

1 AGREEMENT FOR PROVISION OF  
2 RECOVERY RESIDENCE SERVICES  
3 BETWEEN  
4 COUNTY OF ORANGE  
5 AND  
6 ROQUE CENTER, INC.

7 JULY 1, 2018 THROUGH ~~JUNE 30, 2022~~ JUNE 30, 2023  
8

9 THIS AGREEMENT entered into this 1st day of July 2018, is by and between the COUNTY OF  
10 ORANGE, a political subdivision of State of California (COUNTY), and ROQUE CENTER, INC., a  
11 California non-profit corporation (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be  
12 referred to herein individually as "Party" or collectively as "Parties." This Agreement shall be  
13 administered by the County of Orange Health Care Agency (ADMINISTRATOR).  
14

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

17 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Recovery  
18 Residence Services described herein to the residents of Orange County; and

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

21 NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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**REFERENCED CONTRACT PROVISIONS**~~Master Agreement Term: July 1, 2018 through June 30, 2022~~~~Period One means the period from July 1, 2018 through June 30, 2019~~~~Period Two means the period from July 1, 2019 through June 30, 2020~~~~Period Three means the period from July 1, 2020 through June 30, 2021~~~~Period Four means the period from July 1, 2021 through June 30, 2022~~~~**Aggregate Maximum Obligation:—**~~~~Period One Aggregate Maximum Obligation: \$ 800,000~~~~Period Two Aggregate Maximum Obligation: \$1,280,000~~~~Period Three Aggregate Maximum Obligation: \$1,200,000~~~~Period Four Aggregate Maximum Obligation: \$1,500,000~~~~TOTAL AGGREGATE MAXIMUM OBLIGATION: \$4,780,000~~**Master Agreement Term: July 1, 2018 through June 30, 2023****Period One means the period from July 1, 2018 through June 30, 2019****Period Two means the period from July 1, 2019 through June 30, 2020****Period Three means the period from July 1, 2020 through June 30, 2021****Period Four means the period from July 1, 2021 through June 30, 2022****Period Five means the period from July 1, 2022 through June 30, 2023****Aggregate Maximum Obligation:****Period One Aggregate Maximum Obligation: \$800,000****Period Two Aggregate Maximum Obligation: 1,280,000****Period Three Aggregate Maximum Obligation: 1,200,000****Period Four Aggregate Maximum Obligation: 1,500,000****Period Five Aggregate Maximum Obligation: 1,500,000****TOTAL AGGREGATE MAXIMUM OBLIGATION: \$6,280,000****Basis for Reimbursement: Fee-for-Service****Payment Method: Monthly in Arrears****CONTRACTOR DUNS Number: 95-794-7021****CONTRACTOR TAX ID Number: 95-2860752**

**Notices to COUNTY and CONTRACTOR:**

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

CONTRACTOR: Attention: Dana Scott, Executive Director  
 Roque Center, Inc.  
 10936 Dale Ave.  
 Stanton, CA 90680  
 Email: dana@roquecenterinc.org

<u>CFDA#</u>	<u>FAIN#</u>	<u>Program/ Service Title</u>	<u>Federal Funding Agency</u>	<u>Federal Award Date</u>	<u>Amount</u>	<u>R&amp;D Award (Y/N)</u>
93.959	TI10062-20	SAPT BG	HHS	FFY 20 (10/1/19— 6/30/21)	19,276,499	N/A

<u>CFDA#</u>	<u>FAIN#</u>	<u>Program/ Service Title</u>	<u>Federal Funding Agency</u>	<u>Federal Award Date</u>	<u>Amount</u>	<u>R&amp;D Award (Y/N)</u>
93.959	TI10062-20	SABG	Substance Abuse and Mental Health Services Administration (SAMHSA)	7/1/2021 TO 6/30/2024	\$19,276,499 annually	N/A

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## I. ACRONYMS

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

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4	A.	ARRA American Recovery and Reinvestment Act
5	B.	ASAM American Society of Addiction Medicine
6	C.	ASRS Alcohol and Drug Programs Reporting System
7	D.	CalOMS California Outcomes Measurement System
8	E.	CAP Corrective Action Plan
9	F.	CCC California Civil Code
10	G.	CCR California Code of Regulations
11	H.	CEO County Executive Office
12	I.	CFDA Catalog of Federal Domestic Assistance
13	J.	CFR Code of Federal Regulations
14	K.	CHPP COUNTY HIPAA Policies and Procedures
15	L.	CHS Correctional Health Services
16	M.	COI Certificate of Insurance
17	N.	DATAR Drug Abuse Treatment Access Report
18	O.	DHCS Department of Health Care Services
19	P.	D/MC Drug/Medi-Cal
20	Q.	DPFS Drug Program Fiscal Systems
21	R.	DRS Designated Record Set
22	S.	EHR Electronic Health Records
23	T.	ePHI Electronic Protected Health Information
24	U.	FTE Full Time Equivalent
25	V.	GAAP Generally Accepted Accounting Principles
26	W.	HCA Health Care Agency
27	X.	HHS Health and Human Services
28	Y.	HIPAA Health Insurance Portability and Accountability Act of 1996, Public
29		Law 104-191
30	Z.	HSC California Health and Safety Code
31	AA.	IRIS Integrated Records and Information System
32	AB.	ISO Insurance Services Office
33	AC.	LPHA Licensed Practitioner of the Healing Arts
34	AD.	MAT Medication Assisted Treatment
35	AE.	NIATx Network for Improvement of Addiction Treatment
36	AF.	NIST National Institute of Standards and Technology
37	AG.	NPI National Provider Identifier

1	AH. OIG	Office of Inspector General
2	AI. OMB	Office of Management and Budget
3	AJ. OPM	Federal Office of Personnel Management
4	AK. PA DSS	Payment Application Data Security Standard
5	AL. PC	State of California Penal Code
6	AM. PCI DSS	Payment Card Industry Data Security Standard
7	AN. PHI	Protected Health Information
8	AO. PII	Personally Identifiable Information
9	AP. PRA	Public Record Act
10	AQ. SIR	Self-Insured Retention
11	AR. SUD	Substance Use Disorder
12	AS. TB	Tuberculosis
13	AT. HITECH Act	Health Information Technology for Economic and Clinical Health
14		Act, Public Law 111-005
15	AU. UMDAP	Uniform Method of Determining Ability to Pay
16	AV. USC	United States Code
17	AW WIC	State of California Welfare and Institutions Code

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## **II. ALTERATION OF TERMS**

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

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

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## **III. ASSIGNMENT OF DEBTS**

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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.

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#### IV. COMPLIANCE

1  
2 A. COMPLIANCE PROGRAM – ADMINISTRATOR has established a Compliance Program for  
3 the purpose of ensuring adherence to all rules and regulations related to federal and state health care  
4 programs.

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 5. Each Covered Individual attending a group training shall certify, in writing, attendance at  
 37 compliance training. ADMINISTRATOR shall provide instruction on group training completion while

1 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,  
2 CONTRACTOR shall provide copies of the certifications.

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

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

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

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

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

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

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

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

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

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

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

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

32 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and  
33 participate in the quality improvement activities developed in the implementation of the Quality  
34 Management Program.

35 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural  
36 Competence Plan submitted and approved by the State.

37 ADMINISTRATOR shall update the Cultural Competence Plan and submit the updates to the State for

1 review and approval annually. (CCR, Title 9, §1810.410.subds. (c)-(d).)

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

## 8 9 **V. CONFIDENTIALITY**

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

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

## 21 22 **VI. COST REPORT**

23 ~~A. CONTRACTOR shall submit separate Cost Reports for Period one, Period two, Period Three,~~  
24 ~~and Period Four or for a portion thereof, to COUNTY no later than forty five (45) days following~~  
25 ~~termination of this Agreement. CONTRACTOR shall prepare the Cost Report in accordance with all~~  
26 ~~applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this~~  
27 ~~Agreement. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost~~  
28 ~~centers, services, and funding sources in accordance with such requirements and consistent with prudent~~  
29 ~~business practice, which costs and allocations shall be supported by source documentation maintained by~~  
30 ~~CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice.~~

31 A. CONTRACTOR shall submit separate Cost Reports for each Period or for a portion thereof, to  
32 COUNTY no later than forty-five (45) days following termination of this Agreement. CONTRACTOR  
33 shall prepare the Cost Report in accordance with all applicable federal, state and COUNTY requirements,  
34 GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct  
35 and indirect costs to and between programs, cost centers, services, and funding sources in accordance with  
36 such requirements and consistent with prudent business practice, which costs and allocations shall be  
37 supported by source documentation maintained by CONTRACTOR, and available at any time to

1 ADMINISTRATOR upon reasonable notice.

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

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

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

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

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

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

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

34 D. Unless otherwise approved by ADMINISTRATOR, costs that exceed the provisional rate as  
35 specified in the Payments Paragraph of Exhibit A to this Agreement shall be unreimbursable to  
36 CONTRACTOR.

37 E. If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to

1 this Agreement, less applicable revenues and late penalty, are higher than the aggregate of interim monthly  
2 payments to CONTRACTOR, COUNTY shall pay CONTRACTOR the difference, provided such  
3 payment does not exceed the Maximum Obligation of COUNTY.

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

6  
7 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and  
8 supporting documentation prepared by \_\_\_\_\_ for the cost report period  
9 beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my knowledge  
10 and belief, costs reimbursed through this Agreement are reasonable and allowable and  
11 directly or indirectly related to the services provided and that this Cost Report is a true,  
12 correct, and complete statement from the books and records of (provider name) in  
13 accordance with applicable instructions, except as noted. I also hereby certify that I  
14 have the authority to execute the accompanying Cost Report.

15  
16 Signed \_\_\_\_\_  
17 Name \_\_\_\_\_  
18 Title \_\_\_\_\_  
19 Date \_\_\_\_\_"

20  
21 **VII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

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

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

35 2. If CONTRACTOR is a for-profit organization, any change in the business structure,  
36 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of  
37 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a

1 change in fifty percent (50%) or more of Board of Directors of CONTRACTOR at one time shall be  
 2 deemed an assignment pursuant to this paragraph. Any attempted assignment or delegation in derogation  
 3 of this subparagraph shall be void.

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

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

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

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

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

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

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

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

### 31 **VIII. EMPLOYEE ELIGIBILITY VERIFICATION**

32 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and regulations  
 33 regarding the employment of aliens and others and to ensure that employees, subcontractors, and  
 34 consultants performing work under this Agreement meet the citizenship or alien status requirement set  
 35 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,  
 36 subcontractors, and consultants performing work hereunder, all verification and other documentation of  
 37

1 employment eligibility status required by federal or state statutes and regulations including, but not limited  
 2 to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently exist and as  
 3 they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered  
 4 employees, subcontractors, and consultants for the period prescribed by the law.

### 6 **IX. EQUIPMENT**

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

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

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

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

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

35 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure  
 36 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,  
 37 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of



1 Equipment are moved from one location to another or returned to COUNTY as surplus.

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

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

## 8 9 **X. FACILITIES, PAYMENTS AND SERVICES**

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

## 15 16 **XI. INDEMNIFICATION AND INSURANCE**

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

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

34 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of  
35 CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an  
36 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for  
37 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less

1 than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the  
 2 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and  
 3 to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance  
 4 must be maintained by CONTRACTOR through the entirety of this Agreement for inspection by  
 5 COUNTY representative(s) at any reasonable time.

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

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

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

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

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

22 F. QUALIFIED INSURER

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

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

31 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum  
 32 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

1		
2	Automobile Liability including coverage	\$1,000,000 per occurrence
3	for owned, non-owned, and hired vehicles	
4	(4 passengers or less)	
5	Passenger vehicles (7 passengers or less)	\$2,000,000 per occurrence
6	Passenger vehicles (8 passengers or more)	\$5,000,000 per occurrence
7		
8	Workers' Compensation	Statutory
9		
10	Employers' Liability Insurance	\$1,000,000 per occurrence
11		
12	Network Security & Privacy Liability	\$1,000,000 per claims -made
13		
14	Professional Liability Insurance	\$1,000,000 per claims -made
15		\$1,000,000 aggregate
16		
17	Sexual Misconduct Liability	\$1,000,000 per occurrence
18		

#### 19 H. REQUIRED COVERAGE FORMS

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

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

#### 24 I. REQUIRED ENDORSEMENTS

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

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

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

34 2. The Network Security and Privacy Liability policy shall contain the following endorsements  
35 which shall accompany the COI:

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

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

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

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

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

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

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

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

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

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

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

36           S. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

20 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
 21 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs  
 22 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.  
 23

## 24 **XII. INSPECTIONS AND AUDITS**

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

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

1 evaluation or monitoring.

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

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

7  
8 **XIII. LICENSES AND LAWS**

9 ~~A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
10 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations,  
11 waivers, and exemptions necessary for the provision of the services hereunder and required by the laws,  
12 regulations and requirements of the United States, the State of California, COUNTY, and all other  
13 applicable governmental agencies.~~

14 ~~B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS~~

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

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

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

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

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

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

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

35 **XIII. LICENSES AND LAWS**

36 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
37 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations,

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

#### 7 B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

8 1. CONTRACTOR certifies it is in full compliance with all applicable federal and State  
 9 reporting requirements regarding its employees and with all lawfully served Wage and Earnings  
 10 Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the  
 11 term of the Agreement with the County of Orange. Failure to comply shall constitute a material breach of  
 12 the Agreement and failure to cure such breach within sixty (60) calendar days of notice from the COUNTY  
 13 shall constitute grounds for termination of the Agreement.

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

- 17 1. ARRA of 2009.
- 18 2. Trafficking Victims Protection Act of 2000.
- 19 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 20 4. CCC §§1798.80 through 1798.84, Customer Records.
- 21 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 22 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social  
 23 Security.
- 24 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse Master  
 25 Plans.
- 26 8. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 27 9. HSC, §11876, Narcotic Treatment Programs.
- 28 10. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 29 11. Code of Federal Regulations, Title 42, Public Health.
- 30 12. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 31 13. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 32 14. 41 CFR 50, Public Contracts and Property Management.
- 33 15. 42 CFR 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 34 16. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse  
 35 prevention and treatment block grants and/or projects for assistance in transition from homelessness  
 36 grants.
- 37 17. 45 CFR 93, New Restrictions on Lobbying.

- 1 18. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 2 19. 45 CFR 96.132, Additional Agreements.
- 3 20. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 4 21. 45 CFR 160, General Administrative Requirements.
- 5 22. 45 CFR 162, Administrative Requirements.
- 6 23. 45 CFR 164, Security and Privacy.
- 7 24. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 8 25. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 9 26. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 10 Contracting and Financial Transactions.
- 11 27. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism; National
- 12 Institute on Drug Abuse.
- 13 28. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 14 Administration.
- 15 29. 42 USC §290dd-2, Confidentiality of Records.
- 16 30. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
- 17 31. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 18 32. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 19 33. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 20 34. 42 USC §2000d, Civil Rights Act of 1964.
- 21 35. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform
- 22 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 23 36. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants
- 24 Policy Statement (10/13).
- 25 37. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
- 26 Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
- 27 38. State of California, Department of Alcohol and Drug Programs Audit Assistance Guide
- 28 Manual.
- 29 39. State of California, Department of Alcohol and Drug Programs, Alcohol and/or Other Drug
- 30 Program Certification Standards, March 2004.
- 31 40. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
- 32 41. State of California, Department of Health Care Services ASRS Manual.
- 33 42. State of California, Department of Health Care Services DPFS Manual.
- 34 43. HSC §123145.
- 35 44. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
- 36 45. 5 USC §7321 – §7326, Political Activities (Hatch Act).
- 37 //



#### **XIV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

7  
8 B. Any advertisement through radio, television broadcast, or the Internet, for educational or  
9 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this  
10 Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

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

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

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

#### **XV. MAXIMUM OBLIGATION**

24  
25  
26 ~~A. The Aggregate Maximum Obligation of COUNTY for services provided in accordance with all~~  
27 ~~agreements for Recovery Residence Services during Period One, Period Two, Period Three, and Period~~  
28 ~~Four are as specified in the Referenced Contract Provisions of this Agreement. This specific Agreement~~  
29 ~~with CONTRACTOR is only one of several agreements to which this Aggregate Maximum Obligation~~  
30 ~~applies. It therefore is understood by the parties that reimbursement to CONTRACTOR will be only a~~  
31 ~~fraction of these Aggregate Maximum Obligations.~~

32 A. The Aggregate Maximum Obligation of COUNTY for services provided in accordance with all  
33 agreements for Recovery Residence Services during each Period are as specified in the Referenced  
34 Contract Provisions of this Agreement. This specific Agreement with CONTRACTOR is only one of  
35 several agreements to which this Aggregate Maximum Obligation applies. It therefore is understood by  
36 the parties that reimbursement to CONTRACTOR will be only a fraction of these Aggregate Maximum  
37 Obligations.

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

### 4 **XVI. MINIMUM WAGE LAWS**

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

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

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

### 18 **XVII. NONDISCRIMINATION**

#### 19 **A. EMPLOYMENT**

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

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

34 3. CONTRACTOR shall not discriminate between employees with spouses and employees with  
35 domestic partners, or discriminate between domestic partners and spouses of those employees, in the  
36 provision of benefits.  
37

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

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

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

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

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

37 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all clients

1 through a written statement that CONTRACTOR's and/or subcontractor's clients may file all complaints  
 2 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and  
 3 ADMINISTRATOR or the U.S. Department of Health and Human Services' OCR.

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

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

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

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

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

## 25 **XVIII. NOTICES**

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

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

31 2. When faxed, transmission confirmed;

32 3. When sent by Email; or

33 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service,  
 34 or other expedited delivery service.  
 35

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

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

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

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

### 9 10 **XIX. NOTIFICATION OF DEATH**

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

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

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

#### 21 2. WRITTEN NOTIFICATION

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

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

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

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

### 35 36 **XX. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

37 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in whole

1 or part by the COUNTY, except for those events or meetings that are intended solely to serve clients or  
2 occur in the normal course of business.

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

## 7 **XXI. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

22 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747  
23 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical  
24 necessity of the service, and the quality of care provided. Records shall be maintained in accordance with  
25 §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

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

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

37 E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years following

1 discharge of the participant, client and/or patient.

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

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

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

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

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

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

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

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

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

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

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

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

## 34 **XXII. RESEARCH AND PUBLICATION**

35 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of,  
36 or developed, as a result of this Agreement for the purpose of personal or professional research, or for  
37

1 publication.

### 2 **XXIII. SEVERABILITY**

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

### 8 **XXIV. SPECIAL PROVISIONS**

9  
10 A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following  
11 purposes:

- 12 1. Making cash payments to intended recipients of services through this Agreement.
- 13 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications  
14 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use  
15 of appropriated funds to influence certain federal contracting and financial transactions).
- 16 3. Fundraising.
- 17 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
18 CONTRACTOR's staff, volunteers, or members of the Board of Directors.
- 19 5. Reimbursement of CONTRACTOR's members of the Board of Directors for expenses or  
20 services.
- 21 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,  
22 subcontractors, and members of the Board of Directors or its designee or authorized agent, or making  
23 salary advances or giving bonuses to CONTRACTOR's staff.
- 24 7. Paying an individual salary or compensation for services at a rate in excess of the current  
25 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule  
26 may be found at [www.opm.gov](http://www.opm.gov).
- 27 8. Severance pay for separating employees.
- 28 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building  
29 codes and obtaining all necessary building permits for any associated construction.
- 30 10. Purchasing or improving land, including constructing or permanently improving any building  
31 or facility, except for tenant improvements.
- 32 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds  
33 (matching).
- 34 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.
- 35 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or  
36 alcohol.
- 37 14. Promoting the legalization of any drug or other substance included in Schedule 1 of §202 of



1 the Controlled Substance Act (21 USC 812).

2 15. Distributing or aiding in the distributing of sterile needles or syringes for the hypodermic  
3 injection of any illegal drug.

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

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

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

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

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

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

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

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

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

## 20 **XXV. STATUS OF CONTRACTOR**

21  
22 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be  
23 wholly responsible for the manner in which it performs the services required of it by the terms of this  
24 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and  
25 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the  
26 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR  
27 or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR assumes  
28 exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they  
29 relate to the services to be provided during the course and scope of their employment. CONTRACTOR,  
30 its agents, employees, consultants, or subcontractors, shall not be entitled to any rights or privileges of  
31 COUNTY's employees and shall not be considered in any manner to be COUNTY's employees.

## 32 **XXVI. TERM**

33  
34 A. This specific Agreement with CONTRACTOR is only one of several agreements to which the  
35 term of this Agreement applies. The term of this Agreement shall commence and terminate as specified  
36 in the Referenced Contract Provisions of this Agreement, unless otherwise sooner terminated as provided  
37 in this Agreement; provided, however, CONTRACTOR shall be obligated to perform such duties as

1 would normally extend beyond this term, including but not limited to, obligations with respect to  
2 confidentiality, indemnification, audits, reporting and accounting.

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

## 6 **XXVII. TERMINATION**

7 A. Either party may terminate this Agreement, without cause, upon ninety (90) calendar days'  
8 written notice given the other party.

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

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

15 1. The loss by CONTRACTOR of legal capacity.  
16 2. Cessation of services.  
17 3. The delegation or assignment of CONTRACTOR's services, operation or administration to  
18 another entity without the prior written consent of COUNTY.

19 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty  
20 required pursuant to this Agreement.

21 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this  
22 Agreement.

23 6. The continued incapacity of any physician or licensed person to perform duties required  
24 pursuant to this Agreement.

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

### 29 **D. CONTINGENT FUNDING**

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

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

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

35 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,  
36 terminate or renegotiate this Agreement upon thirty (30) calendar days written notice given  
37 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated funding,

1 CONTRACTOR shall not be obligated to accept the renegotiated terms.

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

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

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

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

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

14 4. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR,  
15 upon request, all client information and records deemed necessary by ADMINISTRATOR to affect an  
16 orderly transfer.

17 5. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with  
18 client's best interests.

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

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

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

29 9. Provide written notice of termination of services to each client being served under this  
30 Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of  
31 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar  
32 day period.

33 G. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be  
34 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.  
35

### 36 **XXVIII. THIRD PARTY BENEFICIARY**

37 Neither party hereto intends that this Agreement shall create rights hereunder in third parties

1 including, but not limited to, any subcontractors or any clients provided services pursuant to this  
2 Agreement.

3  
4 **XXIX. WAIVER OF DEFAULT OR BREACH**

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

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

3  
4 ROQUE CENTER, INC.

5  
6 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

7  
8 TITLE: \_\_\_\_\_

9  
10  
11 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

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

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17 COUNTY OF ORANGE

18  
19  
20 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

21 HEALTH CARE AGENCY

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

28  
29  
30 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

31 DEPUTY

32  
33  
34  
35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any  
36 Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If  
37 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  
RECOVERY RESIDENCE SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
ROQUE CENTER, INC.

JULY 1, 2018 THROUGH ~~JUNE 30, 2022~~ JUNE 30, 2023

**I. COMMON TERMS AND DEFINITIONS**

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

1. Bed Day means one (1) calendar day during which CONTRACTOR provides Recovery Residence services as described in Exhibit A of the Agreement. A Bed Day will include the day of admission; but not the day of discharge. If admission and discharge occur on the same day, one (1) Bed Day will be charged.

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

3. Completion means the completion of the residential Recovery Residence program whereby the Resident has successfully completed all goals and objectives within the maximum authorized length of stay authorized by ADMINISTRATOR and documented in the Resident's chart. Completion is not defined as a specific length of time in the recovery residence, rather successful transition into the community.

4. Intake means the initial face-to-face meeting between a Resident and CONTRACTOR staff in which specific information about the Resident is gathered including the ability to pay and standard admission forms pursuant to the Agreement.

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

6. Resident means a person sentenced on AB 109 Post-release Community Supervision (PCS) or Mandatory Supervision (MS) with a substance use disorder, or a person who is at risk for becoming sentenced under AB109 and/or for whom a COUNTY approved referral has been completed pursuant to the Agreement.

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

//

1 8. Recovery Residence housing means transitional housing services that are provided to  
 2 Residents at a twenty-four (24)-hour Recovery Residence facility. Services are provided in an alcohol  
 3 and drug free environment. These services are provided in a non-medical residential setting.

4 9. Substance Use Disorder (SUD) means condition in which the use of one or more substances  
 5 leads to a clinically significant impairment or distress per the Diagnostic and Statistical Manual of Mental  
 6 Disorders, Fifth Edition (DSM-5)

7 10. Unit of Service means one (1) calendar day during which services are provided to a Resident  
 8 pursuant to this Agreement. A day in which a Resident is absent for a CONTRACTOR -sanctioned  
 9 overnight pass may also be included as a unit of service.

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

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

## 15 **II. PAYMENTS**

16 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided  
 17 pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at \$55.00 per bed  
 18 day served at CONTRACTOR’s facility for all Recovery Residence Services for substance users,  
 19 provided however, that the total of all such payments to CONTRACTOR and all other COUNTY contract  
 20 providers for all Recovery Residence Services shall not exceed COUNTY’s Aggregate Maximum  
 21 Obligation as set forth in the Referenced Contract Provisions of the Agreement; and provided further, that  
 22 CONTRACTOR’s costs are allowable pursuant to applicable county, federal, and state regulations. Non-  
 23 compliance will require the completion of CAP by CONTRACTOR. If CAPs are not completed within  
 24 timeframes as determined by ADMINISTRATOR, payments may be reduced accordingly. All payments  
 25 are interim payments only, and subject to final settlement in accordance with the Cost Report Paragraph  
 26 of the Agreement.

27 B. CONTRACTOR’s billings shall be on forms approved or supplied by ADMINISTRATOR and  
 28 provide such information as is required by ADMINISTRATOR. Billings are due the tenth (10th) calendar  
 29 day of each month, and payments to CONTRACTOR should be released by COUNTY no later than thirty  
 30 (30) calendar days after receipt of the correctly completed billing form.

31 C. All billings to COUNTY shall be supported, at CONTRACTOR’s facility, by source  
 32 documentation including, but not limited to, ledger and journals of service provided. ADMINISTRATOR  
 33 may require CONTRACTOR to submit documentation in support of the monthly billing.

34 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with  
 35 any provision of the Agreement.

36 E. ADMINISTRATOR may withhold or delay processing of CONTRACTOR’s final invoice until  
 37

1 CONTRACTOR submits a correctly completed Cost Report as defined in the Cost Report Paragraph.

2 F. CONTRACTOR shall not claim reimbursement for services provided beyond the expiration  
3 and/or termination of the Agreement, except as may otherwise be provided under the Agreement.

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

### 6 7 **III. PERFORMANCE OUTCOMES**

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

13 1. CONTRACTOR shall provide effective sober living program to Residents with identified  
14 alcohol and/or drug problems as measured by Employment and Housing Linkage Rates.

15 a. Employment Rate: Eighty Percent (80%) of all Residents obtaining successful  
16 completion, as defined in Paragraph I. of this Exhibit A, shall obtain employment, be enrolled in school,  
17 or participating in regular volunteer activities by discharge. Residents who are enrolled as a full time  
18 student, who are deemed physically or mentally disabled by certified physician, and who have volunteered  
19 for more than ten (10) hours per week in the community are considered as employed. Employment rate  
20 shall be calculated by the number of Residents who obtained employment (as defined in this  
21 subparagraph) at completion of Recovery Residence Services divided by the number of Residents  
22 completing Recovery Residence Services during the evaluation period.

23 b. Housing Linkage Rate: Eighty Percent (80%) of all Residents shall be linked to stable  
24 housing upon completion of Recovery Residence. Housing Linkage Rate shall be calculated by the  
25 number of Residents transitioning to stable housing upon completion of Recovery Residence Services  
26 divided by the number of Residents completing Recovery Residence Services during the evaluation  
27 period.

28 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
29 Performance Outcomes Paragraph of this Exhibit A to the Agreement.

### 30 31 **IV. RECORDS**

32 A. CONTRACTOR shall create and maintain all files pertaining to Recovery Residence Residents  
33 in the following manner:

34 1. All files shall be kept in a locked cabinet; and  
35 2. Access shall be limited to the director and other personnel with a legitimate need for access  
36 who are specified in CONTRACTOR's policies and procedures.

37 B. CONTRACTOR shall ensure the contents of individual Resident files include, but are not limited



1 to, the following:

- 2 1. A personal information form which contains:
  - 3 a. Personal data for proper identification.
  - 4 b. Length of sobriety and prior recovery experience; and
  - 5 c. The name(s) of the Resident's current outpatient care option (treatment facility or Day
  - 6 Reporting Center (DRC)).
  - 7 d. The name of referral source to the facility.
- 8 2. The Resident's treatment plan recommendations from referral sources and others. Notations
- 9 about how the facility can assist the Resident in implementing his/her treatment related court orders and/or
- 10 treatment plan recommendations.
- 11 3. List of prescribed medication(s) used by the Resident.
- 12 4. A waiver of confidentiality, signed at the time of the Resident's initial intake into the
- 13 Recovery Residence facility, to permit disclosure of designated information about the Resident to HCA,
- 14 Treatment Provider, Courts, Orange County Probation Department, (OCPD), Parole Department, Public
- 15 Defender and/or District Attorney.
- 16 5. Health Care Agency (HCA) referral form for Recovery Residence Services.
- 17 6. Copies of all progress reports and all correspondence written by CONTRACTOR staff
- 18 regarding the Resident.
- 19 7. Dates and results of all drug and alcohol tests and all forms related to such tests.
- 20 8. Overnight pass information. No overnight pass shall be granted if it would conflict with any
- 21 existing court order.
- 22 9. Dates of the Resident's entry, and completion or termination from the facility, including the
- 23 circumstances of his/her discharge.
- 24 10. A copy of the Recovery Residence facility's rules and Resident intake forms, signed and
- 25 dated by the Resident upon entry into the Recovery Residence facility; and
- 26 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Records
- 27 Paragraph of this Exhibit A to the Agreement.

## 28 **V. REPORTS**

30 A. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR, including

31 information required and on a form approved or provided by ADMINISTRATOR, in conjunction with

32 the billing described in the Payments Paragraph in this Exhibit A. These monthly programmatic reports

33 should be received by ADMINISTRATOR no later than the tenth (10th) calendar day of the month

34 following the report month.

- 35 1. Monthly programmatic reports shall include completion, retention, and abstinence rates.
  - 36 a. Completion Rates shall be calculated by using the number of Residents successfully
  - 37 completing the Recovery Residence program divided by the total number of Residents discharged during

1 the evaluation period.

2 b. Retention Rates shall be calculated by using the number of Residents currently enrolled  
3 in or successfully completing the Recovery Residence program divided by the total number of Residents  
4 served during the evaluation period.

5 c. Abstinence Rates shall be calculated by the number of negative drug screenings  
6 performed divided by the total number of drug screenings performed during the evaluation period.

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

12 B. CONTRACTOR shall make additional reports, as required by ADMINISTRATOR, concerning  
13 CONTRACTOR's activities as they affect the services hereunder. ADMINISTRATOR will be specific  
14 as to the nature of information requested and the time frame the information is needed.

15 C. CONTRACTOR agrees to enter psychometrics into COUNTY's EHR system as requested by  
16 ADMINISTRATOR. Said psychometrics are for the COUNTY's analytical uses only, and shall not be  
17 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY  
18 harmless, and indemnify pursuant to Section XI, from any claims that arise from non-COUNTY use of  
19 said psychometrics.

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

## 22 **VI. SERVICES**

23 A. FACILITY – CONTRACTOR shall provide Recovery Residence Services described herein at  
24 an Orange County Sherriff Certified Recovery Residence facility. Unless otherwise authorized in writing  
25 by ADMINISTRATOR, CONTRACTOR shall maintain regularly scheduled service hours, seven (7)  
26 days a week, twenty-four (24) hours per day throughout the year. Services shall be provided at the  
27 following locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:  
28

29  
30 1223 W. Gage Ave.  
31 Fullerton, CA 92833

1945 W. Tedmar Ave.  
Anaheim, CA 92804

32 1947 W. Tedmar Ave.  
33 Anaheim, CA 92804

34  
35 1. CONTRACTOR's Recovery Residence facility shall be clean, safe, sanitary, and in good  
36 repair at all times and shall include the following:

37 a. An alcohol and drug-free living environment for Residents.

1 b. Safe sleeping quarters, a separate bed for each Resident, closet and dresser space, clean  
2 linen in good repair, including lightweight, warm blankets; top and bottom sheets; pillowcases; mattress  
3 pads; bath towels and wash cloths.

4 c. Bedrooms shall not be overcrowded and meet the definition of a bedroom as contained  
5 in the Uniform Building Code. There should be a minimum of seventy (70) square feet for the first two  
6 people and fifty (50) square feet for each additional person in bedrooms, unless CONTRACTOR receives  
7 prior written approval by ADMINSTRATOR.

8 d. Basic living facilities, including but not limited to, adequate bathing, hand washing and  
9 toilet facilities, lounge area,, dining area with adequate seating.

10 e. Laundry facilities and laundry supplies at no cost to the Resident; and

11 f. Toiletry articles appropriate to the health and grooming needs of the Resident.

12 **B. PERSONS TO BE SERVED**

13 1. CONTRACTOR shall serve homeless individuals eighteen (18) years and older with substance  
14 use disorder, or co-occurring with mental illness who are on AB109 supervision or at risk of becoming  
15 supervised/sentenced under AB109.

16 2. AB109 screening unit, County Contracted Residential Treatment providers, and other referral  
17 sources as designated by ADMINISTRATOR shall be responsible for referrals to CONTRACTOR for  
18 Recovery Residence Services under the Agreement.

19 3. CONTRACTOR must accept all Residents receiving MAT services referred by  
20 ADMINISTRATOR. CONTRACTOR must have procedures for linkage/integration for residents who  
21 are lawfully prescribed MAT. CONTRACTOR staff must facilitate communication with physicians and  
22 resident in compliance with 42 CFR part 2 to discuss dosage and side effects and must abstain from  
23 providing medication guidance outside of the advice of an appropriately qualified medical professional.

24 4. CONTRACTOR shall, in accordance with capacity of facility, admit persons referred by  
25 ADMINISTRATOR.

26 **C. UNITS OF SERVICE** – CONTRACTOR shall provide, pursuant to the Agreement, no more than  
27 four (4) months of Recovery Residence Services, equivalent to a maximum of one hundred twenty (120)  
28 Recovery Residence Units of Service, per Resident within a twelve (12) month period, unless otherwise  
29 authorized in writing by ADMINISTRATOR. ADMINISTRATOR may increase or decrease maximum  
30 length of stay in writing for specific populations as needed to accommodate the demand for Recovery  
31 Residence services. Residents may be allowed to stay up to an additional thirty (30) calendar days beyond  
32 the maximum allowable with prior approval from ADMINISTRATOR.

33 **D. SCOPE OF SERVICES** – CONTRACTOR shall provide services within the specifications stated  
34 below, unless otherwise authorized by ADMINISTRATOR. Such services shall include, but not be  
35 limited to, the following:

36 1. DUTIES OF DIRECTOR AND HEAD OF ADMINISTRATIVE STAFF – Each recovery  
37 residence shall have a “director,” the manager of a recovery residence who is responsible for the

1 supervision of all Residents and of all staff employed by, or volunteering for, the facility, and for  
2 approving all progress reports about Residents' recovery that are provided to courts, county or city  
3 agencies, or other providers of recovery services. He/she is responsible for overall management of the  
4 facility.

5 2. DUTIES OF HOUSE MANAGER – Each recovery residence shall have a designated house  
6 manager or person of higher authority such as a director, who resides at the facility and performs the duties  
7 of house manager. Alternatively, two (2) or more employees may perform the duties of house manager.  
8 Staff performing the duties of house manager and/or director, shall reside at the Recovery Residence  
9 facility, or shall be present at a minimum, between the hours of 11:00 p.m. and 6:00 a.m. weekdays, and  
10 12:00 a.m. and 6:00 a.m. weekends and holidays. Whenever CONTRACTOR’s house manager and/or  
11 director is not present at the facility, a designated facility staff person shall be on-call to respond, and  
12 arrive at the facility within twenty (20) minutes of being summoned. CONTRACTOR shall post the  
13 contact telephone number of designated on-call staff immediately upon the absence of CONTRACTOR’s  
14 house manager and/or director at the facility. The house manager shall be responsible to ensure the safety  
15 of the building(s) and grounds, to maintain compliance by Residents and staff with facility rules and the  
16 Certification Guidelines; and to provide support and referral information, but not counseling or treatment,  
17 to Residents of the facility.

18 3. STRUCTURED DAILY ACTIVITIES – CONTRACTOR shall encourage structured daily  
19 activities to include Resident’s responsibility for daily household duties, including, but not limited to:  
20 house cleaning, and basic household operations. CONTRACTOR shall encourage Residents to live  
21 productive, drug-free lives, which may include working, going to school, attending appropriate self-help  
22 program meetings, volunteering in the community, and taking increased responsibility for treatment goals  
23 established by the individual. Staff will assist Residents in establishing budgets and savings. Residents  
24 will not be charged for services. Residents are expected to save money and failure to follow financial  
25 plan may be cause for termination. CONTRACTOR shall encourage Residents to maintain adequate  
26 grooming, and use their leisure time in a constructive manner. CONTRACTOR shall coordinate  
27 vocational, educational, and other supportive services. CONTRACTOR shall make referrals and require  
28 Residents to attend self-help programs, such as Narcotics Anonymous, Alcoholics Anonymous, or other  
29 support programs.

30 ~~4. HOUSE RULES – CONTRACTOR shall establish house rules for standards of conduct for  
31 Residents that shall include mandatory participation either in a COUNTY approved outpatient treatment  
32 program and/or the Day Reporting Center (DRC). Exceptions to aftercare linkages must be approved by  
33 ADMINISTRATOR. Said house rules shall be enforced by CONTRACTOR’s house manager and/or  
34 director, other paid staff, intern(s) or volunteer(s), as designated by CONTRACTOR’s house manager  
35 and/or director.~~

36 //  
37 //

1 4. HOUSE RULES – CONTRACTOR shall establish house rules for standards of conduct for  
 2 Residents that shall include mandatory participation in a recovery service such as a COUNTY-approved  
 3 outpatient treatment program and/or the Day Reporting Center (DRC). Said house rules shall be enforced  
 4 by CONTRACTOR’s house manager and/or director, other paid staff, intern(s) or volunteer(s), as  
 5 designated by CONTRACTOR’s house manager and/or director.

6 5. RESIDENT SIGN IN/OUT LOG – CONTRACTOR shall maintain a resident sign in/out log  
 7 for all Residents, which shall include, but not be limited to, the following:

8 a. Location and telephone number where the Resident may be reached; and

9 b. Resident name, signature, date, and time when leaving Recovery Residence facility and  
 10 estimated time of return. Residents returning to the Recovery Residence facility shall sign in.

11 6. SCHEDULE – CONTRACTOR shall maintain a Resident’s schedule for treatment, work,  
 12 education or other activities; and Resident shall be required to notify CONTRACTOR staff of any change  
 13 in his/her schedule.

14 7. TRANSPORTATION – CONTRACTOR shall provide or arrange transportation and/or bus  
 15 vouchers, as necessary, including information regarding public transportation, how to obtain a bus pass,  
 16 bus schedules, etc. CONTRACTOR will have a transportation policy that addresses eligibility. In the  
 17 event the Resident owns and operates a vehicle, contractor shall make its best efforts to accommodate the  
 18 vehicle in accordance with federal, state, and county rules and regulations.

19 8. MEALS/FOOD – CONTRACTOR shall provide enough food for two (2) meals per day for  
 20 each Resident. CONTRACTOR may elect to use a food voucher with a value of fifty dollars (\$50) per  
 21 Resident per week, or a combination of food and food vouchers with an approximate value of fifty dollars  
 22 (\$50). For stays less than one week, the fifty dollar (\$50) value may be prorated. If CONTRACTOR opts  
 23 to provide meals, such meals shall be nutritious and appropriate to the health needs of the Resident.

24 9. HOUSE LOG – CONTRACTOR shall maintain a house log on each shift that is supervised  
 25 by a designated CONTRACTOR staff person. Information to be documented in the house log shall  
 26 include but not to be limited to:

27 a. Date, time, signature and title of person making all entries in the house log.

28 b. Staff and shift changes which occur at the Recovery Residence facility; and

29 c. Special incidents as specified in the Agreement.

30 ~~10. ALCOHOL AND/OR DRUG SCREENING – CONTRACTOR shall perform random drug~~  
 31 ~~and/or alcohol testing on Resident(s) suspected of using substances or at minimum of one (1) time per~~  
 32 ~~month. Testing supplies shall be provided by CONTRACTOR. In the event that a Resident receives a~~  
 33 ~~drug screening test result indicating any substance use, CONTRACTOR shall formulate and implement a~~  
 34 ~~plan of corrective action, which may include discharge, and shall be documented in the Resident’s record,~~  
 35 ~~and shall notify Probation and COUNTY of said test result indicating any substance use within one (1)~~  
 36 ~~business day. CONTRACTOR shall:~~

37 ~~a. Establish procedures that protect against the falsification and/or contamination of any~~

~~body specimen sample collected for drug screening; and,~~

~~b. All urine specimen collection shall be observed by same sex staff.~~

~~c. Document results of the drug screening in the Resident's record.~~

10. ALCOHOL AND/OR DRUG SCREENING – CONTRACTOR shall perform random drug and/or alcohol testing on Resident(s) suspected of using substances or at minimum of one (1) time per-month. Testing supplies shall be provided by CONTRACTOR. In the event that a Resident receives a drug screening test result indicating any substance use, CONTRACTOR shall formulate and implement a plan of corrective action, which may include discharge, and shall be documented in the Resident’s record, and shall notify Probation and COUNTY of said test result indicating any substance use within one (1) business day. CONTRACTOR shall:

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

b. Ensure all urine specimen collection is observed by sex congruent staff.

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

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

12. CULTURAL COMPETENCY – CONTRACTOR shall make its best effort to provide services pursuant to this 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.

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

14. AUTHORITY – CONTRACTOR shall recognize the authority of Orange County Probation Department (OCPD) as officers of the court, and shall extend cooperation to OCPD within the constraints of CONTRACTOR’s Recovery Residence services.

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

16. GOOD NEIGHBOR POLICY - ADMINISTRATOR has established a Good Neighbor

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

7 a. ADMINISTRATOR shall provide CONTRACTOR with a copy of the Good Neighbor Policy,  
 8 attached hereto as Exhibit D.

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

13 c. Non-compliance with this Paragraph and Exhibit D shall constitute a material breach of this  
 14 Agreement and constitute cause for immediate termination of this Agreement.

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

- 18 a. Admission
- 19 b. Housing arrangement
- 20 c. Bathroom privacy
- 21 d. Drug testing

22 18. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy,  
 23 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited  
 24 to the securing, handling, and administration of Resident prescribed medication(s). Such policy shall  
 25 address medications that are prescribed for substance and mental health disorders and medications  
 26 disallowed by CONTRACTOR. Residents shall have medications during their stay with the program,  
 27 and/or to have the ability to get refill(s).

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

34 19. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have  
 35 available at each program site at minimum two (2) Naloxone doses for the treatment of known or  
 36 suspected opioid overdose. A House manager and residents shall be trained in administering the Naloxone.  
 37 Naloxone is not a substitute for emergency medical care. CONTRACTOR shall always seek emergency

1 medical assistance in the event of a suspected, potentially life-threatening opioid emergency.

2 20. VISITATION POLICY – CONTRACTOR shall establish a written visitation policy and  
3 procedure, which shall be reviewed and approved by ADMINISTRATOR, which shall include, but not  
4 be limited to, the following:

- 5 a. Sign in logs.
- 6 b. Visitation hours.
- 7 c. Designated visiting areas at the facility.

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

- 10 a. Sheriff Certification Certificate of Compliance.
- 11 b. Prohibition against Alcohol and Non-Prescription Drugs.
- 12 c. Sexual Harassment of Resident or Staff is Prohibited Notice.
- 13 d. House Rules, Visitation, and Smoking Polices.
- 14 e. Grievance procedure.
- 15 f. Evacuation plans.
- 16 g. Hours that individual staff members will be on site.
- 17 h. List of resources within community which shall include medical, dental, mental health,  
18 public health, social services and where to apply for determination of eligibility for State, Federal or  
19 county entitlement programs.
- 20 i. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

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

## 23 **VII. STAFFING**

24 A. CONTRACTOR shall provide staffing in accordance with the Orange County Adult Alcohol and  
25 Drug Sober Living Facilities Certification Guidelines, Chapter 4 articles 1-3, and/or as approved by  
26 ADMINISTRATOR, to meet the needs of the Recovery Residence Services program.

27 B. CODE OF CONDUCT – CONTRACTOR shall establish written policies and procedures for  
28 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be  
29 limited to, standards related to the use of drugs and/or alcohol; staff-client relationships; prohibition of  
30 sexual conduct with client; prohibition of forging or falsifying documents or drug tests; and real or  
31 perceived conflict of interest.

32 C. STAFF/VOLUNTEER/INTERN SCREENING – All staff shall be subject to sanction screening  
33 as referenced in the Compliance paragraph. All staff must have a criminal clearance conducted by the  
34 OC Sheriff Coordinator prior to hire. All staff shall also be screened by Megan’s Law, OC Courts and  
35 OC Sheriff’s Department websites on an annual basis. Results must remain in staff file.

36 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:  
37



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

3 b. No person shall have been convicted of an arson offense – Violation of PC sections 451,  
4 451.1, 451.5, 452, 45231, 453, 454, or 455;

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

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

9 ~~e. No person shall participate in the criminal activities of a criminal street gang and/or  
10 prison gang; and~~

11 ~~f. No person shall have prior employment history of improper conduct, including but not  
12 limited to, forging or falsifying documents or drug tests, sexual assault or sexual harassment, or  
13 inappropriate behavior with staff or residents at another treatment facility.~~

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

17 D. STAFF TRAINING – CONTRACTOR shall be subject to training as referenced in the  
18 Compliance paragraph. CONTRACTOR shall develop a written plan for staff training. All Staff training  
19 shall be documented and maintained as part of the training plan.

20 1. CONTRACTOR shall ensure that within the first (1st) year of employment, all program staff,  
21 including administrator, volunteers and interns having direct contact with Residents shall complete  
22 training on:

23 a. infectious disease recognition.

24 b. crisis intervention.

25 c. recognizing physical and psychiatric symptoms that require appropriate referrals to other  
26 agencies.

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

29 a. County Annual Provider Training

30 b. County Annual Compliance Training

31 c. Training on topics related to alcohol and drug use

32 d. Minimum one hour training in cultural competence.

33 //

34 //

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EXHIBIT B  
TO AGREEMENT FOR PROVISION OF  
RECOVERY RESIDENCE SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
ROQUE CENTER, INC.

JULY 1, 2018 THROUGH ~~JUNE 30, 2022~~ JUNE 30, 2023

**I. BUSINESS ASSOCIATE CONTRACT**

**A. GENERAL PROVISIONS AND RECITALS**

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

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

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

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

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

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

//

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

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

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

26           16. “Technical Safeguards” means the technology and the policy and procedures for its use that  
27 protect electronic PHI and control access to it.

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

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

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

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

37           2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business

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

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

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

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

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

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

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

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

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

36 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in  
37 a time and manner to be determined by COUNTY, that information collected in accordance with the

1 Agreement, in order to permit COUNTY to respond to a request by an Individual for an accounting of  
2 Disclosures of PHI in accordance with 45 CFR § 164.528.

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

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

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

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

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

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

36 b. CONTRACTOR does not enter into an amendment providing assurances regarding the  
37 safeguarding of PHI that COUNTY deems are necessary to satisfy the standards and requirements of

1 HIPAA, the HITECH Act, and the HIPAA regulations.

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

5 D. SECURITY RULE

6 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish and  
7 maintain appropriate Administrative, Physical and Technical Safeguards in accordance with  
8 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to  
9 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.  
10 CONTRACTOR shall develop and maintain a written information privacy and security program that  
11 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of  
12 CONTRACTOR's operations and the nature and scope of its activities.

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

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

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

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

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

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

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

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

1 matters with COUNTY.

2 E. DATA SECURITY REQUIREMENTS

3 1. Personal Controls

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

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

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

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

29 2. Technical Security Controls

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

35 b. Server Security. Servers containing unencrypted PHI COUNTY discloses to  
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY  
37 must have sufficient administrative, physical, and technical controls in place to protect that data, based



1 upon a risk assessment/system security review.

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

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

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

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

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

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

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

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

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

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

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

25 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to  
26 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY  
27 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is  
28 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files  
29 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as website  
30 access, file transfer, and E-Mail.

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

### 35 3. Audit Controls

36 a. System Security Review. CONTRACTOR must ensure audit control mechanisms that  
37 record and examine system activity are in place. All systems processing and/or storing PHI COUNTY

1 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of  
2 COUNTY must have at least an annual system risk assessment/security review which provides assurance  
3 that administrative, physical, and technical controls are functioning effectively and providing adequate  
4 levels of protection. Reviews should include vulnerability scanning tools.

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

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

#### 12 4. Business Continuity/Disaster Recovery Control

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

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

#### 25 5. Paper Document Controls

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

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

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

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

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

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

#### 16 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 33                  G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

6 1) The Disclosure is required by law; or

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

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

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

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

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

#### 20 H. PROHIBITED USES AND DISCLOSURES

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

26 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI  
27 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on  
28 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by  
29 42 USC § 17935(d)(2).

#### 30 I. OBLIGATIONS OF COUNTY

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

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

37 3. COUNTY shall notify CONTRACTOR of any restriction to the Use or Disclosure of PHI

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

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

5 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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EXHIBIT C  
 TO AGREEMENT FOR PROVISION OF  
 RECOVERY RESIDENCE SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ROQUE CENTER, INC.

JULY 1, 2018 THROUGH ~~JUNE 30, 2022~~ JUNE 30, 2023

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

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

**A. DEFINITIONS**

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

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

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

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

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

6. "Notice-triggering Personal Information" shall mean the personal information 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



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

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

## 7 B. TERMS OF AGREEMENT

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

### 12 2. Responsibilities of CONTRACTOR

13 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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EXHIBIT D  
TO AGREEMENT FOR PROVISION OF  
RECOVERY RESIDENCE SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
ROQUE CENTER, INC.

9 Preface

10 The COUNTY as a political subdivision of the State of California, is mandated by state and federal law  
11 to provide certain services to all County residents. In addition, the COUNTY provides certain other non-  
12 mandated services to enhance the well-being and quality of life for its residents. The COUNTY is  
13 committed to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and  
14 communities in which its Residential Program contractors provide services to its residents.

15  
16 Following effective date of this Agreement, but no later than thirty (30) days after the start of services,  
17 CONTRACTOR shall conduct reasonable outreach to cities, neighborhoods and communities that could  
18 be affected by services provided by CONTRACTOR.

20 Good Neighbor Policy

21 This Policy applies only to the extent CONTRACTOR provides direct services to County clients pursuant  
22 to this Agreement. The intent of this Policy is to identify community impacts and measures to mitigate  
23 those impacts to be an integral part of the neighborhood and community the COUNTY serves.

24  
25 CONTRACTOR shall establish a policy that includes all of the following elements:

- 26 • Ensure staff and clients conduct themselves in a manner that demonstrates respect for the  
27 community and consideration of neighbors when entering/exiting the facility or outdoors.
- 28 • Establish and maintain early communication with cities, neighborhoods and communities as a  
29 way to identify potential impacts to neighborhoods and mitigate as needed.
- 30 • Establish cooperative relationships with cities, neighborhoods and communities where services  
31 are being rendered and mitigate impact as needed.
- 32 • Collaborate with cities, neighborhoods and communities as a way to promote integration of  
33 facilities into the community and determine the effectiveness of established good neighbor practices.
- 34 • Develop written procedures to track, respond and mitigate neighborhood complaints. Procedures  
35 should include identification of a contact person for complaint resolution and identification of COUNTY  
36 contact if complaint is not adequately resolved. The procedures must also identify how these incidents  
37 will be reported to the appropriate COUNTY contact in a timely manner.

- 1 • Establish generalized good neighbor practices for services and facility(ies) that include:
- 2     - Adequate parking
- 3     - Adequate waiting and visiting areas
- 4     - Adequate restroom facilities
- 5     - Property maintenance and appearance
- 6     - Community safety
- 7     - Congregation guidelines
- 8     - Security provisions
- 9
- 10 CONTRACTOR shall submit its policy to COUNTY for review and approval prior to the commencing of
- 11 services.
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