

AMENDMENT NO. 56

TO

CONTRACT NO. MA-042-18010277

AGREEMENT FOR PROVISION OF
NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES

BETWEEN

COUNTY OF ORANGE

AND

WESTERN PACIFIC RE-HAB

JULY 1, 2017 THROUGH JUNE 30, 2022

THIS AGREEMENT

FOR

Narcotic Replacement Therapy Treatment Services

This Amendment ("Amendment No. 5") to Contract No. MA-042-18010277 for Narcotic Replacement Therapy Treatment Services is made and entered into on July 1, 2021 ("Effective Date") between Western Pacific Re-Hab, Inc. ("Contractor"), with a place of business at 4544 San Fernando Road, Suite 202, Glendale, CA 91204, and the County of Orange, a political subdivision of the State of California ("County"), through its Health Care Agency, with a place of business at 405 W. 5th St., Ste. 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as "Party" or collectively as "Parties".

WHEREAS, the Parties executed Contract No. MA-042-18010277 for Narcotic Replacement Therapy Treatment Services, effective July 1, 2017 through June 30, 2020, in an amount not to exceed \$1,074,420, renewable for two additional one-year periods ("Contract"); and

WHEREAS, the Parties executed Amendment No. 1 to amend the Contract, effective April 24, 2018, to increase the Period One maximum obligation by \$150,000 from \$358,140 to \$508,140, for a new amount not to exceed \$1,224,420; and

WHEREAS, the Parties executed Amendment No. 2 to amend the Contract, effective March 1, 2019, to increase the Period Two maximum obligation by \$50,814 from \$358,140 to \$408,954, for a new amount not to exceed \$1,275,234; and

W I T N E S S E T H:

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Narcotic Replacement Therapy Treatment Services described herein to the residents of Orange County; and

WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and

1 conditions hereinafter set forth:

2 ~~WHEREAS, the Parties executed Amendment No. 3 to amend the Contract, effective~~
3 ~~May 1, 2019, to increase the Period Two maximum obligation by \$75,000 from \$408,954 to \$483,954~~
4 ~~and to increase the Period Three maximum obligation by \$540,814 from \$358,140 to \$898,954, for a new amount~~
5 ~~not to exceed \$1,891,048; and~~

6 ~~WHEREAS, the Parties executed Amendment No. 4 to renew the Contract for a period of 1 year,~~
7 ~~effective July 1, 2020 through June 30, 2021, in an amount not to exceed \$898,954, for a new amount~~
8 ~~not to exceed \$2,790,002, and to amend specific terms and conditions in the Contract; and~~

9 ~~WHEREAS, the Parties executed Amendment No. 5 to renew the Contract for a period of 1 year,~~
10 ~~effective July 1, 2021 through June 30, 2022, in an amount not to exceed \$643,640, for a new amount~~
11 ~~not to exceed \$3,433,642, and to amend specific terms and conditions in the Contract; and~~

12 ~~WHEREAS, the Parties now desire to enter into this Amendment No. 5 to renew the Contract for~~
13 ~~County to continue receiving and Contractor to continue providing the services set forth in the Contract;~~

14 ~~WHEREAS, the Parties now desire to enter into this Amendment No. 6 to amend the Referenced~~
15 ~~Contract Provisions and to expand the scope of work in Exhibit A of the Contract for Contractor to provide~~
16 ~~Narcotic Replacement Therapy Treatment Services to adolescents 12 through 17 years of age.~~

17 NOW, THEREFORE, ~~in consideration of the mutual covenants, benefits, and promises contained~~
18 ~~herein, COUNTY and CONTRACTOR do hereby~~ Contractor and County agree to amend the Contract
19 as follows:

20 ~~// The Contract is renewed for a term of 1 year, effective July 1, 2021 through June 30, 2022, in an~~
21 ~~amount not to exceed \$643,640 for this renewal term for a revised cumulative total contract~~
22 ~~amount not to exceed \$3,433,642, renewable for one additional one-year term; on the amended~~
23 ~~terms and conditions. Page 4, Referenced Contract Provisions, lines 14 through 19 of the~~
24 ~~Contract are deleted in their entirety and replaced with the following:~~

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2017 through June 30, 2022

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

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

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

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

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

Amount Not To Exceed

Period One Amount Not To Exceed: \$ 508,140

Period Two Amount Not To Exceed: 483,954

Period Three Amount Not To Exceed: 898,954

Period Four Amount Not To Exceed: 898,954

Period Five Amount Not to Exceed: 643,640

TOTAL AMOUNT NOT TO EXCEED: \$3,433,642”

Basis for Reimbursement: Negotiated Rate

Payment Method: Monthly In Arrears

CONTRACTOR DUNS Number: 04-690-7267

CONTRACTOR TAX ID Number: 95-4168437

<u>CFDA#</u>	<u>FAIN #</u>	<u>Program Services Title</u>	<u>Federal Funding Agency</u>	<u>Federal Award Date</u>	<u>Amount</u>	<u>Indirect Rate</u>	<u>R&D Award (Y/N)</u>
93.959	TI10062-20	Substance Abuse and Prevention Treatment Block Grant	SAMHSA	10/1/19 TO 6/30/21	\$19,276,499	10%	N/A

Notices to COUNTY and CONTRACTOR:

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WESTERN PACIFIC RE-HAB

1 COUNTY: County of Orange
 2 Health Care Agency
 3 Contract Services
 4 405 West 5th Street, Suite 600
 5 Santa Ana, CA 92701-4637
 6 CONTRACTOR: Western Pacific Re-Hab
 7 4544 San Fernando Road; Suite 202
 8 Glendale, CA 91204
 9 Mark R. Hickman
 10 mark@westpacmed.com

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I. ACRONYMS

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

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3	A. ARRA	American Recovery and Reinvestment Act
4	B. ASRS	Alcohol and Drug Programs Reporting System
5	C. CalOMS	California Outcomes Measurement System
6	D. CAP	Corrective Action Plan
7	E. CCC	California Civil Code
8	F. CCR	California Code of Regulations
9	G. CEO	County Executive Office
10	H. CFDA	Catalog of Federal Domestic Assistance
11	I. CFR	Code of Federal Regulations
12	J. CHPP	COUNTY HIPAA Policies and Procedures
13	K. CHS	Correctional Health Services
14	L. COI	Certificate of Insurance
15	M. DATAR	Drug Abuse Treatment Access Report
16	N. D/MC	Drug/Medi-Cal
17	O. DHCS	Department of Health Care Services
18	P. DPFS	Drug Program Fiscal Systems
19	Q. DRS	Designated Record Set
20	R. ePHI	Electronic Protected Health Information
21	S. GAAP	Generally Accepted Accounting Principles
22	T. HCA	Health Care Agency
23	U. HHS	Health and Human Services
24	V. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
25		Law 104-191
26	W. HSC	California Health and Safety Code
27	X. IRIS	Integrated Record and Information System
	Y. ISO	Insurance Services Office
	Z. MHP	Mental Health Plan
	AA. NIATx	Network Improvement of Addiction Treatment
	AB. OCJS	Orange County Jail System
	AC. OCPD	Orange County Probation Department
	AD. OCR	Office for Civil Rights
	AE. OCSD	Orange County Sheriff's Department

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1	AF. OIG	Office of Inspector General
2	AG. OMB	Office of Management and Budget
	AH. OPM	Federal Office of Personnel Management
3	AI. PA DSS	Payment Application Data Security Standard
4	AJ. PC	State of California Penal Code
5	AK. PCI DSS	Payment Card Industry Data Security Standard
	AL. PHI	Protected Health Information
6	AM. PII	Personally Identifiable Information
7	AN. PRA	Public Record Act
8	AO. SIR	Self-Insured Retention
9	AP. HITECH Act	Health Information Technology for Economic and Clinical Health Act, Public Law 111-005
10	AQ. USC	United States Code
11	AR. WIC	State of California Welfare and Institutions Code

II. ALTERATION OF TERMS

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

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

III. ASSIGNMENT OF DEBTS

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

IV. COMPLIANCE

A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for

1 the purpose of ensuring adherence to all rules and regulations related to federal and state health care
2 programs.

3 //

4 //

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

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

13 These elements include:

- 14 a. Designation of a Compliance Officer and/or compliance staff.
- 15 b. Written standards, policies and/or procedures.
- 16 c. Compliance related training and/or education program and proof of completion.
- 17 d. Communication methods for reporting concerns to the Compliance Officer.
- 18 e. Methodology for conducting internal monitoring and auditing.
- 19 f. Methodology for detecting and correcting offenses.
- 20 g. Methodology/Procedure for enforcing disciplinary standards.

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

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

1 required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's
2 determination and resubmit the same for review by the ADMINISTRATOR.

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

9 "B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or
10 retained to provide services related to this Agreement monthly to ensure that they are not designated as
11 Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General
12 Services Administration's Excluded Parties List System or System for Award Management, the Health
13 and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California
14 Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death Master File
15 at date of employment, and/or any other list or system as identified by ADMINISTRATOR.

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

23 2. An Ineligible Person shall be any individual or entity who:
24 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in federal
25 and state health care programs; or
26 b. has been convicted of a criminal offense related to the provision of health care items or
27 services and has not been reinstated in the federal and state health care programs after a period of
exclusion, suspension, debarment, or ineligibility.

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

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

1 or state health care programs, and to further represent to CONTRACTOR that they do not have any
2 Ineligible Person in their employ or under contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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V. CONFIDENTIALITY

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

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

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

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

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

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

“VI. CONFLICT OF INTEREST

CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation shall apply to CONTRACTOR’s employees, agents, and subcontractors associated with the provision of goods and services provided under this Agreement. CONTRACTOR’s efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to

1 influence or appear to influence COUNTY staff or elected officers in the performance of their duties.”

2 **VII. COST REPORT**

3 A. CONTRACTOR shall submit separate Cost Reports for Period One, Period two, ~~and~~ Period Three,
4 Period Four, and Period Five, or for a portion thereof, to COUNTY no later than forty-five (45) calendar
5 days following the period for which they are prepared or termination of this Agreement. -CONTRACTOR
6 shall prepare the Cost Report in accordance with all applicable federal, state and COUNTY requirements,
7 GAAP and the Special Provisions Paragraph of this Agreement. -CONTRACTOR shall allocate direct
8 and indirect costs to and between programs, cost centers, services, and funding sources in accordance with
9 such requirements and consistent with prudent business practice, which costs and allocations shall be
10 supported by source documentation maintained by CONTRACTOR, and available at any time to
11 ADMINISTRATOR upon reasonable notice.”

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

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

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

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

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

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

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

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

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

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

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

Signed _____
 Name _____
 Title _____
 Date _____"

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

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

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

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

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

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

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

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

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

3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR, amounts

1 | claimed for subcontracts not approved in accordance with this paragraph.

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

5 | **“X. DISPUTE RESOLUTION**

6 | A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the
7 | dispute concerning a question of fact arising under the terms of this Agreement is not disposed of in a
8 | reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be
9 | brought to the attention of the County Purchasing Agent by way of the following process:

10 | 1. CONTRACTOR shall submit to the County Purchasing Agent a written demand for a final
11 | decision regarding the disposition of any dispute between the Parties arising under, related to, or involving
12 | this Agreement, unless COUNTY, on its own initiative, has already rendered such a final decision.

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

18 | B. Pending the final resolution of any dispute arising under, related to, or involving this Agreement,
19 | CONTRACTOR agrees to proceed diligently with the performance of services secured via this
20 | Agreement, including the delivery of goods and/or provision of services. CONTRACTOR's failure to
21 | proceed diligently shall be considered a material breach of this Agreement.

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

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

28 | **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

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

9 **XII. EQUIPMENT**

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

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

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

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

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

F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,

1 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
2 Equipment are moved from one location to another or returned to COUNTY as surplus.

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

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

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

10 **XIII. FACILITIES, PAYMENTS AND SERVICES**

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

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

22 **XIV. INDEMNIFICATION AND INSURANCE**

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

B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all

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

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

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

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

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

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

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

F. QUALIFIED INSURER

1. The policy or policies of insurance must be issued by an insurer with a minimum rating of A-

1 (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition
 2 of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not
 3 mandatory, that the insurer be licensed to do business in the state of California (California Admitted
 4 Carrier).

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

8 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
 9 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	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims made
Professional Liability Insurance	\$1,000,000 per claims made
	\$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

1 H. REQUIRED COVERAGE FORMS

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

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

6 I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

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

1 the completion of the Agreement.

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

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

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

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

16 R. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

1 CONTRACTOR's monthly invoice.

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

5 **XV. INSPECTIONS AND AUDITS**

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

16 //

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

21 C. CONTRACTOR shall not be subject to disallowances as the result of audits of the cost of services.

22 **XVI. LICENSES AND LAWS**

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

28 **B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**

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

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

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

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

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

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

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

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

- 22 1. 21 CFR, Chapter 2, Part 1300 through 1399, Drug Enforcement Administration.
- 23 2. 21 USC §§355, and 505, Manufacture of Drugs.
- 24 3. 21 USC §§812, 823, and 958, Controlled Substances.
- 25 4. 21 USC 300x-27(a) and 300y-11.
- 26 5. 42 CFR, Public Health, Part 8 – Certification of Opioid Treatment Programs.
- 27 6. ARRA of 2009.
7. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
8. CCR Title 9, Division 4, Chapter 4, Subchapters 1 through 6, Narcotic Treatment Programs.
9. D/MC Billing Manual (March 23, 2010).
10. D/MC Certification Standards for Substance Abuse Clinics, July 2004.
11. Federal Medicare Cost reimbursement principles and cost reporting standards.
12. HSC, §§11758.40 through 11758.47, Medi-Cal Drug Treatment Program.
13. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
14. HSC, §11876, Narcotic Treatment Programs (inspections).

- 1 15. Orange County Medi-Cal Mental Health Managed Care Plan.
- 2 16. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case
- 3 Management.
- 4 17. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted
- 5 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter
- 6 No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
- 7 18. State of California-Health and Human Services Agency, Department of Health Care
- 8 Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October
- 9 2013
- 10 19. Title 22, CCR, §51009, Confidentiality of Records.
- 11 20. US Department of Justice, Drug Enforcement Administration.
- 12 21. Trafficking Victims Protection Act of 2000, specifically section 106(g) of the Trafficking
- 13 Victims Protection Act of 2000 (22 U.S.C. 7104(g)) as amended by section 1702.

14 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

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

E. CONTRACTOR shall also clearly explain through these materials that there shall be no unlawful

1 use of drugs or alcohol associated with the services provided pursuant to this Agreement, as specified in
2 HSC, §11999-11999.3.

3 **XVIII. MAXIMUM OBLIGATION**

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

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

9 **XIX. MINIMUM WAGE LAWS**

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

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

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

23 **XX. NONDISCRIMINATION**

24 **A. EMPLOYMENT**

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

1 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual
2 orientation, or military and veteran status.

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

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

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

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

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

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

1 above:

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

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

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

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

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

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

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

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XXI. NOTICES

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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

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

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XXII. NOTIFICATION OF DEATH

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

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

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

2. WRITTEN NOTIFICATION

a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send via

1 encrypted email to ADMINISTRATOR a written report within sixteen (16) hours after becoming aware
2 of the death due to non-terminal illness of any person served pursuant to this Agreement.

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

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

11 **“XXIII. PATIENT’S RIGHTS**

12 A. CONTRACTOR shall post the current California Department of Mental Health Patients’ Rights
13 poster as well as the Orange County HCA Mental Health Plan Grievance and Appeals poster in locations
14 readily available to Clients and staff and have Grievance and Appeal forms in the threshold languages and
15 envelopes readily accessible to Clients to take without having to request it on the unit.

16 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an
17 internal grievance process approved by ADMINISTRATOR, to which the beneficiary shall have access.

18 1. CONTRACTOR's grievance process shall incorporate COUNTY's grievance, patients' rights,
19 and/or utilization management guidelines and procedures. The patient has the right to utilize either or
20 both grievance process simultaneously in order to resolve their dissatisfaction.

21 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a statutory
22 rights violation or a denial or abuse complaint with the County Patients’ Rights Office. The Patients’
23 Rights office shall investigate the complaint, and Title IX grievance procedures shall apply, which involve
24 ADMINISTRATOR’S Director of Behavioral Health Care and the State Patients’ Rights Office.

25 C. The Parties agree that Clients have recourse to initiate an expression of dissatisfaction to
26 CONTRACTOR, appeal to the County Patients’ Rights Office, file a grievance, and file a Title IX
27 complaint. The Patients’ Advocate shall advise and assist the Client, investigate the cause of the
grievance, and attempt to resolve the matter

D. No provision of this Agreement shall be construed as to replacing or conflicting with the duties
of County Patients' Rights Office pursuant to Welfare and Institutions Code Section 5500.”

28 **XXIV. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

29 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in whole
30 or in part by the COUNTY, except for those events or meetings that are intended solely to serve Clients

1 or occur in the normal course of business.

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

6 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

20 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
21 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
22 necessity of the service, and the quality of care provided. Records shall be maintained in accordance with
23 §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

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

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

1 and/or settlement of claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

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2 **XXVI. RESEARCH AND PUBLICATION**

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

6 **XXVII. REVENUE**

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

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

15 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately
16 ensure proper billing and collection procedures. CONTRACTOR's procedures shall specifically provide
17 for the identification of delinquent accounts and methods for pursuing such accounts. CONTRACTOR
18 shall provide ADMINISTRATOR, monthly, a written report specifying the current status of fees which
19 are billed, collected, transferred to a collection agency, or deemed by CONTRACTOR to be uncollectible.
20

21 **XXVIII. SEVERABILITY**

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

XXIX. SPECIAL PROVISIONS

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

1. Making cash payments to intended recipients of services through this Agreement.
2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
and reports in compliance with this requirement pursuant to Title 31, USC, § 1352 (e.g., limitation on use
of appropriated funds to influence certain federal contracting and financial transactions).

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- 1 3. Fundraising.
- 2 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
- 3 CONTRACTOR's staff, volunteers, or members of the Board of Directors or governing body.
- 4 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body
- 5 for expenses or services.
- 6 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
- 7 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
- 8 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 9 7. Paying an individual salary or compensation for services at a rate in excess of the current
- 10 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule
- 11 may be found at www.opm.gov.
- 12 8. Severance pay for separating employees.
- 13 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
- 14 codes and obtaining all necessary building permits for any associated construction.
- 15 10. Purchasing or improving land, including constructing or permanently improving any building
- 16 or facility, except for tenant improvements.
- 17 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds
- 18 (matching).
- 19 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.
- 20 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or
- 21 alcohol.
- 22 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the
- 23 Controlled Substance Act (21 USC 812).
- 24 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic
- 25 injection of any illegal drug.
- 26 16. Assisting, promoting, or deterring union organizing.
- 27 17. Providing inpatient hospital services or purchasing major medical equipment.
- 28 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
- 29 shall not use the funds provided by means of this Agreement for the following purposes:
- 30 1. Funding travel or training (excluding mileage or parking).
- 31 2. Making phone calls outside of the local area unless documented to be directly for the purpose
- 32 of Client care.
- 33 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 34 4. Purchase of artwork or other items that are for decorative purposes and do not directly
- 35 contribute to the quality of services to be provided pursuant to this Agreement.

1 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
2 CONTRACTOR's Clients

3 C. Neither party shall be responsible for delays or failures in performance resulting from acts beyond
4 the control of the affected party. Such acts shall include, but not be limited to, acts of God, fire, flood,
5 earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public related
6 utility, or governmental statutes or regulations imposed after the fact.

7 **XXX. STATUS OF CONTRACTOR**

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

18 **XXXI. TERM**

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

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

27 **XXXII. TERMINATION**

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

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

1 | calendar days for corrective action.

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

4 | 1. The loss by CONTRACTOR of legal capacity.
5 | 2. Cessation of services.
6 | 3. The delegation or assignment of CONTRACTOR's services, operation or administration to
7 | another entity without the prior written consent of COUNTY.

8 | 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
9 | required pursuant to this Agreement.

10 | 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this
11 | Agreement.

12 | 6. The continued incapacity of any physician or licensed person to perform duties required
13 | pursuant to this Agreement.

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

18 | D. CONTINGENT FUNDING

19 | 1. Any obligation of COUNTY under this Agreement is contingent upon the following:
20 | a. The continued availability of federal, state and county funds for reimbursement of
21 | COUNTY's expenditures, and

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

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

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

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

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

1 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
2 Agreement.

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

3 **SIGNATURE PAGE**

4 WESTERN PACIFIC RE-HAB

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6 BY: _____ DATED: _____

7
8 TITLE: _____

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12 COUNTY OF ORANGE

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15 BY: _____ DATED: _____

16 HEALTH CARE AGENCY

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20 APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

21 ORANGE COUNTY, CALIFORNIA

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24 BY: _____ DATED: _____

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

EXHIBIT A
 TO AGREEMENT FOR PROVISION OF
 NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
 WITH
 WESTERN PACIFIC RE-HAB
 JULY 1, 2017 THROUGH JUNE 30, 2022

I. COMMON TERMS AND DEFINITIONS

A. AB109 Services are for those Clients deemed eligible by California Department of Corrections and Rehabilitation and/or OCPD. Clients in AB 109 Services are those who have received sentencing for a felony or misdemeanor that is non-violent, non-sexual, and non-serious.

B. CalOMS is a statewide Client based data collection and outcomes measurement system as required by the state to effectively manage and improve the provision of alcohol and other drug services at the state, COUNTY, and provider levels.

C. Counselor means a staff member who is registered or certified by one of the state approved Counseling Certification programs or who is a registered intern or licensed by the Board of Behavioral Sciences. A Counselor must remain in good standing with the certification or licensing process.

D. Diagnosis means the identification of the nature of the Client's substance use disorder. When formulating the diagnosis of a Client, the CONTRACTOR shall use the diagnosis codes and axes as specified in the most current edition of the DSM published by the American Psychiatric Association. The Contractor shall record all DSM diagnoses on all IRIS documents and in the Client files as appropriate.

E. Dose means the administration of a specific amount of Methadone, or any other medication as approved by ADMINISTRATOR, prescribed by a physician for the Client's care along with medical care and individual and/or group counseling.

F. Dual Diagnosed Client means a Client having co-occurring mental illness and substance abuse diagnosis, irrespective of which is the primary diagnosis.

G. Family Counseling means a face-to-face contact between a Counselor and members of a Client's family or significant other. The Client may or may not be present.

H. Gatekeeper means ADMINISTRATOR staff responsible for all initial referrals to CONTRACTOR for Methadone, or other medication as approved by ADMINISTRATOR, maintenance treatment or detoxification therapy.

I. Group Counseling means a face-to-face contact between a Counselor and each Client involved in a group counseling session. A group session is a ninety (90) minute session with more than one (1) person in an encounter with a Counselor.

J. Individual Counseling means a face-to-face contact, between a Counselor and an individual

1 Client resulting in a record of therapeutic experience in a Client's chart. An individual session is with one
 2 (1) Client in an encounter with a Counselor.

3 K. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in which
 4 specific information about the Client is gathered including the ability to pay and standard admission forms
 pursuant to the Agreement, post Gatekeeper approval.

5 L. IRIS means a collection of applications and data bases that serve the needs of programs within
 6 HCA and includes functionality such as registration and scheduling, laboratory information system,
 7 billing and reporting capabilities, compliance with regulatory requirements, electronic medical records
 and other relevant information.

8 M. Linkage means connecting Clients to ancillary services such as outpatient treatment and
 9 supportive services which may include self-help groups, social services, rehabilitation services, vocational
 services, job training services or other appropriate services.

10 N. Maintenance Client means a male or female aged 18 and over residing in COUNTY who has a
 11 primary problem of opiate addiction and is currently recovering through Narcotic Replacement
 Maintenance Therapy.

12 O. Medical Director means the physician licensed to practice medicine in California who is
 13 responsible for medical services provided by CONTRACTOR.

14 P. Medical Necessity means the decision by Contractor's Medical Director that a Client meets
 admission criteria and continuing care justification pursuant to CCR, Title 22 and Title 9, Section 10270.

15 Q. Narcotic Replacement Maintenance Therapy means the medically supervised use of an opiate
 16 agonist medication to provide a means whereby the patient may be rehabilitated from opiate substance
 use disorders.

17 R. Narcotic Replacement Detoxification means narcotic therapy used in decreasing medically
 18 determined dosage levels for a period of not more than twenty-one (21) calendar days, to reduce or
 eliminate opiate addiction.

19 ~~S. Client means a male or female aged 18 and over residing in the COUNTY who has a primary~~
 20 ~~problem of opiate addiction and also qualifies for admission as per Title 9 and contractual eligibility~~
 21 ~~requirements.~~ S. Client means an adolescent 12 through 17 years old or an adult aged 18 and over residing
 22 in the County of Orange who has a primary problem of opiate addiction and also qualifies for admission
as per Title 9 and contractual eligibility requirements.

23 T. Program Protocol means the written program description, goals, objectives, and policies
 24 established by CONTRACTOR for Methadone, Suboxone or other medication as approved by
 ADMINISTRATOR, therapy program provided pursuant to the Agreement.

25 U. Ryan White Funding means specific funding for Clients with HIV disease as may be awarded by
 26 the COUNTY HIV Planning Council.

1 V. Screening means the process by which the program obtains information about the individual
2 seeking admission for Methadone, Suboxone or other medication as approved by ADMINISTRATOR,
3 therapy services.

4 //

4 W. Token means the security device which allows an individual user to access the HCA computer
5 based IRIS.

6 X. Unit of Service means a calendar month of treatment services at a Narcotic Treatment Program
7 provided pursuant to Title 22 and Title 9. Dosing and counseling services may be provided on the same
8 day to a single Client.

8 **II. PAYMENTS**

9 A. **BASIS FOR REIMBURSEMENT** – As compensation to CONTRACTOR for services provided
10 pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following all-
11 inclusive rates of reimbursement: \$17.38 daily per Maintenance Client served at CONTRACTOR’s
12 facility, \$12.00 per dose for Detoxification Clients at CONTRACTOR’s facility, \$22.50 daily per
13 participant for Suboxone services provided 365 days a year for seven (7) days a week, and \$26.07 per
14 dose for Maintenance Clients at the jail and other locations as approved by ADMINISTRATOR; however,
15 the total of monthly payments to CONTRACTOR shall not exceed COUNTY’s Maximum Obligation set
16 forth in the Referenced Contract Provisions of the Agreement and provided further, that
17 CONTRACTOR’s costs are allowable pursuant to applicable COUNTY, federal and state regulations.
18 Non-compliance will require the completion of a CAP by CONTRACTOR. If CAPs are not completed
19 within timeframes approved by ADMINISTRATOR, payments may be reduced accordingly.

17 B. COUNTY shall pay CONTRACTOR monthly, in arrears. CONTRACTOR's invoice shall be on
18 an approved invoice form, approved or supplied by ADMINISTRATOR, and provide such information
19 as is required by ADMINISTRATOR.

19 C. CONTRACTOR's invoices are due the tenth (10th) day of the month. Invoices received after the
20 due date may not be paid within the same month.

20 D. All billings to COUNTY shall be supported by supporting documentation that clearly show
21 CONTRACTOR is entitled to compensation as a result of and in the performance of duties for COUNTY.

22 E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with
23 any provision of the Agreement or is not in compliance with federal, state or COUNTY regulations
24 governing the provision of contracted services.

24 F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
25 and/or termination of the Agreement, except as may otherwise be provided for under the Agreement.

26 G. In conjunction with Payments Paragraph, Subparagraph A, Units of Service shall not be entered

1 in the IRIS system for services not rendered. If information has been entered, corrections will be made
2 within ten (10) business days from notification of ADMINISTRATOR.

3 H. The Agreement includes federal funds paid to CONTRACTOR. The CFDA number(s) and
4 associated information for federal funds paid through the Agreement are specified below:

5 CFDA Year: 2013

6 CFDA#: 93.959

7 Program Title: Block Grants for Prevention and Treatment of Substance Abuse

8 Federal Agency: Department of Health Care Services

9 Award Name: Negotiated Net Amount/Drug Medi-Cal Contract

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

13 J. ADMINISTRATOR may revise the CFDA information listed above, and shall notify
14 CONTRACTOR in writing of said revisions.

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

17 **III. RECORDS**

18 A. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the
19 ADMINISTRATOR Alcohol and Drug Abuse Services Guidelines on each individual Client in sufficient
20 detail to permit an evaluation of services, which shall include, but need not be limited to unless otherwise
21 approved by ADMINISTRATOR:

- 22 1. ADMINISTRATOR's Treatment Authorization Form
- 23 2. Substance abuse history
- 24 3. Case Manager's name and telephone number
- 25 4. Tuberculosis clearance
- 26 5. Emergency notification information
- 27 6. Record of any funds collected from, or on behalf of, the Client
7. Treatment Plan

28 B. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
29 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the type
30 of service for which payment is claimed in accordance with generally accepted accounting principles, the
31 ASRS Manual.

1 1. Any apportionment of or distribution of costs, including indirect costs, to or between
2 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with
3 generally accepted principles, the ASRS Manual, and the DPFS Manual.

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

6 3. The Client eligibility determination and fee charged to and collected from Clients, together
7 with a record of all billings rendered and revenues received from any source, on behalf of Clients treated
8 pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

9 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Records
10 Paragraph of this Exhibit A to the Agreement.

11 **IV. REPORTS**

12 **A. MONTHLY PROGRAMMATIC**

13 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,
14 including information required and on a form approved or provided by ADMINISTRATOR, in
15 conjunction with the billing described in the Payments paragraph of this Exhibit A of the Agreement.
16 These monthly programmatic reports should be received by ADMINISTRATOR no later than the tenth
17 (10th) business day of the month following the report month.

18 2. CONTRACTOR shall be responsible to include in the monthly programmatic report any
19 problems in implementing the provisions of the Agreement, pertinent facts or interim findings, staff
20 changes, status of license(s) and/or certification(s), changes in population served, and reasons for any
21 changes. Additionally, a statement that the CONTRACTOR is or is not progressing satisfactorily in
22 achieving all the terms of the Agreement shall be included.

23 B. MONTHLY IRIS – CONTRACTOR shall input all CalOMS data for the preceding month no
24 later than the fifth (5th) calendar day of the month following the report month. CONTRACTOR shall
25 correct and submit all errors from the CalOMS Feedback and Error Report within seven (7) calendar days
26 of receipt of the report. CalOMS discharges shall be entered no later than seven (7) calendar days after
27 Client's discharge.

C. MONTHLY DATAR – CONTRACTOR shall provide reports under the DATAR and/or any
other State Department of Alcohol and Drug Programs Reporting System no later than the fifth (5th)
business day of the month following the report month.

D. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports, as required by
ADMINISTRATOR, concerning CONTRACTOR's activities as they affect the services hereunder.
ADMINISTRATOR will be specific as to the nature of information requested.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports

1 Paragraph of this Exhibit A to the Agreement.

2 **V. SERVICES**

3 A. CONTRACTOR shall operate a licensed accredited and certified alcohol and drug abuse Narcotic
4 Replacement Therapy program, in accordance with the standards established by COUNTY and under
5 Title 9, Division 4, Chapter 4 of the CCR by the State of California, DHCS, and shall administer or
6 dispense Methadone, Soboxone or other medication as approved by ADMINISTRATOR, as a
7 //
8 other morphine-like drugs at the following locations unless otherwise approved in advance and in writing
9 by ADMINISTRATOR:

10 218 Commonwealth Ave.	10751 Dale Street	275 Victoria Street, Suite 1H
11 Fullerton, CA	Stanton, CA	Costa Mesa, CA 92627"

12 ~~B. PERSONS TO BE SERVED — CONTRACTOR shall provide services to Maintenance Clients~~
13 ~~who are eligible for services. Maintenance Clients are considered eligible for services if they are indigent~~
14 ~~or earning up to 200% of poverty level; including those who are disabled, have HIV and/or Hepatitis C,~~
15 ~~or are pregnant, and those identified in Services Paragraph, subparagraph M., three hundred sixty five~~
16 ~~(365) days per year. In addition to the above, program eligibility shall be determined as per Title 9 section~~
17 ~~10270 for Maintenance and Detoxification Clients. Detoxification services shall be provided, to those~~
18 ~~Clients that are indigent or earning up to 200% of poverty level or as approved by ADMINISTRATOR.~~
19 ~~Detoxification therapy shall not include pregnant women. In addition, CONTRACTOR shall provide~~
20 ~~maintenance and detoxification services to persons eighteen (18) and over earning up to 200% of poverty~~
21 ~~level and/or eligible for AB109 via referral from OC Probation Department assessment staff. Other~~
22 ~~eligibility may be determined by ADMINISTRATOR.~~

23 ~~1. CONTRACTOR shall provide individual case management, treatment planning, crisis~~
24 ~~intervention, discharge planning, medication handling and dispensing, and related services as required by~~
25 ~~federal, state, and COUNTY rules and regulations.~~

26 ~~2. CONTRACTOR's program must include an introduction to appropriate self help~~
27 ~~structured support programs as approved by ADMINISTRATOR.~~ **B. PERSONS TO BE**
SERVED — CONTRACTOR shall provide services three hundred sixty-five (365) days per year to
Maintenance Clients who are eligible for services. Maintenance Clients are considered eligible for
services if they are indigent or earning up to 200% of poverty level; including those who are
disabled, have HIV and/or Hepatitis C, or are pregnant, and those identified in the Services
Paragraph, subparagraph M. In addition to the above, program eligibility shall be determined as
per Title 9 section 10270 for Maintenance and Detoxification Clients. Detoxification services shall
be provided to those Clients that are indigent or earning up to 200% of poverty level or as approved

1 by ADMINISTRATOR. Detoxification therapy shall not include pregnant women. In addition,
 2 CONTRACTOR shall provide maintenance and detoxification services to adolescents 12 through
 3 17 years old and persons eighteen (18) and over earning up to 200% of poverty level and/or eligible
 4 for AB109 via referral from OC Probation Department assessment staff. Other eligibility
 5 requirements may be determined by ADMINISTRATOR.

6 1. CONTRACTOR shall provide individual case management, treatment planning, crisis
 7 intervention, discharge planning, medication handling and dispensing, and related services as
 8 required by federal, state, and COUNTY rules and regulations.

9 2. CONTRACTOR's program must include an introduction to appropriate self-help
 10 structured support programs as approved by ADMINISTRATOR.

11 3. ADDITIONAL REQUIREMENTS FOR ADOLESCENT CLIENTS

12 i. Detoxification treatment for Clients who are under 18 years old requires written
 13 consent of their parent(s) or guardian prior to the administration of the first
 14 medication dose.

15 ii. In order for Clients who are under 18 years old to receive maintenance
 16 treatment, there must be a documented history of two unsuccessful attempts at
 17 short-term detoxification or drug-free treatment within a twelve (12) month
 18 period. The methods to confirm this history and the types of documentation to be
 19 maintained in the patient's record shall be stated in the protocol. Additionally, for
 20 Clients under the age of 18 years old, written consent of their parent(s) or
 21 guardian prior to the admission into maintenance treatment is required.

22 iii. CONTRACTOR shall adhere to DHCS Youth Treatment Guidelines when
 23 treating adolescents 12 through 17 years old.

24 C. INTAKE/ASSESSMENT – Before admitting an applicant to Detoxification or Maintenance
 25 therapy, the Medical Director shall determine medical Necessity by either conducting a medical
 26 evaluation or documenting the review in agreement with a medical evaluation conducted by the
 27 physician's designee. Within seven (7) calendar days of admission, CONTRACTOR shall provide a
 standardized, comprehensive risk and needs assessment on each Maintenance Client to assess alcohol and
 drug abuse history, family history, mental and emotional status, educational and vocational background,
 as well as daily living skills, stress management, literacy, employment, education and money
 management. Assessment tools may include Addiction Severity Index, or any other assessment tool, as
 approved by ADMINISTRATOR. The content of Client records shall follow Title 9, Section 10165 and
 all requirements specified by this Agreement.

D. PROGRAM ORIENTATION – CONTRACTOR shall, within seventy-two (72) hours of Client's
 admission into the program, provide an overview of the program. The program orientation shall be
 documented in the Client's file, and shall include, but not be limited to:

1. Overview of program structure and schedules;

- 1 2. Program rules and regulations;
- 2 3. Effects of medication used in Narcotic Replacement Therapy and adverse effects of abrupt
3 withdrawal;
- 4 4. Policies regarding Client fees;
- 5 5. Client rights and responsibilities;
- 6 6. Assignment of a counselor;
- 7 7. Staff code of conduct;
- 8 8. Confidentiality Statement, and how release of information is permitted in accordance with
9 42 CFR Part 2 and 45 CFR (HIPAA);
- 10 9. Agreements needed to exchange appropriate information within the network of consultants
11 and linkage agencies in accordance with HIPAA regulations and 42 CFR Part 2; and Title 9, Division 4,
12 Chapter 4, Section 10290; and
- 13 10. Continuing care services.

14 E. TREATMENT PLAN

- 15 1. CONTRACTOR shall, within twenty-eight (28) calendar days of initiation of Narcotic
16 Replacement Therapy for a Maintenance Client, have a registered, certified, and/or licensed Counselor
17 develop an individual treatment plan with each Client per Title 9, Section 10305 which shall include:
 - 18 a. Goals, based on identified needs, to be achieved by the Client with estimated target dates
19 for attainment in accordance with the following:
 - 20 1) Short-term goals which are estimated to require eighty-nine (89) calendar days or
21 less for Client to achieve;
 - 22 2) Long-term goals which are estimated to require a specified time exceeding ninety
23 (90) calendar days for Client to achieve;
 - 24 b. Specific behavioral tasks the Client must accomplish to complete each short-term and
25 long-term goal;
 - 26 c. A description of the type and frequency of counseling services to be provided to the
27 Client;
 - d. An effective date based on the day the Counselor signed the initial treatment plan;
 - e. The Supervising Counselor shall review the initial maintenance treatment plan, along with
the needs assessment, and all updated maintenance treatment plans within fourteen (14) calendar days
from the effective dates and shall countersign these documents to signify concurrence with the findings;
and
 - f. Medical Director or Designee will review the needs assessment, and sign the initial and
all updated treatment plans within fourteen (14) days of Counselor's signature.
- 2 2. CONTRACTOR's registered, certified, and/or licensed Counselor shall evaluate and update

1 the Client's treatment plan whenever necessary, or at a minimum once every three (3) months from the
2 date of initiation of Narcotic Replacement Therapy. The updated treatment plan shall include:

3 //

4 a. A summary of the Client's progress or lack of progress toward each goal identified in the
5 initial treatment plan;

6 b. New goals and behavioral tasks for any newly identified needs, and related changes in
7 the type and frequency of counseling services.

8 3. CONTRACTOR shall develop an individualized treatment plan for each Client undergoing
9 detoxification including:

10 a. Provision to educate the Client on illicit drug addictions and how to deal with them;

11 b. Provision for furnishing services to the Client as needed when Detoxification is
12 completed;

13 c. Required treatment services and the role of the Client to achieve stated goals; and

14 d. The type and frequency of scheduled counseling services.

15 F. COUNSELING – Upon completion of the initial treatment plan, CONTRACTOR shall arrange
16 for Client to receive a minimum of fifty (50) minutes of counseling services per calendar month for
17 Maintenance, and two (2) twenty-five (25) minute counseling sessions within the 21-day period for
18 Detoxification, in accordance with the following requirements:

19 1. Program staff member conducting the session must be a Counselor;

20 2. The session must be conducted in a private setting in accordance with all applicable federal,
21 state, and COUNTY regulations regarding confidentiality; and

22 3. The format of the counseling session shall be an Individual session, with face-to-face
23 discussion with the Client, on a one-on-one basis, on issues identified in the Client's treatment plan.
24 Counselor shall document this session in Client's file.

25 G. CONTINUATION OF TREATMENT – CONTRACTOR shall provide justification for treatment
26 to Clients who have been on Methadone, Suboxone, or other medication as approved by
27 ADMINISTRATOR, maintenance for a period of two (2) years, and annually thereafter. Justification shall
be provided by the Medical Director and noted in Clients files. CONTRACTOR shall ensure that no
Maintenance Client is enrolled for more than one (1) year from admission date on COUNTY funding and
that no Detoxification Client is enrolled for more than one (1) detox episode per fiscal year, unless
approved by ADMINISTRATOR. COUNTY funding is designed to be a short-term stabilizer with the
Client progressing to longer-term self- sustainment. Only those Clients with special circumstances will be
allowed to remain on Maintenance funding for up to two (2) years of their admission unless otherwise
approved by ADMINISTRATOR.

H. DISCHARGE PLAN/EXIT PLANNING/TERMINATION – CONTRACTOR shall begin

1 discharge planning immediately after enrollment. CONTRACTOR shall develop a formal exit plan no
 2 later than fourteen (14) calendar days prior to Client's successful completion of the program for a
 3 Maintenance or Detoxification Client. The transition/exit plan shall be completed and signed by
 4 CONTRACTOR and Client. CONTRACTOR shall establish a protocol for scheduled termination of
 5 services and document any discharge via a discharge summary.

6 1. The transition/exit plan shall include:

7 a. A strategy or strategies to assist the Client in maintaining an alcohol and drug free
 8 lifestyle;

9 b. A continuing treatment exit plan that includes linkage and referral of the Client to
 10 appropriate services, such as outpatient treatment, other support services such as self-help groups, social
 11 services, vocational rehabilitation, job training and other services, if needed, and document this in Client's
 12 chart. The continuing treatment exit plan shall also include the goals identified in the Client's treatment
 13 plan; and

14 c. Referrals to appropriate non-substance abuse resources such as continuing education and
 15 vocational rehabilitation.

16 2. Written criteria for the discharge summary shall include:

17 a. Reason for discharge;

18 b. Client's achievements while in the Treatment Program such as meeting or progressing
 19 towards educational or vocational goals;

20 c. Description of detoxification episodes or maintenance services and Client progress;

21 d. Current alcohol and/or drug usage at discharge;

22 e. Vocational and educational achievements;

23 f. Any outstanding legal concerns;

24 g. Linkages and referrals made;

25 h. Client's comments; and

26 i. Prognosis.

27 I. PERFORMANCE OUTCOMES – ADMINISTRATOR shall develop and provide
 CONTRACTOR with performance outcome measure guidelines for the purpose of evaluating the impact
 or contribution of CONTRACTOR's services on the well-being of the COUNTY Clients being served
 under the terms of the Agreement. At a minimum, CONTRACTOR shall implement a process
 improvement project as outlined in the NIATx model, targeting at least one of the following four (4)
 NIATx aims:

1. Reduce waiting times

2. Reduce no-shows

3. Increase admissions

1 4. Increase continuation in treatment

2 J. ADDITIONAL REPORTING – CONTRACTOR shall submit written report to
 3 ADMINISTRATOR on a weekly basis, or as arranged by ADMINISTRATOR, for all Clients
 4 participating in treatment as part of the Agreement. Report will note all current Clients.
 5 ADMINISTRATOR will approve CONTRACTOR’s form for report, and determine mode of transmission
 of said report from the CONTRACTOR to the ADMINISTRATOR.

6 //

7 K. CASE MANAGEMENT – CONTRACTOR shall provide Case Management services which
 8 include the process of identification, assessment of need, planning, coordination and linking, monitoring
 9 and continuous evaluation of Clients and of available resources, and advocacy through a process of
 casework activities in order to achieve the best possible resolution of individual needs in the most effective
 way possible.

10 L. REFERRAL AND LINKAGE – CONTRACTOR shall provide effective linkage of a Client to
 11 other ancillary services to include literacy training, vocational counseling, and other Client services, with
 12 follow-up to be provided and documented in the Client file to ensure that the Client has contacted the
 13 referred service provider. Referrals shall also be made for individuals having special needs, such as
 persons living with chronic diseases. Referrals shall be sensitive to the Client's cultural needs.

14 M. ALCOHOL AND/OR DRUG SCREENING – CONTRACTOR shall have a written policy and
 15 procedure regarding alcohol and/or drug testing at a minimum of one (1) time per month for all
 16 Maintenance Clients. Clients requiring Detoxification shall be screened for alcohol/illicit drug use at the
 17 time of admission, prior to completion, and any other time deemed necessary by the attending physician.
 18 Urine specimen collection shall be observed by same sex staff. This policy shall be approved by
 19 ADMINISTRATOR. Results of these screenings shall be documented in the Client's file. If any
 20 Maintenance Client’s drug screen results indicate a negative pattern of testing positive for non-opioid
 21 illegal substances, or narcotic replacement diversion, CONTRACTOR shall list on the Monthly Report,
 22 the corrective action taken to refocus the Client. The CONTRACTOR shall document this in the Client’s
 23 file. Detoxification Clients that produce positive drug screens for illicit substances during detoxification
 shall be given relapse prevention strategies during counseling sessions or moved to a higher level of
 service such as maintenance dosing, extended detox, with ADMINISTRATOR approval, linkages to
 residential treatment, or ongoing outpatient treatment services for substance use disorders. All counseling
 session discussions and referrals/linkages shall be documented in the Client’s file.

24 N. IN CUSTODY SERVICES

25 1. CONTRACTOR shall provide Methadone dosing, or other approved narcotic replacement
 26 medication, to pregnant women currently on Methadone, or other approved narcotic replacement medication,
 and shall be responsible for coordinating care that includes a process for Methadone dosing, or other approved

1 narcotic replacement medication, at the following COUNTY correctional facilities:

2 a. COUNTY's Intake and Release Center; and

3 b. Santa Ana City Jail.

4 2. Additional sites may be added by mutual agreement of ADMINISTRATOR and CONTRACTOR.

5 3. Services are to be provided seven (7) calendar days per week, including COUNTY observed holidays.

6 4. CONTRACTOR will have staff approved to dispense Methadone, or other approved narcotic replacement medication, carry identification this includes at a minimum, the following:

7 a. persons name,

8 b. picture,

9 c. title,

10 d. organizational name, and

11 e. organizational address.

12 5. CONTRACTOR must submit a list of staff administering Methadone, or other approved narcotic replacement medication, to COUNTY Sheriff's Department monthly or as any changes occur.

13 6. CONTRACTOR will make every effort possible to ensure that services are provided in a timely manner to the Clients.

14 7. CONTRACTOR will advise Methadone, or other approved narcotic replacement medication, treatment programs within a fifty (50)-mile radius of their role in the COUNTY correctional facilities, and maintain collaboration with these clinics to coordinate care of mutual Clients.

15 8. CONTRACTOR will develop, and submit to ADMINISTRATOR for approval, a policy and procedure for jail dosing by implementation of the Agreement.

16 9. CONTRACTOR is responsible for all costs incurred for properly disposing all Methadone, or other approved narcotic replacement medication, that could not be administered to Clients in custody.

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

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

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

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

21 a. Token of each staff member who no longer supports the Agreement;

22 b. Token of each staff member who no longer requires access to the IRIS;

- c. Token of each staff member who leaves employment of CONTRACTOR; or
- d. Token is malfunctioning.

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

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

“P. CONTRACTOR shall establish a good neighbor policy, which shall be reviewed and approved by ADMINISTRATOR on an annual basis. The policy shall include, but not limited to, staff training to deal with neighbor complaints and staff contact information available to neighboring residents.

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

VI. STAFFING

A. CONTRACTOR shall ensure that all clinical staffing, including those providing direct Client services, meet the requirements of Title 22 and Title 9 of the CCR as it exists now or may hereafter be amended or changed and all standards of the Department of Health Care Services.

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

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

D. CONTRACTOR shall ensure that administrative staffing is sufficient to support the performance of services pursuant to the Agreement.

E. CONTRACTOR may augment paid staff with volunteers or part-time student interns. CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions or work contracts.

F. STAFF CONDUCT – CONTRACTOR shall establish a written policies and procedures for employees, volunteers, interns, and members of the Board of Directors which shall include, but not be limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought to the ADMINISTRATOR’s attention prior to the occurrence. Prior to providing any services pursuant

1 to the Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards
 2 set forth in the said policies and procedures. A copy said policies and
 3 procedures shall be provided to each Client upon admission and shall be posted in writing in a prominent
 place in the treatment facility and updated annually by the Board of Directors.

4 G. CONTRACTOR shall provide pre-employment screening of any staff person providing any
 5 service pursuant to the Agreement. All new staff, volunteers, and interns shall pass a one-time “live scan”
 6 fingerprinting background check prior to such staff becoming involved with the Clients. CONTRACTOR
 7 shall provide copies of the criminal record reviews to ADMINISTRATOR within ten (10) calendar days
 of receiving such reviews. The results of the fingerprinting will be sent directly from the Department of
 8 Justice to CONTRACTOR. Results must remain in staff file. ADMINISTRATOR may change this
 approval mechanism at their discretion.

9 1. All staff, prior to hiring, shall meet the following requirements:

10 a. No person shall have been convicted of a sex offense for which the person is required to
 register as a sex offender under California Penal Code section 290;

11 b. No person shall have been convicted of an arson offense – Violation of Penal Code
 12 sections 451, 451.1, 451.5, 452, 452.1, 453, 454, or 455;

13 c. No person shall have been convicted of any violent felony as defined in Penal Code
 14 section 667.5, which involve doing bodily harm to another person, for which the staff member was
 convicted within five years prior to employment;

15 d. No person shall be on parole or probation, unless approved in advance by
 ADMINISTRATOR; and

16 e. No prior employment history of improper conduct, including but not limited to, forging
 17 or falsifying documents or drug tests, sexual assault or sexual harassment, or inappropriate behavior with
 18 staff at another treatment facility.

19 f. No person shall participate in the criminal activities of a criminal street gang and/or
 prison gang.

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

22 H. CONTRACTOR shall provide ongoing training in topics related to alcohol and drug use on an
 23 annual basis including:

24 1. analysis of illicit drug use, the meaning of the analysis results, and procedures to be followed
 by CONTRACTOR to alleviate continued use.

25 2. confidentiality requirements.

26 I. All staff providing services shall be licensed and/or certified in accordance with the requirements

1 and professional guidelines as applicable.

2 J. All personnel files shall be complete and made readily accessible to ADMINISTRATOR for
3 purposes of audits and investigation or any other reason deemed necessary by ADMINISTRATOR.

4 K. CONTRACTOR's Executive Director or designee shall participate, when requested, in meetings
5 facilitated by ADMINISTRATOR related to the provision of services pursuant to the Agreement.

6 L. Any CONTRACTOR staff participating in the delivery of services to Clients shall complete the
7 Annual Provider Training made available by ADMINISTRATOR. Completion certificates shall be placed
8 in each personnel file as applicable.

9 M. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,
10 with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of the
11 Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to
12 promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution,
13 or religious belief.

14 N. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Staffing
15 Paragraph of this Exhibit A to the Agreement.

16 //
17 //
18 //
19 //
20 //

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

4 B. DEFINITIONS

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

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

11 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

1 § 164.501.

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

4 //

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

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

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

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

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

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

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

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

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

15 15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in
16 45 CFR § 160.103.

17 16. “Technical safeguards” means the technology and the policy and procedures for its use that
18 protect ePHI and control access to it.

19 17. “Unsecured PHI” or “PHI that is unsecured” means PHI that is not rendered unusable,
20 unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology
21 specified by the Secretary of HHS in the guidance issued on the HHS Web site.

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

1 160.103.

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

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

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

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

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

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

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

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

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

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

1 compliance with the HIPAA Privacy Rule.

2 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
3 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
4 and to make information related to such Disclosures available as would be required for COUNTY to
5 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR
6 § 164.528.

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

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

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

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

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

16. The Parties acknowledge that federal and state laws relating to electronic data security and
privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to
provide for procedures to ensure compliance with such developments. The Parties specifically agree to

1 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH
 2 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon
 3 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY
 4 concerning an amendment to this Business Associate Contract embodying written assurances consistent
 5 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other
 6 applicable laws. COUNTY may terminate the Agreement upon thirty (30) days written notice in the
 7 event:

8 //

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

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

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

17 D. SECURITY RULE

18 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish and
 19 maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR §
 20 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to CONTRACTOR
 21 or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY. CONTRACTOR
 22 shall develop and maintain a written information privacy and security program that includes
 23 Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
 24 CONTRACTOR's operations and the nature and scope of its activities.

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

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

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

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

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

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

10 //

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

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

17 E. DATA SECURITY REQUIREMENTS

18 1. Personal Controls

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

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

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

1 a period of six (6) years following the termination of the Agreement.

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

7 2. Technical Security Controls

8 a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY
9 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
10 COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which
11 is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by the
COUNTY.

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

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

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

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

25 f. Patch Management. All workstations, laptops and other systems that process and/or store
26 PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits

1 on behalf of COUNTY must have critical security patches applied, with system reboot if necessary. There
2 must be a documented patch management process which determines installation timeframe based on risk
3 assessment and vendor recommendations. At a maximum, all applicable patches must be installed within
4 thirty (30) days of vendor release. Applications and systems that cannot be patched due to operational
reasons must have compensatory controls implemented to minimize risk, where possible.

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

11 //
12 Passwords must be changed if revealed or compromised. Passwords must be composed of characters
13 from at least three (3) of the following four (4) groups from the standard keyboard:

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

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

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

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

k. System Logging. The system must maintain an automated audit trail which can identify
the user or system process which initiates a request for PHI COUNTY discloses to CONTRACTOR or

1 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY, or which alters such
2 PHI. The audit trail must be date and time stamped, must log both successful and failed accesses, must
3 be read only, and must be restricted to authorized users. If such PHI is stored in a database, database
4 logging functionality must be enabled. Audit trail data must be archived for at least three (3) years after
occurrence.

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

7 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
8 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
9 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
10 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as website
access, file transfer, and E-Mail.

11 //

12 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and
13 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
or transmits on behalf of COUNTY that are accessible via the Internet must be protected by a
14 comprehensive intrusion detection and prevention solution.

15 3. Audit Controls

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

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

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

25 4. Business Continuity/Disaster Recovery Control

26 a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan

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

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

9 5. Paper Document Controls

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

13 //
 14 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in
 baggage on commercial airplanes.

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

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

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

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

25 f. Mailing. Mailings containing PHI COUNTY discloses to CONTRACTOR or
 26 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall be sealed and

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

5 **F. BREACH DISCOVERY AND NOTIFICATION**

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

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

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

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

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

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

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

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

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

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

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

26 5) Contact procedures for Individuals to ask questions or learn additional information,

1 which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

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

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

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

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

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

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

25 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

- 1) The Disclosure is required by law; or

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

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

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

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

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

14 H. PROHIBITED USES AND DISCLOSURES

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

20 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
21 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
22 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by
23 42 USC § 17935(d)(2).

24 I. OBLIGATIONS OF COUNTY

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

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

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

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

J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

b. CONTRACTOR shall retain no copies of the PHI.

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

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

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EXHIBIT C
 AMENDMENT No. 5-6 TO AGREEMENT FOR PROVISION OF
 NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 WESTERN PACIFIC RE-HAB
 JULY 1, 2017 THROUGH JUNE 30, 2022

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 regulations that require

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

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

B. TERMS OF AGREEMENT

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

2. Responsibilities of CONTRACTOR

CONTRACTOR agrees:

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

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

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

- 1) Complying with all of the data system security precautions listed in

Subparagraph B of the Business Associate Contract, Exhibit C to the Agreement; and

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

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

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

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

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

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

h. Breaches and Security Incidents. During the term of the Agreement, CONTRACTOR agrees to implement reasonable systems for the discovery of any Breach of

unsecured DHCS PI and PII or security incident. CONTRACTOR agrees to give notification of any breach of unsecured DHCS PI and PII or security incident in accordance with Subparagraph F, of the Business Associate Contract, Exhibit C to the Agreement.

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

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