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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2026 through June 30, 2029

Period One means the period from July 1, 2026 through June 30, 2027

Period Two means the period from July 1, 2027 through June 30, 2028

Period Three means the period from July 1, 2028 through June 30, 2029

Amount Not to Exceed:

Period One Amount Not to Exceed: \$ 1,867,401

Period Two Amount Not to Exceed: 1,959,578

Period Three Amount Not to Exceed: 2,055,957

TOTAL AMOUNT NOT TO EXCEED: \$ 5,882,936

Basis for Reimbursement: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR UEI Number: CNUUB31H7KV5

CONTRACTOR TAX ID Number: 94-2295953

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Pacific Clinics
499 Loma Alta Ave.
Los Gatos, CA 95030
Kim M. Wells, Chief Legal Officer
kim.wells@pacificclinics.org

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I. ACRONYMS

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

1		
2		
3		
4	A. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
5	B. ARRA	American Recovery and Reinvestment Act of 2009
6	C. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
7	D. ASI	Addiction Severity Index
8	E. BHIP	Behavioral Health Integrated Plan
9	F. CCC	California Civil Code
10	G. CCR	California Code of Regulations
11	H. CEO	County Executive Office
12	I. CFR	Code of Federal Regulations
13	J. CHPP	COUNTY HIPAA Policies and Procedures
14	K. COI	Certificate of Insurance
15	L. CSW	Clinical Social Worker
16	M. D/MC	Drug/Medi-Cal
17	N. DHCS	California Department of Health Care Services
18	O. DRS	Designated Record Set
19	P. ePHI	Electronic Protected Health Information
20	Q. FTE	Full Time Equivalent
21	R. GAAP	Generally Accepted Accounting Principles
22	S. HCA	County of Orange Health Care Agency
23	T. HHS	Federal Health and Human Services Agency
24	U. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
25		Law 104-191
26	V. HSC	California Health and Safety Code
27	W. IRIS	Integrated Records and Information System
28	X. ISO	Insurance Services Office
29	Y. LCSW	Licensed Clinical Social Worker
30	Z. LPT	Licensed Psychiatric Technician
31	AA. LVN	Licensed Vocational Nurse
32	AB. MFT	Marriage and Family Therapist
33	AC. MHP	Mental Health Plan
34	AD. MHSA	Mental Health Services Act
35	AE. MIHS	Medical and Institutional Health Services
36	AF. NOA	Notice of Action
37	AG. NPI	National Provider Identifier

1	AH. NPP	Notice of Privacy Practices
2	AI. OIG	Federal Office of Inspector General
3	AJ. OMB	Federal Office of Management and Budget
4	AK. OPM	Federal Office of Personnel Management
5	AL. PC	California Penal Code
6	AM. PHI	Protected Health Information
7	AN. PII	Personally Identifiable Information
8	AO. PRA	California Public Records Act
9	AP. QIC	Quality Improvement Committee
10	AQ. SIR	Self-Insured Retention
11	AR. SSA	Social Services Agency
12	AS. TAY	Transitional Age Youth
13	AT. TBS	Therapeutic Behavioral Services
14	AU. USC	United States Code
15	AV. WIC	State of California Welfare and Institutions Code
16	AW. WOC	Wraparound Orange County

II. ALTERATION OF TERMS

A. This Contract, together with Exhibit(s) 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 Contract.

B. Unless otherwise expressly stated in this Contract, no addition to, or alteration of the terms of this Contract 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 Contract, which has been formally approved and executed by both Parties.

III. AMOUNT NOT TO EXCEED

A. The Total Amount Not to Exceed of COUNTY for services provided in accordance with this Contract, and the separate Amount Not to Exceed for each period under this Contract, are as specified in the Referenced Contract Provisions of this Contract, except as allowed for in Subparagraph B. below.

B. ADMINISTRATOR may amend the Amount Not to Exceed by an amount not to exceed ten percent (10%) of Period One funding for this Contract.

IV. ASSIGNMENT OF DEBTS

Unless this Contract is followed without interruption by another contract between the Parties hereto for the same services and substantially the same scope, at the termination of this Contract, CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of persons receiving services

1 pursuant to this Contract. CONTRACTOR shall immediately notify by mail each of the respective Parties,
2 specifying the date of assignment, the County of Orange as assignee, and the address to which payments
3 are to be sent. Payments received by CONTRACTOR from or on behalf of said persons, shall be
4 immediately given to COUNTY.

5 6 **V. COMPLIANCE**

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

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

13 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
14 compliance program, code of conduct and any compliance related policies and procedures.
15 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall be
16 verified by ADMINISTRATOR's Compliance Department to ensure they include all required elements by
17 ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to this Contract.
18 These elements include:

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

26 3. If CONTRACTOR does not provide proof of its own compliance program to
27 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance
28 Program and Code of Conduct, CONTRACTOR shall submit to ADMINISTRATOR within thirty (30)
29 calendar days of execution of this Contract a signed acknowledgement that CONTRACTOR will internally
30 comply with ADMINISTRATOR's Compliance Program and Code of Conduct. CONTRACTOR shall
31 have as many Covered Individuals it determines necessary complete ADMINISTRATOR's annual
32 compliance training to ensure proper compliance.

33 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any
34 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR shall
35 submit a copy of its compliance program, code of conduct and all relevant policies and procedures to
36 ADMINISTRATOR within thirty (30) calendar days of execution of this Contract. ADMINISTRATOR's
37 Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not

1 exceed forty-five (45) calendar days, and determine if CONTRACTOR's proposed compliance program
2 and code of conduct contain all required elements to the ADMINISTRATOR's satisfaction as consistent
3 with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform
4 CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance
5 program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar
6 days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review
7 by ADMINISTRATOR.

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

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

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

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

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

35 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to
36 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its
37 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of

1 California health programs and have not been excluded or debarred from participation in any federal or
2 state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible
3 Person in their employ or under contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 7. CONTRACTOR shall comply with the provisions of ADMINISTRATOR's Cultural
 34 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
 35 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
 36 §1810.410.subds.(c)-(d).

37 //

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

7 **VI. CONFIDENTIALITY**

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

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

15 2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written
16 consents for the release of information from all persons served by CONTRACTOR pursuant to this
17 Contract. Such consents shall be obtained by CONTRACTOR in accordance with CCC, Division 1, Part
18 2.6, relating to confidentiality of medical information.

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

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

30 **VII. CONFLICT OF INTEREST**

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

VIII. COST REPORT

A. CONTRACTOR shall submit an individual and/or consolidated Cost Report to COUNTY no later than sixty (60) calendar days following termination of this Contract. CONTRACTOR shall prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple contracts for mental health services that are administered by HCA, consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.

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

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

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

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

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

B. The individual and/or consolidated Cost Report shall be the final financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis for final settlement to CONTRACTOR. CONTRACTOR shall document that costs are reasonable and allowable and directly or

1 indirectly related to the services to be provided hereunder. The individual and/or consolidated Cost Report
2 shall be the final financial record for subsequent audits, if any.

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

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

20 E. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
21 services provided pursuant to this Contract, less applicable revenues and late penalty, are higher than the
22 aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR the
23 difference, provided such payment does not exceed the Amount Not to Exceed of COUNTY.

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

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

35 //
36 //
37 //

1 Signed _____
 2 Name _____
 3 Title _____
 4 Date _____ "

6 **IX. DEBARMENT AND SUSPENSION CERTIFICATION**

7 A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

31 **X. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

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

37 //

1 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's
2 business prior to completion of this Contract, and COUNTY agrees to an assignment of the Contract, the
3 new owners shall be required under the terms of sale or other instruments of transfer to assume
4 CONTRACTOR's duties and obligations contained in this Contract and complete them to the satisfaction
5 of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the
6 prior written consent of COUNTY.

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

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

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

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

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

32 6. COUNTY reserves the right to immediately terminate the Contract in the event COUNTY
33 determines, in its sole discretion, that the assignee is not qualified or is otherwise unacceptable to
34 COUNTY for the provision of services under the Contract.

35 C. CONTRACTOR's obligations undertaken pursuant to this Contract may be carried out by means
36 of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR, meet the
37 requirements of this Contract as they relate to the service or activity under subcontract, include any

1 provisions that ADMINISTRATOR may require, and are authorized in writing by ADMINISTRATOR
 2 prior to the beginning of service delivery.

3 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
 4 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
 5 subsequently fails to meet the requirements of this Contract or any provisions that ADMINISTRATOR
 6 has required. ADMINISTRATOR may disallow subcontractor expenses reported by CONTRACTOR.

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

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

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

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

23
 24 **XI. DISPUTE RESOLUTION**

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

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

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

37 //

1 B. Pending the final resolution of any dispute arising under, related to, or involving this Contract,
 2 CONTRACTOR agrees to proceed diligently with the performance of services secured via this Contract,
 3 including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed
 4 diligently shall be considered a material breach of this Contract.

5 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and shall
 6 be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY does not render a decision
 7 within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final
 8 decision adverse to CONTRACTOR's contentions.

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

15
 16 **XII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

26
 27 **XIII. EQUIPMENT**

28 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
 29 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
 30 ADMINISTRATOR to assist in performing the services described in this Contract. "Relatively
 31 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000 or
 32 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital
 33 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and other
 34 taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain PHI or PII,
 35 are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to phones,

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1 | tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of Equipment
2 | purchased, in whole or in part, with funds paid pursuant to this Contract shall be depreciated according to
3 | GAAP.

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

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

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

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

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

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

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

30 | **XIV. FACILITIES, PAYMENTS AND SERVICES**

31 | A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
32 | with this Contract. COUNTY shall compensate, and authorize, when applicable, said services.
33 | CONTRACTOR shall operate continuously throughout the term of this Contract with at least the minimum
34 | number and type of staff which meet applicable federal and state requirements, and which are necessary
35 | for the provision of the services hereunder.
36 |

37 | //

1 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or supplies
 2 as required, ADMINISTRATOR may, at its sole discretion, reduce the Total Amount Not to Exceed for
 3 the appropriate Period as well as the Total Amount Not to Exceed. The reduction to the Amount Not to
 4 Exceed for the appropriate Period as well as the Total Amount Not to Exceed shall be in an amount
 5 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
 6 services, staffing, facilities or supplies.

7
 8 **XV. INDEMNIFICATION AND INSURANCE**

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

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

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

34 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand
 35 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of
 36 CONTRACTOR’s current audited financial report. If CONTRACTOR’s SIR is approved,
 37 //

1 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this
 2 Contract, agrees to all of the following:

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

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

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

12 E. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of this
 13 Contract, the COUNTY may terminate this Contract.

14 F. QUALIFIED INSURER

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

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

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

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

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1	Employers' Liability Insurance	\$1,000,000 per occurrence
2		
3	Network Security & Privacy Liability	\$1,000,000 per claims made
4		
5	Professional Liability Insurance	\$1,000,000 per claims made
6		\$1,000,000 aggregate
7		
8	Sexual Misconduct Liability	\$1,000,000 per occurrence
9		

H. REQUIRED COVERAGE FORMS

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

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

I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

9 M. If CONTRACTOR's Professional Liability, and/or Network Security & Privacy Liability are
 10 "Claims -Made" policies, CONTRACTOR shall agree to maintain coverage for two (2) years following
 11 the completion of the Contract.

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

14 O. Insurance certificates should be forwarded to the agency/department address listed in the
 15 Referenced Contract Provisions.

16 P. If CONTRACTOR does not provide the insurance certificates and endorsements within seven (7)
 17 calendar days of notification by COUNTY, COUNTY may terminate this Contract without penalty.

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

22 R. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
 23 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with
 24 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice,
 25 this Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled
 26 to all legal remedies.

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

30 T. SUBMISSION OF INSURANCE DOCUMENTS

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

- 32 a. Prior to the start date of this Contract.
- 33 b. No later than the expiration date for each policy.
- 34 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
 35 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

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

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

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

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

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

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

17
 18 **XVI. INSPECTIONS AND AUDITS**

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

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

33 **C. AUDIT RESPONSE**

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

37 //

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

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

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

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

19
 20 **XVII. LICENSES AND LAWS**

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

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

- 32 1. ARRA of 2009.
- 33 2. Trafficking Victims Protection Act of 2000.
- 34 3. WIC, Division 5, Community Mental Health Services.
- 35 4. WIC, Division 6, Admissions and Judicial Commitments.
- 36 5. WIC, Division 7, Mental Institutions.
- 37 6. HSC, §§1250 et seq., Health Facilities.

- 1 7. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
- 2 8. CCR, Title 9, Rehabilitative and Developmental Services.
- 3 9. CCR, Title 17, Public Health.
- 4 10. CCR, Title 22, Social Security.
- 5 11. CFR, Title 42, Public Health.
- 6 12. CFR, Title 45, Public Welfare.
- 7 13. USC Title 42. Public Health and Welfare.
- 8 14. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 9 15. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 10 16. 42 USC §1857, et seq., Clean Air Act.
- 11 17. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 12 18. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 13 19. Policies and procedures set forth in Mental Health Services Act.
- 14 20. Policies and procedures set forth in DHCS Letters.
- 15 21. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 16 22. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform
17 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 18 23. 42 CFR, Section 438, Managed Care Regulations.

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

22 D. CONTRACTOR shall make every reasonable effort to obtain appropriate licenses and/or waivers
23 to provide Medi-Cal billable treatment services at school or other sites requested by ADMINISTRATOR.

24
25 **XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

35 C. If CONTRACTOR uses social media (such as Facebook, X, YouTube or other publicly available
36 social media sites) in support of the services described within this Contract, CONTRACTOR shall develop
37 social media policies and procedures and have them available to ADMINISTRATOR upon reasonable

1 notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either
 2 directly or indirectly support the services described within this Contract. CONTRACTOR shall comply
 3 with COUNTY Social Media Use Policy and Procedures as they pertain to any social media developed in
 4 support of the services described within this Contract. CONTRACTOR shall also include any required
 5 funding statement information on social media when required by ADMINISTRATOR.

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

8
 9 **XIX. MINIMUM WAGE LAWS**

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

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

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

23
 24 **XX. NONDISCRIMINATION**

25 **A. EMPLOYMENT**

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

36 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
 37 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or

1 recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection
 2 for training, including apprenticeship.

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

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

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

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

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

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

37 //

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

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

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

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

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

15 b. Throughout the problem resolution and grievance process, Client rights shall be
16 maintained, including access to the COUNTY’s Patients’ Rights Office at any point in the process. Clients
17 shall be informed of their right to access the COUNTY’s Patients’ Rights Office at any time.

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

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

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

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

36 //

37 //

XXI. NOTICES

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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

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

XXII. NOTIFICATION OF DEATH

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

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

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

2. WRITTEN NOTIFICATION

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

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

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

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

7
 8 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

16
 17 **XXIV. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

35 B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards
 36 to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of PHI in
 37 violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the extent

1 | practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal or state
 2 | regulations and/or COUNTY policies.

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

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

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

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

16 | G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
 17 | of, this Contract, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all
 18 | information that is requested by the PRA request.

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

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

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

- 31 | 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit or
- 32 | site visit.
- 33 | 2. Provide auditor or other authorized individuals access to documents via a computer terminal.
- 34 | 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if requested.

35 | J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and security
 36 | of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or security of PII
 37 | and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law or regulation,

1 and copy ADMINISTRATOR on such notifications.

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

5
 6 **XXV. RESEARCH AND PUBLICATION**

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

10
 11 **XXVI. REVENUE**

12 A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to
 13 Clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other
 14 third party health plans, are provided pursuant to this Contract, their estates and responsible relatives,
 15 according to their ability to pay as determined by the State Department of Health Care Services’ “Uniform
 16 Method of Determining Ability to Pay” procedure or by any other payment procedure as approved in
 17 advance, and in writing by ADMINISTRATOR; and in accordance with Title 9 of the CCR. Such fee
 18 shall not exceed the actual cost of services provided. No Client shall be denied services because of an
 19 inability to pay.

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

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

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

30 //

31 **XXVII. SEVERABILITY**

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

XXVIII. SPECIAL PROVISIONS

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

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

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

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

//

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

4 **XXIX. STATUS OF CONTRACTOR**

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

17 **XXX. TERM**

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

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

27 **XXXI. TERMINATION**

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

34 B. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of any
35 of the following events:

- 36 1. The loss by CONTRACTOR of legal capacity.
- 37 2. Cessation of services.

1 3. The delegation or assignment of CONTRACTOR’s services, operation or administration to
 2 another entity without the prior written consent of COUNTY.

3 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
 4 required pursuant to this Contract.

5 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this
 6 Contract.

7 6. The continued incapacity of any physician or licensed person to perform duties required
 8 pursuant to this Contract.

9 7. Unethical conduct or malpractice by any physician or licensed person providing services
 10 pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR
 11 removes such physician or licensed person from serving persons treated or assisted pursuant to this
 12 Contract.

13 C. CONTINGENT FUNDING

14 1. Any obligation of COUNTY under this Contract is contingent upon the following:

15 a. The continued availability of federal, state and county funds for reimbursement of
 16 COUNTY’s expenditures, and

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

19 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
 20 terminate or renegotiate this Contract upon written notice given CONTRACTOR. If COUNTY elects to
 21 renegotiate this Contract due to reduced or terminated funding, CONTRACTOR shall not be obligated to
 22 accept the renegotiated terms.

23 D. In the event this Contract is suspended or terminated prior to the completion of the term as
 24 specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its
 25 sole discretion, reduce the Amount Not to Exceed of this Contract to be consistent with the reduced term
 26 of the Contract.

27 E. In the event this Contract is terminated, CONTRACTOR shall do the following:

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

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

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

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

37 //

1 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
2 Client’s best interests.

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

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

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

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

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

20
21 **XXXII. THIRD PARTY BENEFICIARY**

22 Neither Party hereto intends that this Contract shall create rights hereunder in third parties including,
23 but not limited to, any subcontractors or any Clients provided services pursuant to this Contract.

24
25 **XXXIII. WAIVER OF DEFAULT OR BREACH**

26 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
27 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
28 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default
29 or any breach by CONTRACTOR shall not be considered a modification of the terms of this Contract.

30 //
31 //
32 //
33 //
34 //
35 //
36 //
37 //

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

3
4 PACIFIC CLINICS

5 Signed by:
6 BY:  _____
7 6AE97DDC743C4D4...

DATED: 3/25/2026 _____

8
9 TITLE: Chief Legal Officer _____

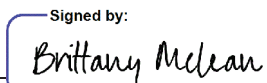
10
11
12
13
14 COUNTY OF ORANGE

15
16
17 BY: _____

DATED: _____

18 HEALTH CARE AGENCY

19
20
21
22
23 APPROVED AS TO FORM
24 OFFICE OF THE COUNTY COUNSEL
25 ORANGE COUNTY, CALIFORNIA

26
27 Signed by:
28 BY:  _____
29 71CFE638662E411...
30 DEPUTY

DATED: 3/25/2026 _____

31
32
33
34
35 If CONTRACTOR is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the
36 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or
37 any Assistant Treasurer. If the Contract is signed by one (1) authorized individual only, a copy of the corporate resolution or
by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her signature
alone is required by ADMINISTRATOR.

1 EXHIBIT A
2 TO CONTRACT FOR PROVISION OF
3 PEER WORKFORCE DEVELOPMENT SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7
8 PACIFIC CLINICS
9 JULY 1, 2026 THROUGH JUNE 30, 2029

10
11 **I. COMMON TERMS AND DEFINITIONS**

12 A. The following standard definitions are for reference purposes only and may or may not apply in
13 their entirety throughout the Contract. The parties agree to the following terms and definitions, and to
14 those terms and definitions which, for convenience, are set forth elsewhere in the Contract.

15 1. Academic Advisement means an advising session between a Participant and an academic
16 advisor during which program policies, educational progress, vocational goals, and appropriate course
17 selection are reviewed and discussed.

18 2. Academic Year means the program year consisting of fall, spring, and summer academic
19 terms.

20 3. Active means a Participant or Family Member who has participated in one (1) or more
21 courses offered under any program component during the current Academic Year.

22 4. Behavioral Health Services Act (BHSA) means the California law enacted through voter-
23 approved Proposition 1 (2024) that restructures the former Mental Health Services Act (MHSA) and
24 provides funding to counties for behavioral health services, including treatment, prevention, housing
25 supports, and Workforce, Education, and Training (WET) programs intended to strengthen the behavioral
26 health workforce.

27 5. Behavioral Health Services (BHS) System of Care means the coordinated network of services
28 administered by ADMINISTRATOR that provides prevention, treatment, recovery, and support services
29 for individuals with behavioral health needs within Orange County.

30 6. CalMHSA (California Mental Health Services Authority) means a Joint Powers Authority
31 formed by counties in the State of California to support behavioral health programs and initiatives,
32 including workforce development, training, and certification programs. CalMHSA is responsible for
33 accrediting Peer Support Specialist (PSS) training programs and administering the certification process
34 for Medi-Cal Peer Support Specialists.

35 7. Career Pathway means a sequence of educational and workforce development opportunities
36 designed to prepare Participants for employment within the behavioral health workforce, including
37 certificate programs, college coursework, and employment preparation services.

1 8. Classroom Training means structured instructional activities delivered to Participants and
2 Family Members designed to develop knowledge, skills, and competencies necessary for educational
3 advancement and employment within the behavioral health workforce.

4 9. Classroom Training Site means the physical location where Classroom Training is provided
5 pursuant to this Contract.

6 10. Coaching means a structured session between a Participant and a Success Coach that provides
7 individualized guidance, support, and skill development to assist the Participant in achieving educational,
8 personal, and vocational goals.

9 11. College Credit Course means a course offered through a regionally accredited post-secondary
10 educational institution that provides academic credit applicable toward a certificate or degree program.

11 12. Collaboration means a cooperative process through which organizations, agencies, or
12 institutions work together in a coordinated and mutually beneficial manner to support program services
13 and goals.

14 13. Community Health Worker (CHW) means a trained public health worker who serves as a
15 liaison between health and social services and the community to facilitate access to services and improve
16 the quality and cultural competence of service delivery. Community Health Workers may provide
17 outreach, education, informal counseling, social support, and advocacy to individuals receiving behavioral
18 health or related services and may complete certification or training programs designed to support
19 employment within the behavioral health workforce.

20 14. Course Completion Rate means the percentage of Participants who successfully complete a
21 course in which they are enrolled during an Academic Year.

22 15. Employment Outcomes means measurable employment-related results achieved by
23 Participants, including internships, volunteer placements, or employment within the behavioral health
24 workforce.

25 16. Employment Specialist means staff responsible for assisting Participants with job readiness
26 activities including career exploration, resume development, interview preparation, job search assistance,
27 and connections to employment opportunities within the behavioral health workforce.

28 17. Extended Education Course means a non-credit educational course designed to enhance
29 workforce readiness or academic advancement and may include courses such as English as a Second
30 Language (ESL), GED/HiSET preparation, computer skills training, and personal development.

31 18. Evaluation means the systematic collection, analysis, and use of program data and
32 information for monitoring performance, improving services, assessing Outcomes, and supporting
33 program planning and policy development.

34 19. Family Member means an individual eighteen (18) years of age or older who is a family
35 member of a Participant receiving services within ADMINISTRATOR’s behavioral health system of care.

36 //
37 //

1 20. Mental Health Field means organizations or services that provide behavioral health outreach,
2 prevention, treatment, recovery, housing, education, employment, counseling, or social services to
3 individuals receiving behavioral health services.

4 21. Mental Health Services Act (MHSA) means the voter-approved California law, also known
5 as Proposition 63, that provides funding for expanded community mental health services and programs.

6 22. Outcome means a measurable change resulting from program services, including
7 improvements in education, workforce readiness, employment opportunities, or participant well-being.

8 23. Participant means an individual eighteen (18) years of age or older who is currently receiving
9 services within ADMINISTRATOR's behavioral health system of care and who enrolls in courses
10 provided under this Contract.

11 24. Peer Partner means an individual with lived experience of mental health or substance use
12 recovery who provides mentorship, encouragement, and recovery-oriented support to Participants
13 enrolled in the program.

14 25. Peer Support Specialist (PSS) means an individual who has personal lived experience with
15 mental health or substance use recovery and has successfully completed a training program accredited by
16 the California Mental Health Services Authority (CalMHSA). A Peer Support Specialist uses their lived
17 experience and specialized training to provide support, mentorship, and guidance to individuals receiving
18 behavioral health services to promote recovery, wellness, self-advocacy, and community integration.

19 26. Peer Support Specialist Certification means the certification issued through the California
20 Mental Health Services Authority (CalMHSA) for individuals who have successfully completed an
21 accredited Peer Support Specialist training program and met all state requirements necessary to provide
22 Medi-Cal reimbursable Peer Support Specialist services.

23 27. Peer Support Specialist (PSS) Training means a training program accredited by the California
24 Mental Health Services Authority (CalMHSA) that prepares Participants to apply for Medi-Cal Peer
25 Support Specialist certification.

26 28. Pre-Vocational Course means a course designed to strengthen foundational workplace
27 competencies and life skills necessary for employment, including but not limited to resume development,
28 interviewing skills, workplace communication, professional boundaries, and computer literacy.

29 29. Recovery-Oriented Services means services designed to support individuals in achieving
30 wellness, resilience, self-direction, and meaningful participation in community life following mental
31 illness or substance use challenges.

32 30. Retention means a Participant's continued enrollment in program courses for one (1) or more
33 academic terms within an Academic Year.

34 31. Success Coach means staff who provide mentoring, tutoring, and guidance to Participants to
35 support academic success, wellness, recovery, and independent living skills.

36 32. Workshop Course means a structured course focused on workforce readiness and behavioral
37 health career pathways, which may include Peer Support Specialist training, certification preparation,

1 recovery skills development, and professional development.

2 33. Workforce Development means educational and training activities designed to prepare
 3 Participants for employment within the behavioral health field, including certification programs, academic
 4 courses, and employment readiness services.

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

7
 8 **II. BUDGET**

9 A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this
 10 Exhibit A to the Contract and the following budgets, which are set forth for informational purposes only
 11 and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

	<u>PERIOD</u>	<u>PERIOD</u>	<u>PERIOD</u>	
	<u>ONE</u>	<u>TWO</u>	<u>THREE</u>	<u>TOTAL</u>
15 ADMINISTRATIVE COST				
16 Salaries	\$ 281,495	\$ 295,569	\$ 310,348	\$ 887,412
17 Benefits	80,175	84,082	88,182	252,439
18 Indirect Costs	<u>\$ 243,574</u>	<u>\$ 255,597</u>	<u>\$ 268,168</u>	<u>\$ 767,339</u>
19 SUBTOTAL	\$ 605,244	\$ 635,248	\$ 666,698	\$ 1,907,190
20 ADMINISTRATIVE COST				
21 PROGRAM COST				
22 Salaries	\$ 814,913	\$ 855,659	\$ 898,441	\$ 2,569,013
23 Benefits	235,137	246,694	258,566	740,397
24 Services and Supplies	71,459	74,297	77,187	222,943
25 Subcontractor	<u>140,648</u>	<u>147,680</u>	<u>155,064</u>	<u>443,392</u>
26 SUBTOTAL	\$1,262,157	\$1,324,330	\$1,389,258	\$3,975,745
27 PROGRAM COST				
28 TOTAL GROSS COST	\$1,867,401	\$1,959,578	\$2,055,957	\$5,882,936
29 MHSA	<u>\$1,867,401</u>	<u>\$1,959,578</u>	<u>\$2,055,957</u>	<u>\$ 5,882,936</u>
30 TOTAL REVENUE	\$1,867,401	\$1,959,578	\$2,055,957	\$5,882,936
31				
32				
33 TOTAL AMOUNT NOT	\$1,867,401	\$1,959,578	\$2,055,957	\$5,882,936
34 TO EXCEED				

35 //
 36 //

1 B. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds between
2 budgeted line items within a program, for the purpose of meeting specific program needs or for providing
3 continuity of care to its Participants, by utilizing a Budget/Staffing Modification Request form provided
4 by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing
5 Modification Request to ADMINISTRATOR for consideration, in advance, which will include a
6 justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and
7 the sustaining annual impact of the shift as may be applicable to the current contract period and/or future
8 contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification
9 Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of
10 CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing
11 Modification Request(s) may result in disallowance of those costs.

12 C. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete
13 financial records of its cost and operating expenses. Such records will reflect the actual cost of the type
14 of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect
15 costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will be made
16 in accordance with GAAP, and Medicare regulations. The Participant eligibility determination and fee
17 charged to and collected from Participants, together with a record of all billings rendered and revenues
18 received from any source, on behalf of Participants treated pursuant to the Contract, must be reflected in
19 CONTRACTOR's financial records.

20 D. FINANCIAL AID and FEE WAIVERS – CONTRACTOR shall use financial aid waivers and
21 other reimbursements received from contracted institutions to add additional courses in subsequent
22 semesters of the same Fiscal Year, not to exceed the Amount Not to Exceed.

23 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Budget
24 Paragraph of this Exhibit A to the Contract.

25 26 **III. PAYMENTS**

27 A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of \$155,616
28 per month for Period One, \$163,298 per month for Period Two and \$171,329 per month for Period Three.
29 All payments are interim payments only, and subject to Final Settlement in accordance with the Cost
30 Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the actual cost of
31 providing the services hereunder; provided, however, the total of such payments does not exceed the
32 Amount Not to Exceed, as specified in the Referenced Contract Provisions of the Contract, and provided
33 further, CONTRACTOR's costs are reimbursable pursuant to federal, state and COUNTY regulations.
34 ADMINISTRATOR may, at its discretion, pay supplemental billings for any month for which the
35 provisional amount specified above has not been fully paid.

36 1. In support of the monthly invoice, CONTRACTOR shall submit a monthly Expenditure and
37 Revenue Report as specified in the Reports Paragraph of this Exhibit A to the Contract.

1 ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to
2 CONTRACTOR as specified in Subparagraphs A.2. and A.3. below.

3 2. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
4 provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may
5 reduce COUNTY payments to CONTRACTOR by an amount not to exceed the difference between the
6 year-to-date provisional amount payments to CONTRACTOR and the year-to-date actual cost incurred
7 by CONTRACTOR.

8 3. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
9 provisional amount payments are less than the actual cost of providing services, ADMINISTRATOR may
10 authorize an increase in the provisional amount payment to CONTRACTOR by an amount not to exceed
11 the difference between the year-to-date provisional amount payments to CONTRACTOR and the year-
12 to-date actual cost incurred by CONTRACTOR.

13 B. CONTRACTOR's billing shall be on a form approved or supplied by COUNTY and provide such
14 information as is required by ADMINISTRATOR. Invoices are due the tenth (10th) day of each month.
15 Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR
16 should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly
17 completed invoice.

18 C. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source
19 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statements,
20 cancelled checks, receipts, receiving records, and records of services provided.

21 D. ADMINISTRATOR may withhold or delay any payment, if CONTRACTOR fails to comply
22 with any provision of the Contract.

23 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
24 and/or termination of the Contract, except as may otherwise be provided under the Contract, such as
25 summer school courses, or specifically agreed upon in a subsequent contract.

26 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
27 Payments Paragraph of this Exhibit A to the Contract.

28 **IV. REPORTS**

29 A. CONTRACTOR shall maintain records and make statistical reports as required by
30 ADMINISTRATOR.

31 B. FISCAL

32 1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to
33 ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR
34 and shall report actual costs and revenues for CONTRACTOR's program(s) or cost center(s) described in
35 the Services Paragraph of this Exhibit A to the Contract. Such reports shall include number of Participants
36 by program. The reports shall be received by ADMINISTRATOR no later than twenty (20) calendar days
37

1 following the end of the month reported.

2 2. CONTRACTOR shall submit monthly Year-End Expenditure and Revenue Projection
3 Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by,
4 ADMINISTRATOR and shall report anticipated year-end actual costs and revenues for CONTRACTOR's
5 program(s) or cost center(s) described in the Services Paragraph of this Exhibit A to the Contract. Such
6 reports shall include actual monthly costs and revenue to date and anticipated monthly costs and revenue
7 to the end of the fiscal year. Year-End Projection Reports shall be submitted in conjunction with the
8 monthly Expenditure and Revenue Reports and shall include summer session expenditures.

9 C. STAFFING – CONTRACTOR shall submit monthly Staffing Reports to ADMINISTRATOR.
10 These reports shall contain required information, and be on a form acceptable to, or provided by,
11 ADMINISTRATOR. CONTRACTOR shall submit these reports no later than twenty (20) calendar days
12 following the end of the month being reported. CONTRACTOR must request in writing any extensions
13 to the due date of the monthly required reports. If an extension is approved by ADMINISTRATOR, the
14 total extension will not exceed more than five (5) calendar days.

15 D. PROGRAMMATIC – CONTRACTOR shall submit monthly programmatic reports to
16 ADMINISTRATOR, which shall be received by ADMINISTRATOR no later than twenty (20) calendar
17 days following the end of the month being reported. Programmatic reports shall include a description of
18 CONTRACTOR's progress in implementing the provisions of the Contract. CONTRACTOR shall state
19 whether it is or is not progressing satisfactorily in achieving all the terms of the Contract.

20 E. SPECIAL INCIDENT REPORTS (SIR) – CONTRACTOR shall submit SIR to
21 ADMINISTRATOR in the format approved by ADMINISTRATOR with-in twenty-four (24) hours.
22 CONTRACTOR shall provide additional information as requested by ADMINISTRATOR in a timely
23 manner.

24 F. ADDITIONAL REPORTS – Upon ADMINISTRATOR's request, CONTRACTOR shall make
25 such additional reports as required by ADMINISTRATOR concerning CONTRACTOR's activities as
26 they affect the services hereunder. ADMINISTRATOR will be specific as to the nature of information
27 requested and allow thirty (30) calendar days for CONTRACTOR to respond.

28 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports
29 Paragraph of this Exhibit A to the Contract.

30 **V. SERVICES**

31 **A. FACILITIES**

32 1. CONTRACTOR shall maintain one (1) facility at the following location or any other location
33 approved, in advanced and in writing, by ADMINISTRATOR:
34

35
36 401 S. Tustin Street, Bldg. A & B
37 Orange, CA 92866

2. CONTRACTOR shall maintain regularly scheduled service hours five (5) days per week, Monday through Friday, throughout the year, and shall maintain the capability to provide services during evening hours on weekdays and on weekends, when necessary, to accommodate Participants.

a. CONTRACTOR’s holiday schedule shall be consistent with COUNTY’s holiday schedule unless otherwise approved in advance and in writing by ADMINISTRATOR.

b. CONTRACTOR shall ensure that all college credit courses are offered by a regionally accredited post-secondary educational institution.

B. INDIVIDUALS TO BE SERVED – CONTRACTOR shall provide services to Participants who are currently receiving services within ADMINISTRATOR’s behavioral health system of care, and to Family Members of such Participants.

C. SERVICES TO BE PROVIDED

1. CONTRACTOR shall develop course curriculum for the program components described. All curriculum for Workshop Courses, Pre-Vocational Courses, College Credit Courses, and Extended Education Courses shall be mutually agreed upon and approved by ADMINISTRATOR prior to implementation.

a. Course Offering Examples include but are not limited to:

1) Workshop Courses - Medi-Cal Peer Support Specialist Certification Training (MPSS), Arts & Empathy, Building Healthy Relationships Skills

2) Pre-vocational Workshops - Medi-Cal Peer Support Specialist Exam Prep, Improving Digital Literacy: Microsoft Outlook, Resume Building

3) College Credit Courses - Intro to Social Work & Human Services, Intro to Human Services, Social Work & Human Services Work Experience

4) Extended Education Courses - Computer Application Basics, HISET/GED Preparation

2. CONTRACTOR shall provide a Recovery Education Institute Program that consists of the following five (5) basic components: Workshop Courses including Peer Support Specialist Certification training accredited by California Mental Health Services Authority (CalMHSA), Pre-Vocational Courses, College Credit Courses, Extended Education Courses, and Academic Advisement.

3. CONTRACTOR shall provide Workshop Courses designed to prepare Participants for employment within the behavioral health workforce. Workshop Courses shall include, but not be limited to:

a. CalMHSA-accredited Peer Support Specialist (PSS) Certification training cohorts to prepare Participants for Medi-Cal Peer Support Specialist certification; and

b. Community Health Worker certificate pathway courses.

4. CONTRACTOR shall provide Pre-Vocational Courses designed to strengthen foundational employment competencies and life skills necessary for success in the behavioral health workforce. Pre-

1 Vocational Courses may include, but are not limited to, career readiness, resume development, job search
2 strategies, workplace communication, professional boundaries, computer literacy, and recovery-oriented
3 life skills.

4 5. CONTRACTOR shall provide College Credit Courses through collaboration with a
5 regionally accredited post-secondary educational institution. These courses shall support Participants'
6 progression toward certificate programs and Associate of Arts (AA) degree pathways in behavioral health-
7 related fields. The certificate programs include, but not be limited to:

- 8 a. Mental Health Worker certificate courses;
- 9 b. Alcohol and Drug Studies certificate courses; and
- 10 c. Social Work and Human Services Assistant certificate courses.

11 6. CONTRACTOR shall provide Extended Education Courses designed to support educational
12 advancement and workforce readiness. Extended Education Courses may include, but are not limited to,
13 English as a Second Language (ESL), GED or HiSET preparation, computer skills training, personal
14 development, and wellness-focused courses.

15 7. CONTRACTOR shall provide a program component of Academic Advisement that includes
16 academic advising, a student code of conduct, a student grievance process, and student disciplinary
17 procedures. Academic Advisement shall support Participants in developing educational plans, selecting
18 courses, and progressing toward certification, employment, and higher education opportunities.

19 8. CONTRACTOR shall identify and assess potential Participants identified as the target
20 population unless written exception is granted by ADMINISTRATOR.

21 9. CONTRACTOR shall provide culturally and linguistically responsive educational services,
22 including reasonable accommodations for deaf and hard of hearing individuals, individuals with
23 disabilities, and mono-lingual students, consistent with applicable accessibility and language access
24 requirements.

25 10. CONTRACTOR shall develop and implement a recruitment process for recruiting students
26 who are Participants and/or Family Members of Participants within ADMINISTRATOR's behavioral
27 health system of care. Recruitment strategies may include community outreach, marketing, and
28 collaboration with County programs and community partners.

29 11. CONTRACTOR shall provide structured educational methods within a yearly academic
30 schedule to enable approximately five hundred (500) active Participants and Family Members to develop
31 recovery skills, vocational competencies, and social supports necessary for successful participation in the
32 behavioral health workforce.

33 12. CONTRACTOR shall offer certificated and educational programs designed to support entry
34 into behavioral health employment and higher education pathways. Programs may include, but are not
35 limited to, peer support certification preparation, workforce readiness training, computer literacy,
36 recovery-focused skill development, and career preparation activities that support entry into an Associate
37 of Arts (AA) degree program or other behavioral health certifications.

1 13. CONTRACTOR shall establish and maintain a collaborative partnership with a community
 2 college or other regionally accredited post-secondary educational institution to provide the range of
 3 college credit courses necessary to support Participants in pursuing certificate programs and Associate of
 4 Arts (AA) degree pathways.

5 14. CONTRACTOR shall establish policies and procedures for providing emergency evaluation
 6 and crisis intervention, as well as procedures for documenting and reporting internal incidents consistent
 7 with ADMINISTRATOR policies.

8 15. CONTRACTOR shall maintain a student database to measure overall program effectiveness
 9 which includes, but is not limited to, tracking student demographics, participation, course enrollment,
 10 course completion, and maintaining secure files containing all student information.

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

17 E. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all
 18 CONTRACTOR and ADMINISTRATOR’s P&Ps as related to the services provided in this Exhibit A to
 19 the Contract. CONTRACTOR shall provide signature confirmation of the P&P training for each staff
 20 member and place in their personnel files. CONTRACTOR shall ensure any newly hired staff complete
 21 P&P training with thirty (30) calendar days from date of hire.

22 F. CONTRACTOR shall ensure that all staff completes the ADMINISTRATOR’s Annual Provider
 23 Training and provide documentation to COUNTY as requested.

24 G. ADMINISTRATOR shall provide, or cause to be provided, training and ongoing consultation to
 25 CONTRACTOR's staff to assist CONTRACTOR in ensuring compliance with ADMINISTRATOR
 26 Standards of Care practices, P&Ps, documentation standards and any state regulatory requirements.

27 H. CONTRACTOR shall provide effective administrative management of the budget, staffing,
 28 recording, and reporting portion of the Contract with COUNTY. If administrative responsibilities
 29 are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the
 30 qualifications and capacity to perform all delegated responsibilities.

31 I. CONTRACTOR shall attend monthly meetings with ADMINISTRATOR to discuss contractual
 32 and other issues that include, but are not limited to compliance with P&Ps, statistics, and training services.

33 J. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,
 34 with respect to any individual(s) who are served by CONTRACTOR under the terms of the Contract.
 35 Further, CONTRACTOR agrees that the funds provided hereunder will not be used to promote, directly
 36 or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

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1 K. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to conduct
2 research activity on program Participants without obtaining prior written authorization from
3 ADMINISTRATOR.

4 L. PERFORMANCE OUTCOMES

5 1. CONTRACTOR shall complete Performance Outcome measures as required by State and/or
6 COUNTY. The expected outcomes shall provide quantifiable and repeatable measures to assess overall
7 program effectiveness. CONTRACTOR shall cooperate in data collection to develop baseline figures for
8 evaluation and shall report performance in terms of Participant satisfaction, educational outcomes, and
9 quality of services.

10 2. COUNTY shall develop and provide CONTRACTOR with Performance Outcome measure
11 guidelines for the purpose of evaluating the impact or contribution of CONTRACTOR’s services on the
12 well-being of COUNTY residents being served under the terms of the Contract.

13 3. CONTRACTOR shall recruit and enroll Participants through outreach, marketing, and
14 collaboration with COUNTY programs with the goal of serving approximately five hundred (500) non-
15 duplicated Participants and Family Members who enroll and actively participate in one (1) or more courses
16 during each academic year.

17 4. CONTRACTOR shall offer a minimum of four (4) cohorts of the California Mental Health
18 Services Authority (CalMHSA)-accredited Peer Support Specialist (PSS) Certification training each
19 academic year. Each cohort shall consist of a minimum of ten (10) students.

20 5. CONTRACTOR shall support students participating in the Peer Support Specialist training
21 cohorts through the state application process with the goal that at least seventy percent (70%) of students
22 from each cohort proceed to apply for the California Peer Support Specialist certification examination.

23 6. CONTRACTOR shall provide courses within the four (4) program components described in
24 this Contract, including Workshop Courses, Pre-Vocational Courses, College Credit Courses, and
25 Extended Education Courses. At a minimum, CONTRACTOR shall offer the following number of courses
26 each academic year:

- 27 a. One hundred two (102) Workshop Courses, which shall include the Peer Support
- 28 Specialist training cohorts described above;
- 29 b. Eighty-seven (87) Pre-Vocational Courses;
- 30 c. Eighteen (18) Extended Education Courses;
- 31 d. Eighteen (18) College Credit Courses; and
- 32 e. Student support sessions as below:

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Outcome Categories	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29
Academic Advisement Sessions	1,600 sessions	1,680 sessions	1,764 sessions
Success Coaches Session	500 sessions	525 sessions	551 sessions
Peer Partner Session	350 sessions	367 sessions	386 sessions
Employment Specialist Sessions	350 sessions	367 sessions	386 sessions

7. CONTRACTOR shall maintain overall course completion rate of at least seventy-five percent (75%) for Participants enrolled in program courses. Completion rate is determined once Participants fulfill all required components, including attendance and completion of assigned course activities.

8. CONTRACTOR shall maintain retention rate of at least seventy-five percent (75%) for Participants enrolled in program courses.

9. CONTRACTOR shall support workforce development outcomes by assisting Participants in pursuing employment-related opportunities. The program shall target at least fifteen percent (15%) in Period One, sixteen percent (16%) in Period Two and seventeen percent (17%) in Period Three of Participants demonstrating employment-related outcomes during each academic year, including internships, volunteer opportunities, or employment within the behavioral health workforce.

10. CONTRACTOR shall at a minimum track and monitor the following performance indicators to measure program effectiveness:

- a. Number of courses offered within each program component;
- b. Number of Participants enrolled in program courses;
- c. Number and percentage of Participants completing each type of course;
- d. Number of Academic Advisement contacts;
- e. Number of Success Coach contacts;
- f. Number of Peer Partner contacts;
- g. Number of Employment Specialist contacts;
- h. Retention rate for Participants enrolled in program courses;
- i. Number of Participants completing certificate programs;
- j. Number of Participants who obtain employment, internships, or volunteer placements; and
- k. Number of Participants who transition to higher education opportunities.

M. ADMINISTRATOR may conduct periodic reviews of CONTRACTOR to evaluate performance in meeting the terms of the Contract. ADMINISTRATOR shall notify CONTRACTOR in writing of any issue(s) or concern(s) related to the provision of services pursuant to the Contract, and request a plan of corrective action, which may include, but are not be limited to, adjusting CONTRACTOR's Performance

1 Outcomes. CONTRACTOR shall submit a written plan of corrective action for approval within thirty
 2 (30) calendar days of request by ADMINISTRATOR, or as directed by ADMINISTRATOR.

3 N. CONTRACTOR shall maintain a student database to track student demographics for coordination
 4 and reporting purposes.

5 O. CONTRACTOR shall maintain secure files which contain all student information.

6 P. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services
 7 Paragraph of this Exhibit A to the Contract.

8
 9 **VI. STAFFING**

10 A. CONTRACTOR shall, at minimum, provide the following staffing, expressed in
 11 FTEs, continuously throughout the term of the Contract. One (1) FTE shall be equal to an average of
 12 forty (40) hours per week:

	<u>PERIOD</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ONE</u>	<u>TWO</u>	<u>THREE</u>
	<u>FTEs</u>	<u>FTEs</u>	<u>FTEs</u>
17 ADMINISTRATION			
18 Associate Divisional Director	0.30	0.30	0.30
19 Education Director	1.00	1.00	1.00
20 Assistant Education Director	1.00	1.00	1.00
21 Assistant Director	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
22 TOTAL ADMINISTRATION	3.30	3.30	3.30
23 PROGRAM			
24 Lead Academic Advisor	1.00	1.00	1.00
25 Academic Advisor	3.00	3.00	3.00
26 Success Coach	3.60	3.60	3.60
27 Peer Partner	2.20	2.20	2.20
28 Employment Specialist	3.00	3.00	3.00
29 Receptionist	1.80	1.80	1.80
30 Data Entry Specialist	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
31 TOTAL PROGRAM	15.10	15.10	15.10
32 SUBCONTRACTORS			
33 Santiago Canyon College	0.62	0.62	0.62
34 South Orange County Community College	<u>0.19</u>	<u>0.19</u>	<u>0.19</u>
35 SUBCONTRACTOR TOTAL	0.80	0.80	0.80
36 COMBINED TOTAL	19.20	19.20	19.20

B. WORKLOAD STANDARDS

6. CONTRACTOR shall include culturally and linguistically appropriate services to meet the needs of threshold languages as determined by ADMINISTRATOR. CONTRACTOR shall require staff to complete cultural competency training provided or approved by COUNTY.

7. CONTRACTOR shall recruit, hire, train, and maintain staff who are Participants, former Participants, or Family Members, when qualified for the position(s) sought. CONTRACTOR shall maintain documentation including, but not limited to, records demonstrating recruitment and hiring efforts and measures taken to enhance accessibility for potential staff in these categories.

8. CONTRACTOR may augment paid staff with volunteers or student interns upon prior written approval of ADMINISTRATOR. CONTRACTOR shall meet minimum requirements for supervision of each student intern as required by applicable state licensing boards and/or school program descriptions or work agreements.

9. CONTRACTOR shall maintain personnel files for each staff person, which shall include, but not be limited to, an employment application, qualifications for the position, results of background checks, applicable licenses, waivers, registrations, documentation of bicultural/bilingual capabilities, status as a Participant, former Participant, or Family Member, pay rate, training records, and performance evaluations.

10. CONTRACTOR shall ensure that all staff maintain logs delineating hours worked and hours allocated to each program of CONTRACTOR.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Staffing Paragraph of this Exhibit A to the Contract.

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EXHIBIT B
 TO CONTRACT FOR PROVISION OF
 PEER WORKFORCE DEVELOPMENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 PACIFIC CLINICS
 JULY 1, 2026 THROUGH JUNE 30, 2029

I. BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

1. The parties agree that the terms used, but not otherwise defined in the Common Terms and Definitions Paragraph of Exhibit A, B, and C to the Contract 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 Contract 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 Contract, 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 Contract.

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 Contract in compliance with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act, and the HIPAA regulations as they may exist now or be hereafter amended.

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

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

1 | electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Contract.

2 | B. DEFINITIONS

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

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

9 | a. Breach excludes:

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

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

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

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

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

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

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

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

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

32 | 4. “DRS” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR
 33 | § 164.501.

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

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

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

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

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

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

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

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

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

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

22 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
23 45 CFR § 160.103.

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

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

29 18. "Use" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §
30 160.103.

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

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

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

1 other than as provided for by this Business Associate Contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 D. SECURITY RULE

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

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

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

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

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

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

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

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

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

1 E. DATA SECURITY REQUIREMENTS

2 1. Personal Controls

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

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

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

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

28 2. Technical Security Controls

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

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

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

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

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

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

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

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

36 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to
37 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY

1 must be wiped using the Gutmann or DoD 5220.22-M (7 Pass) standard, or by degaussing. Media may
2 also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require
3 prior written permission by COUNTY.

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

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

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

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

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

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

33 3. Audit Controls

34 a. System Security Review. CONTRACTOR must ensure audit control mechanisms that
35 record and examine system activity are in place. All systems processing and/or storing PHI COUNTY
36 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
37 COUNTY must have at least an annual system risk assessment/security review which provides assurance

1 that administrative, physical, and technical controls are functioning effectively and providing adequate
 2 levels of protection. Reviews should include vulnerability scanning tools.

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

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

10 4. Business Continuity/Disaster Recovery Control

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

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

23 5. Paper Document Controls

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

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

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

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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) day period
 35 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 Contract, 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 42 USC §
29 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.

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

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

6 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

13 2. Upon termination of the Contract, CONTRACTOR shall either destroy or return to COUNTY
14 all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained, or received
15 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 Contract.

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EXHIBIT C
 TO CONTRACT FOR PROVISION OF
 PEER WORKFORCE DEVELOPMENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 PACIFIC CLINICS
 JULY 1, 2026 THROUGH JUNE 30, 2029

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, Civil Code § 1798.29(d).

3. "CMPPA Contract" means the CMPPA Contract 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 Contract on behalf of the COUNTY.

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

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

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

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

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

1 and a civil or an authorized investigative demand. It also includes Medicare conditions of participation
2 with respect to health care providers participating in the program, and statutes or regulations that require
3 the production of information, including statutes or regulations that require such information if payment
4 is sought under a government program providing public benefits.

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

8 B. TERMS OF CONTRACT

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

13 2. Responsibilities of CONTRACTOR

14 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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EXHIBIT D
TO CONTRACT FOR PROVISION OF
PEER WORKFORCE DEVELOPMENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
PACIFIC CLINICS
JULY 1, 2026 THROUGH JUNE 30, 2029

SEE ATTACHMENT

I. HOMELESS SERVICE SYSTEM PILLARS ATTESTATION

EXHIBIT X: COMMISSION TO END HOMELESSNESS HOMELESS SERVICE SYSTEM PILLARS ATTESTATION

EXHIBIT X

Commission to End Homelessness
Homeless Service System Pillars Attestation



Background:

The Commission to End Homelessness developed the Homeless Service System Pillars Report, which includes four pillars – Prevention, Outreach & Supportive Services, Shelter and Housing – that provide key interventions to assist individuals and families at risk of homelessness or experiencing homelessness. The Homeless Service System Pillars Report provides a definition and goal for each pillar thus establishing a collective understanding of the interventions, programming and outcomes expected for each pillar. Additionally, the Homeless Service System Pillars Report identifies the best practices, principles, and commitments to be followed by each Pillar.



On October 18, 2022, the Orange County Board of Supervisors received the Commission to End Homelessness' Homeless Service System Pillars Report and also directed the Homeless Service System Pillars Report be utilized as a framework in the design and development of programs that address the needs of individuals and families at risk of homelessness or experiencing homelessness across the County of Orange.

The Homeless Service System Pillars Report can be found here:

- Full Report - <https://ceo.ocgov.com/sites/ceo/files/2022-11/CEO-DCEO22-000856%20Attachment%20A.pdf>
- Summary Document - <https://ceo.ocgov.com/sites/ceo/files/2023-02/Pillars.pdf>

Respondents/Bidders shall Complete, Sign and Submit Exhibit X with Proposal/Bid Response:

EXHIBIT X
Commission to End Homelessness
Homeless Service System Pillars Attestation



Please select which of the Homeless Service System Pillar(s) that applies to the services being **proposed/bid**.

- PREVENTION**
- ✓ **OUTREACH & SUPPORTIVE SERVICES**
- SHELTER**
- HOUSING**

Please provide a brief description to outline how your **proposal/bid** meets the best practices and guiding principles of the selected Homeless Service System Pillar(s). If additional space is needed, please attach separate pages to this Exhibit **X**.

Since 2007, Pacific Clinics (PC) has been working to develop the paraprofessional and peer workforce in Orange County to work in a variety of settings to provide outreach and supportive services. The Pacific Clinics Recovery Education Institute (PC-REI) provides community college accredited certifications in human services that include Mental Health Worker, Alcohol and Drug Studies, and a Certificate of Achievement in Social Work & Human Services Assistant. PC-REI is an approved training institution for the Medi-Cal Certified Peer Support Specialist and will be seeking approval to become trainers to certify Community Health Workers.

The curriculum developed by REI and its community college partners (Saddleback College and Santiago Canyon College) align with and teach the best practices for outreach and supportive services. Supportive services are community-based services that support individuals and families to develop self-sufficiency and independence while on their journey to permanent and sustainable housing. Supportive services provide client-centered wraparound services to support sustainment of housing placements in the community. Students in the PC-REI peer workforce development program are taught to build trust and rapport through genuine, consistent outreach by meeting people where they are, this includes both physical location and stage of engagement. Students' course work leads to an understanding of how homelessness leads to deteriorating physical and mental health. Many utilize their firsthand experience of being unhoused to provide peer support and establish harm reduction methods to be able to provide an immediate response to complex issues. The curriculum teaches the importance of supportive services needing to be individualized to the person and the need for very few barriers to program entry, as well as culturally competent delivery of services.

PC values a holistic view of recovery. It is understood and expected that recovery may be paused, or relapses may occur; however, outreach and supportive services are to remain focused on both clinical and personal recovery, as well as overall progress. Students learn that effective outreach and supportive services should be offered consistently and continuously, regardless of how many times an individual may have previously not engaged and that new and different strategies need to be employed.

PC-REI will continue to support the goals of the Commission to End Homelessness by providing evidence-based training programs and job placement services in the communities it serves.

EXHIBIT X

**Commission to End Homelessness
Homeless Service System Pillars Attestation**



- 1. **Respondent/Bidder** recognizes the Commission to End Homelessness as an advisory body to the Orange County Board of Supervisors, was created to advise on policy and direction related to addressing homelessness in Orange County.

Initial SR

- 2. **Respondent/Bidder** acknowledges that the Commission to End Homelessness created the Homeless Service System Pillars Report with the assistance of local and national industry experts and people with lived experience to establish a collective understanding of the interventions, programming and outcomes expected for each pillar. Additionally, the Homeless Service System Pillars Report also identifies the best practices, principles, and commitments to be followed by each Pillar.

Initial SR

- 3. **Respondent/Bidder** acknowledges that the Homeless Service System Pillar Report was received and filed by the Orange County Board of Supervisors during the October 16, 2022, meeting. The Orange County Board of Supervisors directed the use of the Homeless Service System Pillars Report be utilized as a framework in the design and development of programs that address the needs of individuals and families at risk of homelessness or experiencing homelessness across the County of Orange.

Initial SR

- 4. **Respondent/Bidder** recognizes that through the solicitation process for the proposed project, services must clearly demonstrate and meet the definition, goal, best practices, and guiding principles of the above checked Homeless Service System Pillar(s), based on the Commission to End Homelessness' Homeless Service System Pillars Report.

Initial SR

- 5. **Respondent/Bidder** attests the **proposal/bid** submitted meets the standards of identified best practices and guiding principles defined in the Commission to End Homelessness' Homeless Service System Pillar Report. **Respondent/Bidder** also acknowledges that they may be asked to report and/or demonstrate their adherence to the above stated at any point during the duration of the Contract.

[Signature]
(Signature Required)

01/08/2026

(Date)