment  
37 incidents and/or injuries);

- 1           8. Training documentation relevant to substance use disorders and treatment;
- 2           9. Current registration, certification, intern status, or licensure;
- 3           10. Proof of continuing education required by licensing or certifying agency and program; and
- 4           11. CONTRACTOR’s Code of Conduct and for registered, certified, and licensed staff, a copy
- 5 of the certifying/licensing body’s code of conduct.
- 6           12. All personnel files shall be complete and made readily accessible to ADMINISTRATOR
- 7 for purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR.
- 8           O. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
- 9 Staffing Paragraph of this Exhibit B to the Contract.

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EXHIBIT C  
 TO CONTRACT FOR PROVISION OF  
 ADULT RESIDENTIAL DRUG MEDI-CAL  
 SUBSTANCE USE DISORDER TREATMENT SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 PHOENIX HOUSE ORANGE COUNTY, INC.  
 JULY 22, 2022 THROUGH JUNE 30, 2023

**I. ADULT RESIDENTIAL TREATMENT SERVICES**

A. LENGTH OF STAY– Length of stay is based on medical necessity as determined by a Licensed Practitioner of the Healing Arts. COUNTY is adhering to the state goal of a thirty (30) calendar day average in the residential level of care.

1. Adults, ages twenty-one (21) and over, may receive no more than (2) residential treatment episodes per three hundred sixty-five (365) day period. A residential treatment episode is defined as one (1) residential stay in a DHCS licensed facility for a maximum of ninety (90) days if medically necessary per three hundred sixty-five (365) day period. An adult Client may receive one thirty (30) day extension, with prior authorization, if that extension is medically necessary, per three hundred sixty-five (365) day period.

2. Adolescents, under the age of twenty-one (21), shall receive continuous residential services for a maximum of thirty (30) days. Adolescent beneficiaries may receive up to a thirty (30) day extension if that extension is determined to be medically necessary by Medical Director or LPHA. Adolescent beneficiaries are limited to one extension per year. Adolescent beneficiaries receiving residential treatment shall be stabilized as soon as possible and moved down to a less intensive level of treatment.

3. If determined to be medically necessary, perinatal beneficiaries may receive longer lengths of stay than those described above, in accordance with State perinatal guidelines.

B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

C. RESIDENTIAL TREATMENT AUTHORIZATION - Beneficiaries will be authorized and referred to CONTRACTOR by the ART Team. Beneficiaries who contact CONTRACTOR directly to request services shall be referred by CONTRACTOR to the ART Team. If Beneficiary is pregnant or an intravenous drug user who meets medical necessity for Residential Treatment, CONTRACTOR may admit to treatment bypassing the ART Team if provider has available bed slot. In this instance, CONTRACTOR must complete a SUD assessment and establish medical necessity for residential level of care. Assessment and authorization request must be submitted to the ART team for authorization

1 within seventy-two (72) hours of beneficiary admission. CONTRACTOR shall enter data regarding  
2 request for service into IRIS access log established by ADMINISTRATOR for these beneficiaries who  
3 access provider directly and bypass the ART team.

4 D. SERVICES – CONTRACTOR shall provide a non-institutional, twenty-four (24) hour non-  
5 medical, short-term residential program that provides rehabilitation services to beneficiaries in  
6 accordance with an individualized treatment plan. These services are intended to be individualized to  
7 treat the functional deficits identified in the ASAM Criteria. CONTRACTOR and beneficiary work  
8 collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve  
9 problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health  
10 and social functioning, and engaging in continuing care. CONTRACTOR shall provide services in  
11 accordance with DHCS-Designated Level of Care 3.1. Services shall include.

12 1. Intake: The process of determining that a Client meets the medical necessity criteria and a  
13 Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or  
14 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of  
15 treatment needs to provide medically necessary services. Intake may include a physical examination and  
16 laboratory testing necessary for substance use disorder treatment.

17 2. Individual Counseling: Contacts between a Client and a therapist or counselor.

18 3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors  
19 treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the  
20 needs of the individuals served.

21 4. Family Therapy: As clinically appropriate, family members can provide social support to  
22 the Client, help motivate their loved one to remain in treatment, and receive help and support for their  
23 own family recovery as well.

24 5. Client Education: Provide research based education on addiction, treatment, recovery and  
25 associated health risks.

26 6. Medication Storage: Facilities will store all Client medication and facility staff members  
27 will oversee resident's self-administration of medication.

28 7. Collateral Services: Sessions with therapists or counselors and significant persons in the life  
29 of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the  
30 Client's treatment goals. Significant persons are individuals that have a personal, not official or  
31 professional, relationship with the Client.

32 8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.  
33 Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen  
34 event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention  
35 services shall be limited to the stabilization of the Client's emergency situation.

36 9. Treatment Planning: The CONTRACTOR shall prepare an individualized written treatment  
37 plan, based upon information obtained in the intake and assessment process and in adherence to

1 documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be  
2 consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.

3 10. Structured Therapeutic Activities: Residential Treatment Services shall consist of a  
4 minimum of twenty (20) hours of structured activity per week.

5 11. EBPs: CONTRACTORS will implement at least two of the following EBPs. The two EBPs  
6 are per CONTRACTOR per service modality. The required EBP include:

7 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling  
8 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach  
9 frequently includes other problem-solving or solution-focused strategies that build on Clients' past  
10 successes.

11 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral  
12 reactions are learned and that new ways of reacting and behaving can be learned.

13 c. Relapse Prevention: A behavioral self-control program that teaches individuals with  
14 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be  
15 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains  
16 achieved during initial substance use treatment.

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21 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest  
22 options for growth and change, identify community resources that can assist Clients in recovery,  
23 develop an understanding of the process of recovery, and prompt people using substances to take action  
24 on their own behalf.

25 12. Case Management/ Care Coordination: Case Management or care coordination services  
26 may be provided by a LPHA or registered/certified counselor and will be provided based on the  
27 frequency documented in the individualized treatment plan. Case management shall provide advocacy  
28 and care coordination to physical health, mental health, and transportation, housing, vocational,  
29 educational, and transition services for reintegration into the community. CONTRACTOR shall provide  
30 Case Management services for the Client during treatment, transition to other levels of care and follow  
31 ups, to encourage the Client to engage and participate in an appropriate level of care or Recovery  
32 Services after discharge. Case Management becomes the responsibility of the next treating provider  
33 after successful transition to a different level of care. Contractor shall ensure that Case Management  
34 services focus on coordination of SUD care, integration around primary care especially for beneficiaries  
35 with a chronic SUD, and interaction with the criminal justice system, if needed. Case Management  
36 services may be provided face-to-face, by telephone, or by telehealth with the Client and may be  
37 provided anywhere in the community.



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2 DHCS. Medically necessary MAT services must be provided in accordance with an individualized  
3 treatment plan determined by a licensed physician or LPHA working within their scope of practice.

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5 DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge  
6 through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning,  
7 ordering, prescribing, administering, and monitoring of all medications for SUDs.

8 b. CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and  
9 injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of  
10 SUDs may also be prescribed and administered, as medically necessary.

11 c. CONTRACTOR must provide care coordination with treatment and ancillary service  
12 providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate  
13 in MAT services and other ASAM LOCs.

14 14. Care Coordination for Mental and Physical Health: Programs must screen for mental health  
15 issues and provide or refer for needed services. CONTRACTOR shall notify Client's medical home  
16 provider of Client's admission to treatment within seven (7) days of admission and request  
17 medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the  
18 treatment plan

19 15. Physician Consultation: Physician Consultation Services include DMC physicians'  
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21 consultation services are designed to assist DMC physicians by allowing them to seek expert advice  
22 with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation  
23 services may address medication selection, dosing, side effect management, adherence, drug  
24 interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or  
25 pharmacists to provide consultation services.

26 16. Discharge Services: The process to prepare the Client for referral into another level of care,  
27 post treatment return or reentry into the community, and/or the linkage of the individual to essential  
28 community treatment, housing and human services. CONTRACTOR shall provide or arrange for  
29 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning  
30 immediately after enrollment. The exit plan shall be completed and signed by CONTRACTOR staff and  
31 Client. The exit plan shall be documented in the Client's chart.

32 17. Recovery Services: Clients may access recovery services after completing their course of  
33 treatment to prevent relapse. Recovery Services are not offered for clients in the Withdrawal  
34 management level of care. Recovery services may be provided face-to-face, by telephone, or by  
35 telehealth with the Client and may be provided anywhere in the community. Recovery services shall be  
36 made available to DMC-ODS beneficiaries when a Medical Director or LPHA has determined that  
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1 recovery services are medically necessary in accordance with their individualized treatment plan. The  
2 components of Recovery Services are:

3 a. Outpatient counseling services in the form of individual or group counseling to stabilize  
4 the Client and then reassess if the Client needs further care;

5 b. Recovery Monitoring: Recovery coaching, monitoring via telephone and internet;

6 c. Substance Abuse Assistance: Peer-to-peer services and relapse prevention;

7 d. Education and Job Skills: Linkages to life skills, employment services, job training, and  
8 education services;

9 e. Family Support: Linkages to childcare, parent education, child development support  
10 services, family/marriage education;

11 f. Support Groups: Linkages to self-help and support, spiritual and faith-based support;

12 g. Ancillary Services: Linkages to housing assistance, transportation, case management,  
13 individual services coordination.

14 18. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,  
15 toiletries, clean linen, and food service.

16 19. Support Services: CONTRACTOR shall provide housekeeping, which may be done by  
17 Clients and laundry access.

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

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

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

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

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

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

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

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

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

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

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

6                   a) Counseling with respect to TB;  
7                   b) Testing to determine whether the individual has been infected and to determine  
8 the appropriate form of treatment;

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

## 12                   21. Transportation Services

13                   a. COUNTY shall only pay for medical ambulance or medical van transportation to and  
14 from designated residential substance use disorder treatment programs or health facilities through the  
15 COUNTY's Medical Transportation Contract under the following conditions:

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

19                   2) When any Client needs non-emergency transportation as identified in  
20 Subparagraph 21.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances  
21 including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely  
22 manner or Client's physical condition and/or limitations.

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

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

29                   5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider  
30 for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered  
31 service under this section by the COUNTY.

32                   b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations  
33 that are considered necessary and/or important to the Client's recovery plan including, but not limited to,  
34 Social Security Administration offices for Supplemental Security Income benefits and for non-  
35 emergency medical or mental health services not identified in Subparagraph 21.a. above, that require  
36 treatment at a physician office, urgent care, or emergency room when an ambulance provider is not  
37

1 necessary or required for transportation based on the level of severity and/or services required by the  
2 Client.

3 E. PERFORMANCE OUTCOMES

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

9 2. Performance Outcome Objectives

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

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

16 2) Completion Rates shall be calculated by using the number of Clients successfully  
17 completing the treatment program divided by the total number of Clients discharged during the  
18 evaluation period. Fifty percent (50%) of Clients will complete residential treatment program.

19 b. Objective 2: CEST scores at midpoint and completion will be higher than national  
20 norms in perceived social support, peer support, counseling rapport, and treatment participation. CEST  
21 scores for treatment readiness and desire for help will exceed national norms and will be equal to or  
22 higher than CESI scores at intake.

23 c. Objective 3: CONTRACTOR shall provide linkage to the next level of care for Clients  
24 upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level  
25 of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates  
26 for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS  
27 administrative discharge dispositions will be excluded.

28 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult  
29 Residential Treatment Services Paragraph of this Exhibit C to the Contract.

30  
31 **II. ADULT CO-OCCURRING RESIDENTIAL TREATMENT SERVICES**

32 A. LENGTH OF STAY – Length of stay is based on medical necessity as determined by a  
33 Licensed Practitioner of the Healing Arts. COUNTY is adhering to the state goal of a thirty (30)  
34 calendar day average in the residential level of care.

35 1. Adults, ages twenty-one (21) and over, may receive no more than (2) residential treatment  
36 episodes per three hundred sixty-five (365) day period. A residential treatment episode is defined as one  
37 (1) residential stay in a DHCS licensed facility for a maximum of ninety (90) days if medically

1 necessary per three hundred sixty-five (365) day period. An adult Client may receive one thirty (30) day  
2 extension, with prior authorization, if that extension is medically necessary, per three hundred sixty-five  
3 (365) day period.

4 2. Adolescents, under the age of twenty-one (21), shall receive continuous residential services  
5 for a maximum of thirty (30) days. Adolescent beneficiaries may receive up to a thirty (30) day  
6 extension if that extension is determined to be medically necessary by Medical Director or LPHA.  
7 Adolescent beneficiaries are limited to one extension per year. Adolescent beneficiaries receiving  
8 residential treatment shall be stabilized as soon as possible and moved down to a less intensive level of  
9 treatment.

10 3. If determined to be medically necessary, perinatal beneficiaries may receive longer lengths  
11 of stay than those described above, in accordance with State perinatal guidelines.

12 B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client  
13 must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

14 C. RESIDENTIAL TREATMENT AUTHORIZATION - Beneficiaries will be authorized and  
15 referred to CONTRACTOR by the ART Team. Beneficiaries who contact CONTRACTOR directly to  
16 request services shall be referred by CONTRACTOR to the ART Team. If Beneficiary is pregnant or an  
17 intravenous drug user who meets medical necessity for Residential Treatment, CONTRACTOR may  
18 admit to treatment bypassing the ART Team if provider has available bed slot. In this instance,  
19 CONTRACTOR must complete a SUD assessment and establish medical necessity for residential level  
20 of care. Assessment and authorization request must be submitted to the ART team for authorization  
21 within seventy-two (72) hours of beneficiary admission. CONTRACTOR shall enter data regarding  
22 request for service into IRIS access log established by ADMINISTRATOR for these beneficiaries who  
23 access provider directly and bypass the ART team.

24 D. SERVICES – CONTRACTOR shall provide a non-institutional, twenty-four (24) hour non-  
25 medical, short-term residential program that provides rehabilitation services to beneficiaries in  
26 accordance with an individualized treatment plan. These services are intended to be individualized to  
27 treat the functional deficits identified in the ASAM Criteria. CONTRACTOR and beneficiary work  
28 collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve  
29 problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health  
30 and social functioning, and engaging in continuing care. CONTRACTOR shall provide services in  
31 accordance with DHCS-Designated Levels of Care 3.3 or 3.5. Residential Treatment program shall  
32 consist of the following:

33 1. Intake: The process of determining that a Client meets the medical necessity criteria and a  
34 Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or  
35 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of  
36 treatment needs to provide medically necessary services. Intake may include a physical examination and  
37 laboratory testing necessary for substance use disorder treatment.

- 1           2. Individual Counseling: Contacts between a Client and a therapist or counselor.
- 2           3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors
- 3 treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the
- 4 needs of the individuals served.
- 5           4. Family Therapy: Family members can provide social support to the Client, help motivate
- 6 their loved one to remain in treatment, and receive help and support for their own family recovery as
- 7 well.
- 8           5. Client Education: Provide research based education on addiction, treatment, recovery and
- 9 associated health risks.
- 10          6. Medication Storage: Facilities will store all Client medication and facility staff members
- 11 will oversee resident's self-administration of medication.
- 12          7. Collateral Services: Sessions with therapists or counselors and significant persons in the life
- 13 of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the
- 14 Client's treatment goals. Significant persons are individuals that have a personal, not official or
- 15 professional, relationship with the Client.
- 16          8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.
- 17 Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen
- 18 event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention
- 19 services shall be limited to the stabilization of the Client's emergency situation.
- 20          9. Treatment Planning: The CONTRACTOR shall prepare an individualized written treatment
- 21 plan, based upon information obtained in the intake and assessment process and in adherence to
- 22 documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be
- 23 consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.
- 24          10. Structured Therapeutic Activities: Residential Treatment Services shall consist of a
- 25 minimum of twenty (20) hours of structured activity per week.
- 26          11. EBPs: CONTRACTORs will implement at least two of the following EBPs. The two EBPs
- 27 are per CONTRACTOR per service modality. The required EBP include:
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- 29 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
- 30 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
- 31 successes.
- 32           b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral
- 33 reactions are learned and that new ways of reacting and behaving can be learned.
- 34           c. Relapse Prevention: A behavioral self-control program that teaches individuals with
- 35 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be
- 36 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
- 37 achieved during initial substance use treatment.

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30 injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of  
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33 facilitate transitions between levels of care. Beneficiaries may simultaneously participate in MAT  
34 services and other ASAM LOCs.

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37 provider of Client's admission to treatment within seven (7) days of admission and request

1 | medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the  
2 | treatment plan. Clients who are co-occurring with severe and persistent mental illness shall receive  
3 | mental health services and support through Orange County Health Care Agency PACT program.

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5 | consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician  
6 | consultation services are designed to assist DMC physicians by allowing them to seek expert advice  
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21 | made available to DMC-ODS beneficiaries when a Medical Director or LPHA has determined that  
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31 | services, family/marriage education;
- 32 |       f. Support Groups: Linkages to self-help and support, spiritual and faith-based support;
- 33 |       g. Ancillary Services: Linkages to housing assistance, transportation, case management,  
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35 |       18. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,  
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15 examinations as appropriate.

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23 5) The programs shall post the name, address, and telephone number for the fire  
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25 6) CONTRACTOR shall provide TB services to the Clients by referral to the  
26 COUNTY or another appropriate provider. TB services shall be provided within seven (7) calendar  
27 days of admission. These TB services shall consist of the following:

28 a) Counseling with respect to TB;

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

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

34 21. Transportation Services

35 a. COUNTY shall only pay for medical ambulance or medical van transportation to and  
36 from designated residential substance use disorder treatment programs or health facilities through the  
37 COUNTY's Medical Transportation Contract under the following conditions:

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

2) When any Client needs non-emergency transportation as identified in Subparagraph 21.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's physical condition and/or limitations.

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

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

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

b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations that are considered necessary and/or important to the Client's recovery plan including, but not limited to, Social Security Administration offices for Supplemental Security Income benefits and for non-emergency medical or mental health services not identified in Subparagraph 21.a. above, that require treatment at a physician office, urgent care, or emergency room when an ambulance provider is not necessary or required for transportation based on the level of severity and/or services required by the Client.

#### E. PERFORMANCE OUTCOMES

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

##### “2. Performance Outcome Objectives

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

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

1                   2) Completion Rates shall be calculated by using the number of Clients successfully  
2 completing the treatment program divided by the total number of Clients discharged during the  
3 evaluation period. Fifty percent (50%) of Clients will complete residential treatment program.

4                   b. Objective 2: CEST scores at midpoint and completion will be higher than national  
5 norms in perceived social support, peer support, counseling rapport, and treatment participation. CEST  
6 scores for treatment readiness and desire for help will exceed national norms and will be equal to or  
7 higher than CESI scores at intake.

8                   c. Objective 3: CONTRACTOR shall provide linkage to the next level of care for Clients  
9 upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level  
10 of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates  
11 for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS  
12 administrative discharge dispositions will be excluded.”

13                  F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult  
14 Co-Occurring Residential Treatment Services Paragraph of this Exhibit C to the Contract.

### 16                   **III. ADULT CLINICALLY MANAGED WITHDRAWAL MANAGEMENT SERVICES**

#### 17                   A. LENGTH OF STAY

18                   1. Length of stay is based on medical necessity for withdrawal management in adherence with  
19 observation protocols established by Medical Director.

20                   B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client  
21 must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

22                   C. SERVICES - Clinically managed withdrawal management services shall consist of the  
23 following:

24                   1. Intake: The process of determining that a Client meets the medical necessity criteria and a  
25 Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or  
26 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of  
27 treatment needs to provide medically necessary services. Intake may include a physical examination and  
28 laboratory testing necessary for substance use disorder treatment.

#### 29                   2. Observation:

30                   a. At least one staff member or volunteer shall be assigned to the observation of  
31 Withdrawal Management Clients at all times and be certified in cardiopulmonary resuscitation, first aid,  
32 and Naloxone administration. In facilities with sixteen (16) or more clients, two (2) staff or volunteers  
33 shall be present at all times.

34                   “b. Staff or volunteer shall physically check each Client for breathing by a face-to-face  
35 physical observation at least every thirty (30) minutes and vital signs every six (6) hours at a minimum  
36 during the first seventy-two (72) hours following admission. The close observation and physical checks  
37 shall continue beyond the initial seventy-two (72) hour period for as long as the withdrawal signs and

1 symptoms warrant. After twenty-four (24) hours, close observations and physical checks may be  
2 discontinued or reduced based upon a determination by a staff member trained in providing Withdrawal  
3 Management Services. Documentation of the information that supports a decrease in close observation  
4 and physical checks shall be recorded in the client's file.”

5 c. Documentation of observations and physical checks shall be recorded in a systematic  
6 manner in the Client file including information supporting a decrease in observation and physical checks  
7 and signature of staff.

8 d. Only program staff that have been trained in the provisions of Withdrawal Management  
9 Services may conduct observations and physical checks of clients receiving Withdrawal Management  
10 Services. Training shall include information on detoxification medications, and signs and symptoms that  
11 require referral to a higher level of care. Training shall also include first aid cardiopulmonary  
12 resuscitation, and Naloxone administration. Copies of detoxification training records shall be kept in  
13 personnel files.

14 3. Individual Counseling: Contacts between a Client and a therapist or counselor.

15 4. Group Counseling: Face-to-face contacts in which one or more therapists or counselors  
16 treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the  
17 needs of the individuals served.

18 5. Client Education: Provide research based education on addiction, treatment, recovery and  
19 associated health risks.

20 6. Medication Storage: Facilities will store all Client medication and facility staff members  
21 will oversee resident's self-administration of medication.

22 7. Collateral Services: Sessions with therapists or counselors and significant persons in the life  
23 of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the  
24 Client's treatment goals. Significant persons are individuals that have a personal, not official or  
25 professional, relationship with the Client.

26 8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.  
27 Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen  
28 event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention  
29 services shall be limited to the stabilization of the Client's emergency situation.

30 9. Treatment Planning: The CONTRACTOR shall prepare an individualized written treatment  
31 plan, based upon information obtained in the intake and assessment process and in adherence to  
32 documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be  
33 consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.

34 10. Structured Therapeutic Activities: Residential Treatment Services shall offer a minimum of  
35 twenty (20) hours of structured activity per week.

36 11. EBPs: CONTRACTORs will implement at least two of the following EBPs. The two EBPs  
37 are per CONTRACTOR per service modality. The required EBP include:

1 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling  
2 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach  
3 frequently includes other problem-solving or solution-focused strategies that build on Clients' past  
4 successes.

5 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral  
6 reactions are learned and that new ways of reacting and behaving can be learned.

7 c. Relapse Prevention: A behavioral self-control program that teaches individuals with  
8 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be  
9 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains  
10 achieved during initial substance use treatment.

11 d. Trauma-Informed Treatment: Services must take into account an understanding of  
12 trauma, and place priority on trauma survivors' safety, choice and control.

13 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about  
14 substance abuse, and related behaviors and consequences. Psycho-educational groups provide  
15 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest  
16 options for growth and change, identify community resources that can assist Clients in recovery,  
17 develop an understanding of the process of recovery, and prompt people using substances to take action  
18 on their own behalf.

19 12. Case Management/Care Coordination: Case Management or care coordination services  
20 may be provided by a LPHA or registered/certified counselor and must be provided based on the  
21 frequency documented in the individualized treatment plan. Case management shall provide advocacy  
22 and care coordination to physical health, mental health, and transportation, housing, vocational,  
23 educational, and transition services for reintegration into the community. CONTRACTOR shall provide  
24 Case Management services for the Client during treatment, transition to other levels of care and follow  
25 ups, to encourage the Client to engage and participate in an appropriate level of care or Recovery  
26 Services after discharge. Case Management becomes the responsibility of the next treating provider  
27 after successful transition to a different level of care. Contractor shall ensure that Case Management  
28 services focus on coordination of SUD care, integration around primary care especially for beneficiaries  
29 with a chronic SUD, and interaction with the criminal justice system, if needed. Case Management  
30 services may be provided face-to-face, by telephone, or by telehealth with the Client and may be  
31 provided anywhere in the community.”

32 13. MAT: Services may be provided onsite with approval for Incidental Medical Services from  
33 DHCS. Medically necessary MAT services must be provided in accordance with an individualized  
34 treatment plan determined by a licensed physician or LPHA working within their scope of practice.

35 a. MAT services must be provided in compliance with Policy and Procedures submitted to  
36 DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge  
37

1 through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning,  
2 ordering, prescribing, administering, and monitoring of all medications for SUDs.

3 b. CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and  
4 injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of  
5 SUDs may also be prescribed and administered, as medically necessary.

6 c. CONTRACTOR must provide care coordination with treatment and ancillary service  
7 providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate  
8 in MAT services and other ASAM LOCs.”

9 14. Care Coordination for Mental and Physical Health: Programs must screen for mental health  
10 issues and provide or refer for needed services. CONTRACTOR shall notify Client’s medical home  
11 provider of Client’s admission to treatment within seven (7) days of admission and request  
12 medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the  
13 treatment plan.

14 15. Physician Consultation: Physician Consultation Services include DMC physicians’  
15 consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician  
16 consultation services are designed to assist DMC physicians by allowing them to seek expert advice  
17 with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation  
18 services may address medication selection, dosing, side effect management, adherence, drug  
19 interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or  
20 pharmacists to provide consultation services.

21 16. Discharge Services: The process to prepare the Client for referral into another level of care,  
22 post treatment return or reentry into the community, and/or the linkage of the individual to essential  
23 community treatment, housing and human services. CONTRACTOR shall provide or arrange for  
24 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning  
25 immediately after enrollment. The exit plan shall be completed and signed by CONTRACTOR staff and  
26 Client. The exit plan shall be documented in the Client’s chart.

27 17. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,  
28 toiletries, clean linen, and food service.

29 18. Support Services: CONTRACTOR shall provide housekeeping, which may be done by  
30 Clients and laundry access.

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

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

37

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

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

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

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

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

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

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

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

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

a) Counseling with respect to TB;

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

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

#### 20. Transportation Services

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

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

2) When any Client needs non-emergency transportation as identified in Subparagraph 20.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's physical condition and/or limitations.

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

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

7                   5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider  
8 for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered  
9 service under this section by the COUNTY.

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

#### 17                  D. PERFORMANCE OUTCOMES

18                  1. CONTRACTOR shall demonstrate provision of effective withdrawal management services  
19 as measured by client retention and completion rates of at least 75%.

20                  a. Retention Rates shall be calculated by using the number of Clients currently enrolled in  
21 or successfully completing their treatment program divided by the total number of Clients served during  
22 the evaluation period.

23                  b. Completion Rates shall be calculated by using the number of Clients successfully  
24 completing the treatment program divided by the total number of Clients discharged during the  
25 evaluation period.

26                  “2. CONTRACTOR shall provide linkage to the next level of care for Clients upon discharge.  
27 Twenty percent (20%) of Clients who have discharged will be linked with a lower level of care within  
28 seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates for Clients  
29 who discharge will include all CalOMS standard discharge dispositions. All CalOMS administrative  
30 discharge dispositions will be excluded.”

31                  E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult  
32 Clinically Managed Withdrawal Management Services Paragraph of this Exhibit C to the Contract.



1 EXHIBIT D  
2 TO CONTRACT FOR PROVISION OF  
3 ADULT RESIDENTIAL DRUG MEDI-CAL  
4 SUBSTANCE USE DISORDER TREATMENT SERVICES  
5 BETWEEN  
6 COUNTY OF ORANGE  
7 AND  
8 PHOENIX HOUSE ORANGE COUNTY, INC.  
9 JULY 22, 2022 THROUGH JUNE 30, 2023

10  
11 **I. BUSINESS ASSOCIATE CONTRACT**

12 A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

1 Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and  
2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement.

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to  
35 CONTRACTOR other than as permitted or required by this Business Associate Contract or as required  
36 by law.  
37

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

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

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

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

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

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

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

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

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

37

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

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

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

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

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

27 16. The Parties acknowledge that federal and state laws relating to electronic data security and  
28 privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to  
29 provide for procedures to ensure compliance with such developments. The Parties specifically agree to  
30 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH  
31 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon  
32 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY  
33 concerning an amendment to this Business Associate Contract embodying written assurances consistent  
34 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other  
35 applicable laws. COUNTY may terminate the Agreement upon thirty (30) days written notice in the  
36 event:  
37

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

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

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

9 D. SECURITY RULE

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

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

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

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

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

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

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

37

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

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

7           E. DATA SECURITY REQUIREMENTS

8           1. Personal Controls

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

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

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

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

34           2. Technical Security Controls

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

35 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and  
36 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,  
37

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

3 3. Audit Controls

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

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

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

17 4. Business Continuity/Disaster Recovery Control

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

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

30 5. Paper Document Controls

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

37

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

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

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

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

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

## 22 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

13 1) The Disclosure is required by law; or

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

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

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

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

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

28 H. PROHIBITED USES AND DISCLOSURES

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

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

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

EXHIBIT E  
 TO CONTRACT FOR PROVISION OF  
 ADULT RESIDENTIAL DRUG MEDICAL  
 SUBSTANCE USE DISORDER TREATMENT SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 PHOENIX HOUSE ORANGE COUNTY, INC.  
 JULY 22, 2022 THROUGH JUNE 30, 2023

**I. PERSONAL INFORMATION PRIVACY 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, CCC § 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 IEA currently in effect between the SSA and DHCS.

6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose unauthorized access may trigger notification requirements under CCC § 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 CCC § 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 participation with respect to health care providers participating in the program, and statutes or

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

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

## 6 B. TERMS OF AGREEMENT

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

### 11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

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

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

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

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



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

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

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

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

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

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

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

EXHIBIT F  
 TO CONTRACT FOR PROVISION OF  
 ADULT RESIDENTIAL DRUG MEDI-CAL  
 SUBSTANCE USE DISORDER TREATMENT SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 PHOENIX HOUSE ORANGE COUNTY, INC.  
 JULY 22, 2022 THROUGH JUNE 30, 2023

Preface

The COUNTY as a political subdivision of the State of California, is mandated by state and federal law to provide certain services to all County residents. In addition, the COUNTY provides certain other non-mandated services to enhance the well-being and quality of life for its residents. The COUNTY is committed to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and communities in which its Residential Program contractors provide services to its residents.

Following effective date of this Agreement, but no later than thirty (30) days after the start of services, CONTRACTOR shall conduct reasonable outreach to cities, neighborhoods and communities that could be affected by services provided by CONTRACTOR.

Good Neighbor Policy

This Policy applies only to the extent CONTRACTOR provides direct services to County clients pursuant to this Agreement. The intent of this Policy is to identify community impacts and measures to mitigate those impacts to be an integral part of the neighborhood and community the COUNTY serves.

CONTRACTOR shall establish a policy that includes all of the following elements:

- Ensure staff and clients conduct themselves in a manner that demonstrates respect for the community and consideration of neighbors when entering/exiting the facility or outdoors.
- Establish and maintain early communication with cities, neighborhoods and communities as a way to identify potential impacts to neighborhoods and mitigate as needed.
- Establish cooperative relationships with cities, neighborhoods and communities where services are being rendered and mitigate impact as needed.
- Collaborate with cities, neighborhoods and communities as a way to promote integration of facilities into the community and determine the effectiveness of established good neighbor practices.
- Develop written procedures to track, respond and mitigate neighborhood complaints. Procedures should include identification of a contact person for complaint resolution and identification

1 of COUNTY contact if complaint is not adequately resolved. The procedures must also identify how  
2 these incidents will be reported to the appropriate COUNTY contact in a timely manner.

- 3 • Establish generalized good neighbor practices for services and facility(ies) that include:
  - 4 - Adequate parking
  - 5 - Adequate waiting and visiting areas
  - 6 - Adequate restroom facilities
  - 7 - Property maintenance and appearance
  - 8 - Community safety
  - 9 - Congregation guidelines
  - 10 - Security provisions

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12 CONTRACTOR shall submit its policy to COUNTY for review and approval prior to the commencing  
13 of services.

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