CONTRACT FOR PROVISION OF
INPATIENT BEHAVIORAL HEALTH SERVICES
BETWEEN
COUNTY OF ORANGE
AND
[PROVIDER]
NOVEMBER 1, 2026 THROUGH JUNE 30, 2029

THIS CONTRACT entered into this 1st day of November 1, 2026, (effective date), is by and between the COUNTY OF ORANGE, a political subdivision of State of California (COUNTY) and [PROVIDER], a California for-profit corporation, (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein as "Party" or collectively as "Parties". This Contract shall be administered by the Director of the COUNTY's Health Care Agency or an authorized designee ("ADMINISTRATOR").

W I T N E S S E T H:

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Inpatient Behavioral Health Services for the residents of Orange County; and

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

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

//
//
//
//
//
//
//
//
//
//
//
//
//

TABLE OF CONTENTS

TABLE OF CONTENTS

//
//
//
//
//
//
//
//
//
//
//
//
//
//
//
//
//

REFERENCED CONTRACT PROVISIONS

Term: November1, 2026 through June 30, 2029
Period One means the period from November 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:	$26,666,666
Period Two Amount Not to Exceed:	$26,666,666
Period Three Amount Not to Exceed:	$26,666,666
TOTAL AMOUNT NOT TO EXCEED:	$79,999,998

Basis for Reimbursement: Fee for Service

Payment Method: Direct Reimbursement from Department of Health Care Services and County of Orange Monthly in Arrears

CONTRACTOR UEI Number: #########

CONTRACTOR TAX ID Number: ##-#######

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: [PROVIDER]
ADDRESS1
ADDRESS 2
Name of Authorized Signatory
Email address

I. ACRONYMS

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

A. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
B. ARRA	American Recovery and Reinvestment Act of 2009
C. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
D. ASI	Addiction Severity Index
E. BHP	Behavioral Health Plan
F. BHSA	Behavioral Health Services Act
G. CCC	California Civil Code
H. CCR	California Code of Regulations
I. CEO	County Executive Office
J. CFR	Code of Federal Regulations
K. CHPP	COUNTY HIPAA Policies and Procedures
L. COI	Certificate of Insurance
M. CSW	Clinical Social Worker
N. D/MC	Drug/Medi-Cal
O. DHCS	California Department of Health Care Services
P. DRS	Designated Record Set
Q. ePHI	Electronic Protected Health Information
R. FTE	Full Time Equivalent
S. GAAP	Generally Accepted Accounting Principles
T. HCA	County of Orange Health Care Agency
U. HHS	Federal Health and Human Services Agency
V. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public Law 104-191
W. HSC	California Health and Safety Code
X. IRIS	Integrated Records and Information System
Y. ISO	Insurance Services Office
Z. LCSW	Licensed Clinical Social Worker
AA. LPT	Licensed Psychiatric Technician
AB. LVN	Licensed Vocational Nurse.
AC. MFT	Marriage and Family Therapist
AD. MHP	Mental Health Plan
AE. MIHS	Medical and Institutional Health Services
AF. NOA	Notice of Action
AG. NPI	National Provider Identifier

AH. NPP	Notice of Privacy Practices
AI. OIG	Federal Office of Inspector General
AJ. OMB	Federal Office of Management and Budget
AK. OPM	Federal Office of Personnel Management
AL. PC	California Penal Code
AM. PHI	Protected Health Information
AN. PII	Personally Identifiable Information
AO. PRA	California Public Records Act
AP. QIC	Quality Improvement Committee
AQ. SIR	Self-Insured Retention
AR. SSA	Social Services Agency
AS. TAY	Transitional Age Youth
AT. TBS	Therapeutic Behavioral Services
AU. USC	United States Code
AV. WIC	State of California Welfare and Institutions Code

II. ALTERATION OF TERMS

A. This Contract, together with Exhibit(s) A, B, and C attached hereto and incorporated herein, fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject matter of this 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 pursuant to this Contract. CONTRACTOR shall immediately notify by mail each of the respective Parties,

specifying the date of assignment, the County of Orange as assignee, and the address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf of said persons, shall be immediately given to COUNTY.

V. COMPLIANCE

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

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

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

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

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

4. If CONTRACTOR elects to have its own compliance program, code of conduct and any Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract. ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not exceed forty-five (45) calendar days, and determine if CONTRACTOR's proposed compliance program

and code of conduct contain all required elements to ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by ADMINISTRATOR.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered

Individuals relative to this Contract. This includes compliance with federal and state healthcare program regulations and procedures or instructions otherwise communicated by regulatory agencies; including the Centers for Medicare and Medicaid Services or their agents.

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

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

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

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

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

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

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

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

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

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

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

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

F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a breach of the Contract on the part of CONTRACTOR and grounds for COUNTY to terminate the Contract.

Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Contract on the basis of such default.

VI. CONFIDENTIALITY

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

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

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

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

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

VII. CONFLICT OF INTEREST

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

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

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

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

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

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

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

Title _____

Date _____"

IX. DEBARMENT AND SUSPENSION CERTIFICATION

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

X. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

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

B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's business prior to completion of this Contract, and COUNTY agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume

CONTRACTOR's duties and obligations contained in this Contract and complete them to the satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the prior written consent of COUNTY.

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

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

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

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

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

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

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

1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the

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

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

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

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

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

XI. DISPUTE RESOLUTION

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

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

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

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

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

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

XII. EMPLOYEE ELIGIBILITY VERIFICATION

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

XIII. EQUIPMENT

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

B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any Equipment with funds paid pursuant to this Contract. Upon delivery of Equipment, CONTRACTOR shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting documentation, which includes delivery date, unit price, tax, shipping and serial numbers. CONTRACTOR shall request

an applicable asset tag for said Equipment and shall include each purchased asset in an Equipment inventory.

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

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

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

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

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

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

XIV. FACILITIES, PAYMENTS AND SERVICES

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

B. CONTRACTOR shall, at its own expense, provide and maintain the organizational and administrative capabilities required to carry out its duties and responsibilities under this Contract and in accordance with all the applicable statutes and regulations pertaining to Short Doyle Providers.

//

//

//

//

XV. INDEMNIFICATION AND INSURANCE

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

B. Prior to the provision of services under this Contract, CONTRACTOR agrees to purchase all required insurance or maintain a program of self-insurance at CONTRACTOR's expense, including all endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this Contract have been complied with. CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with COUNTY during the entire term of this Contract.

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

D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand dollars ($50,000) shall specifically be approved by the CEO/Office of Risk Management or designee. The County reserves the right to require current audited financial reports from Contractor. If Contractor is self-insured, Contractor will indemnify the County for any and all claims resulting or arising from Contractor's services in accordance with the indemnity provision stated in this contract.

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

F. QUALIFIED INSURER

1. The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**).

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

and financial ratings.

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

Coverage	Minimum Limits
Commercial General Liability	$5,000,000 per occurrence $5,000,000 aggregate
Business Automobile Liability including coverage for owned or scheduled, hired and non-owned vehicles	$1,000,000 combined single limit each accident
Workers' Compensation	Statutory
Employers' Liability Insurance	$1,000,000 per accident or disease
Network Security & Privacy Liability	$1,000,000 per claims made
Professional Liability Insurance	$5,000,000 per claims made $5,000,000 aggregate
Sexual Misconduct Liability	$1,000,000 per occurrence

H. REQUIRED COVERAGE FORMS

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

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 shall 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 CONTRACTOR's insurance is primary and any insurance or self-insurance

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

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

K. 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.

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

M. If CONTRACTOR's Professional Liability, and/or Network Security & Privacy Liability are "Claims -Made" policy(ies) CONTRACTOR shall agree to the following:

1. The retroactive date must be shown and must be before the date of the Contract or the beginning of the contract services.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of the Contract.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the contract services, CONTRACTOR must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Contract.

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

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

P. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7) calendar days of notification by CEO/Purchasing or the agency/department purchasing division, it shall constitute a breach of CONTRACTOR's obligation hereunder and COUNTY may immediately terminate this Contract without penalty.

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

R. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice,

this Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal remedies.

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

T. SUBMISSION OF INSURANCE DOCUMENTS

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

a. Prior to the start date of this Contract.

b. No later than the expiration date for each policy.

c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

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

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

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

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

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

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

XVI. INSPECTIONS AND AUDITS

A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any other of their authorized representatives, shall to the extent permissible under applicable law have access to any books, documents, and records, including but not limited to, financial statements, general ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly pertinent to this Contract, for the purpose of responding to a

beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in which they are provided.

1. These audits, reviews, evaluations, or examinations may include, but are not limited to, the following:

a. Level and quality of care, including the necessity and appropriateness of the services provided.

b. Internal procedures for assuring efficiency, economy, and quality of care.

c. Compliance with COUNTY Client Grievance Procedures.

d. Financial records when determined necessary to protect public funds.

2. COUNTY shall provide CONTRACTOR with at least seventy-two (72) hours' notice of such inspections or evaluations. Unannounced inspections, evaluations, or requests for information may be made in those situations where arrangement of an appointment beforehand is not possible or is inappropriate due to the nature of the inspection or evaluation.

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

C. AUDIT RESPONSE

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

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

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

XVII. LICENSES AND LAWS

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

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

1. ARRA of 2009.
2. Trafficking Victims Protection Act of 2000.
3. WIC, Division 5, Community Mental Health Services.
4. WIC, Division 6, Admissions and Judicial Commitments.
5. WIC, Division 7, Mental Institutions.
6. HSC, §§1250 et seq., Health Facilities.
7. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
8. CCR, Title 9, Rehabilitative and Developmental Services.
9. CCR, Title 17, Public Health.
10. CCR, Title 22, Social Security.
11. CFR, Title 42, Public Health.
12. CFR, Title 45, Public Welfare.
13. USC Title 42. Public Health and Welfare.
14. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
15. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
16. 42 USC §1857, et seq., Clean Air Act.
17. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
18. 31 USC 7501.70, Federal Single Audit Act of 1984.
19. Policies and procedures set forth in Behavioral Health Services Act.
20. Policies and procedures set forth in DHCS Letters.
21. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
22. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
23. 42 CFR, Section 438, Managed Care Regulations.
23. Title 22, CCR, §51009, Confidentiality of Records.

24. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.

25. D/MC Certification Standards for Substance Abuse Clinics, July 2004.

26. D/MC Billing Manual (March 23, 2010).

27. Federal Medicare Cost reimbursement principles and cost reporting standards.

28. State of California-Health and Human Services Agency, Department of Health Care Services, MHSD, Medi-Cal Billing Manual, October 2013.

29. Orange County Medi-Cal Mental Health Managed Care Plan.

30. 42 CFR, Section 438, Managed Care Regulations

31. Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management.

32. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.

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

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

XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA

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

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

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

D. CONTRACTOR agrees that it will not issue any news releases or make any contact with the media

in connection with either the award of this Contract or any subsequent amendment of, or effort under this Contract. CONTRACTOR must first obtain review and approval of said news media contact from the COUNTY through the County DPA. Any requests for interviews or information received by the media should be referred directly to the COUNTY. Contractors are not authorized to serve as a media spokespersons for County projects without first obtaining permission from the COUNTY..

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

XIX. MINIMUM WAGE LAWS

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

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

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

XX. NONDISCRIMINATION

A. EMPLOYMENT

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

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

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

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

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

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

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

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

1. Denying a Client or potential Client any service, benefit, or accommodation.

2. Providing any service or benefit to a Client which is different or is provided in a different manner or at a different time from that provided to other Clients.

3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service and/or benefit.

4. Treating a Client differently from others in satisfying any admission requirement or condition,

or eligibility requirement or condition, which individuals must meet in order to be provided any service and/or benefit.

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

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

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

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

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

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

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

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

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

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.

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

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

XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS

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

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

XXIV. RECORDS MANAGEMENT AND MAINTENANCE

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

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

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

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

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

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

C. CONTRACTOR's participant, client, and/or patient records shall be maintained in a secure

manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish and implement written record management procedures.

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

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

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

G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out of, this Contract, within forty-eight (48) hours.

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

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

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

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

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

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

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

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

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

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

XXV. RESEARCH AND PUBLICATION

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

XXVI. REVENUE

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

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

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

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

XXVII. SEVERABILITY

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

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

XXIX. STATUS OF CONTRACTOR

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be

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

XXX. TERM

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

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

XXXI. TERMINATION

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

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

1. The loss by CONTRACTOR of legal capacity.
2. Cessation of services.
3. The delegation or assignment of CONTRACTOR's services, operation or administration to another entity without the prior written consent of COUNTY.
4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty required pursuant to this Contract.
5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this

Contract.

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

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

C. CONTINGENT FUNDING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XXXII. THIRD PARTY BENEFICIARY

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

XXXIII. WAIVER OF DEFAULT OR BREACH

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

//
//
//
//
//
//
//
//
//
//
//
//
//

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

[PROVIDER]

BY: _____ DATED: _____

TITLE: _____

COUNTY OF ORANGE

BY: _____ DATED: _____

HEALTH CARE AGENCY

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

BY: Signed by: Brittany Mclean 71CFE638662E411... _____ DATED: August 27, 2026

DEPUTY

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

EXHIBIT A
TO CONTRACT FOR PROVISION OF
INPATIENT BEHAVIORAL HEALTH SERVICES
BETWEEN
COUNTY OF ORANGE
AND
[PROVIDER]
NOVEMBER 1, 2026 THROUGH JUNE 30, 2029

I. COMMON TERMS AND DEFINITIONS

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

A. Acute Day means those days authorized by ADMINISTRATOR's designated Utilization Management Unit when the Client meets medical necessity criteria set forth in Title 9 of the California Code of Regulations (CCR), section 1820.205.

B. Administrative Day means those days authorized by ADMINISTRATOR's designated Utilization Management Unit when the Client no longer meets medical necessity criteria for acute psychiatric hospital services but has not yet been accepted for placement at a non-acute licensed residential treatment facility in a reasonable geographic area.

C. ADL means Activities of Daily Living and refers to diet, personal hygiene, clothing care, grooming, money and household management, personal safety, symptom monitoring, etc.

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

E. ASO means Administrative Services Organization and refers to administrative and mental health services components that include maintenance of a contract provider network including credentialing and contracting, adjudication of provider claims for outpatient and inpatient specialty mental health services, the operation of a 24-hour telephone access and authorization line, and concurrent review for the authorization of acute psychiatric inpatient hospital services for Orange County Medi-Cal beneficiaries.

F. Client Day means one (1) calendar day during which CONTRACTOR provides all of the services described hereunder, including the day of admission and excluding the day of discharge. If admission and discharge occur on the same day, one (1) client day shall be charged.

G. Client or Consumer means an individual, referred by COUNTY or enrolled in CONTRACTOR's program for services under the Contract, who is dealing with a behavioral health disorder.

H. CSU means Crisis Stabilization Unit and refers to a psychiatric crisis stabilization program that operates twenty-four (24) hours a day that serves Orange County residents aged thirteen (13) and older who are experiencing a psychiatric crisis and need immediate evaluation. Individuals receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to the appropriate level of continuing

care. As a designated outpatient facility, the CSU may evaluate and treat individuals for no longer than twenty-three (23) hours and fifty-nine (59) minutes.

I. Diagnosis means the definition of the nature of the Client's disorder. When formulating the diagnosis of Client, CONTRACTOR shall use the diagnostic codes as specified in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and/or ICD published by the American Psychiatric Association.

J. DSM means Diagnostic and Statistical Manual of Mental Disorders and refers to the Publication by the American Psychiatric Association that is used as a guide in the diagnosis of behavioral health disorders.

K. ECT means Electro Convulsive Therapy and refers to a psychiatric treatment in which seizures are electrically induced in anesthetized patients for therapeutic effect.

L. Engagement means the process where a trusting relationship is developed over a short period of time with the goal to link the individual(s) to appropriate services within the community. Engagement is the objective of a successful outreach.

M. Face-to-Face means an encounter between the individual/parent/guardian and provider where they are both physically present. This does not include contact by phone, email, etc., except for Telepsychiatry provided in a manner that meets COUNTY protocols.

N. Health Care Services means any preventive, diagnostic, treatment, or support services, including professional services, which may be medically necessary to protect life, prevent significant disability, and/or treat diseases, illnesses, or injuries in order to prevent a serious deterioration of health.

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

P. Hospital Based Ancillary Services means services which include but are not limited to ECT, Transcranial Magnetic Stimulation (TMS), and Magnetic Resonance Imaging (MRI). Other ancillary services include: the use of facilities; laboratory, medical and social services furnished by CONTRACTOR including drugs such as take-home drugs, biologicals, supplies, appliances and equipment; nursing, pharmacy and dietary services; and supportive and administrative services required to provide Psychiatric Inpatient Hospital Services. Ancillary services do not include physician or psychologist services.

Q. IRIS means Integrated Records Information System and refers to ADMINISTRATOR's database system and refers to a collection of applications and databases that serve the needs of programs within Orange County and includes functionality such as registration and scheduling, laboratory information system, billing and reporting capabilities, compliance with regulatory requirements, electronic medical records, and other relevant applications.

R. ITP means Individualized Treatment Plan for each Client. All psychiatric, psychological, and social services must be compatible with the ITP.

S. LPS Act means Lanterman Petris-Short Act and refers to the Act that went into effect July 1, 1972 in California. The Act in effect ended all hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for involuntary detentions. (Cal. Welf & Inst. Code, sec. 5000 et seq.) provides guidelines for handling involuntary civil commitment to a mental health institution in the State of California. The expanded definition for the term Grave Disability will be implemented by Orange County effective January 1, 2026.

T. LCSW means Licensed Clinical Social Worker and refers to a licensed individual, pursuant to the provisions of Chapter 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

U. LMFT means Licensed Marriage Family Therapist and refers to a licensed individual, pursuant to the provisions of Chapter 13 and 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

V. LPCC means Licensed Professional Clinical Counselor and refers to a licensed individual, pursuant to the provisions of Chapter 13 and 16 of the California Business and Professions Code, who can provide clinical service to individuals they serve. The license must be current and in force and not suspended or revoked.

W. LPT means Licensed Psychiatric Technician and refers to a licensed individual, pursuant to the provisions of Chapter 10 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

X. Licensed Psychologist means an individual who meets the minimum professional and licensure requirements set forth in CCR, Title 9, Section 624; they are a licensed individual, pursuant to the provisions of Chapter 6.6 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

Y. LVN means Licensed Vocational Nurse and refers to a licensed individual, pursuant to the provisions of Chapter 6.5 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

Z. Live Scan means an inkless, electronic fingerprint which is transmitted directly to the Department of Justice (DOJ) for the completion of a criminal record check, typically required of employees who have direct contact with the individuals served.

AA. LTC means Long Term Care and refers to COUNTY department that reviews referrals for placement in COUNTY-contracted long term care facilities.

AB. Medi-Cal means the State of California's implementation of the federal Medicaid health care

program which pays for a variety of medical services for children and adults who meet eligibility criteria.

AC. Medical Necessity means the requirements as defined in the BHP Medical Necessity for Medi-Cal reimbursed Specialty Mental Health Services that includes diagnosis, impairment criteria and intervention related criteria. Meeting medical necessity for acute psychiatric inpatient hospital services includes having an included DSM/ICD diagnosis; the Client cannot be safely treated at a lower level of care; and the Client requires psychiatric inpatient hospital services, as a result of a mental disorder, due to symptoms or behaviors that represent a current danger to self or others, or significant property destruction; and/or as a result of a mental health disorder, severe substance use disorder, or a co-occurring mental health disorder and severe substance use disorder, is at risk for serious harm or currently experiencing serious harm as a result of being unable to provide for their basic needs of food, clothing, shelter, personal safety or necessary medical care.

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

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

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

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

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

AE. BHSA means Behavioral Health Services Act and refers to the voter-approved initiative that aims to transform the state's behavioral health system by addressing gaps in care for vulnerable populations, particularly those with significant mental health and substance use needs. It is also known as "Proposition 1."

//

AF. MORS means Milestones of Recovery Scale and refers to a Recovery scale that COUNTY uses in Adult Mental Health programs. The scale assigns Clients to their appropriate level of care and replaces diagnostic and acuity of illness-based tools.

AG. Outreach means linking individuals to appropriate Mental Health Services within the community. Outreach activities will include educating the community about the services offered and requirements for participation in the various mental health programs within the community. Such activities will result in CONTRACTOR developing their own Referral sources for programs being offered within the community.

AH. Peer Support Specialist means an individual in a paid position who has been through the same or similar Recovery process as those being assisted to attain their recovery goals. A Peer Support Specialist's practice is informed by personal experience. These individuals may also have certification to bill MediCal.

AI. UOS means units of service and refers to one (1) calendar day during which CONTRACTOR provides all of the Inpatient Behavioral Health Services described hereunder, with the day beginning at twelve o'clock midnight. The number of billable UOS shall include the day of admission and exclude the day of discharge unless admission and discharge occur on the same day, then one (1) day shall be charged.

AJ. Psychiatric Inpatient Hospital Services means services, including ancillary services, provided in an acute care hospital for the care and treatment of an acute episode of mental disorder.

AK. Program Director means an individual who is responsible for all aspects of administration and clinical operations of the behavioral health program, including development and adherence to the annual budget. This individual also is responsible for the following: hiring, development and performance management of professional and support staff, and ensuring mental health treatment services are provided in concert with COUNTY and state rules and regulations.

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

AM. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623, and, preferably, has at least one (1) year of experience treating children, clients 12-15 years old, and Transitional Age Youth (TAY), clients 16–25 years old.

AN. QIC means Quality Improvement Committee and refers to a committee that meets quarterly to review one percent (1%) of all "high-risk" Medi-Cal recipients in order to monitor and evaluate the quality and appropriateness of services provided. At a minimum, the QIC is comprised of one (1) ADMINISTRATOR, one (1) clinician, and one (1) physician who are not involved in the clinical care of the cases.

AO. Referral means effectively linking individuals to other services within the community and documenting follow-up provided within five (5) business days to assure that individuals have made contact with the referred service(s).

AP. RN means Registered Nurse and refers to a licensed individual, pursuant to the provisions of Chapter 6 of the California Business and Professions Code, who can provide clinical services to the individuals served. The license must be current and in force and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY or the population being served.

AQ. SED means Seriously Emotionally Disturbed and refers to children or adolescent minors under the age of eighteen (18) years who have a behavioral health disorder, as identified in the most recent edition of the DSM and/or the ICD 10, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. W&I 5600.3.

AR. SPMI means Serious Persistent Mental Impairment and refers to an adult with a behavioral health disorder that is severe in degree and persistent in duration, which may cause behavioral functioning that interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. W&I 5600.3.

AS. Supervisory Review means ongoing clinical case reviews in accordance with procedures developed by ADMINISTRATOR, to determine the appropriateness of Diagnosis and treatment and to monitor compliance to the minimum ADMINISTRATOR and Medi-Cal charting standards. Supervisory review is conducted by the program/clinic director or designee.

AT. UMDAP means the Uniform Method of Determining Ability to Pay and refers to the method used for determining an individual's annual liability for Mental Health Services received from COUNTY's mental health system and is set by the State of California.

AU. WRAP means Wellness Action & Recovery Plan and refers to a self-help technique for monitoring and responding to symptoms to achieve the highest possible levels of wellness, stability, and quality of life.

AV. NPI means National Provider Identification and refers to the standard unique health identifier that was adopted by the Secretary of Health and Human Services (HHS) under Health Insurance Portability and Accountability Act (HIPAA) for health care providers.

AW. NPP means Notice of Privacy Practices and refers to the document that notifies individuals of uses and disclosures of Protected Health Information (PHI) that may be made by or on behalf of the health plan or health care provided as set forth in HIPAA.

AX. Serious Medical Conditions means conditions that require urgent health care services, defined as any preventive, diagnostic, treatment, or supportive services, including professional services, which may be medically necessary to protect life, present significant disability, and/or treat diseases,

illnesses, or injuries in order to prevent serious deterioration of health.

AY. SNF means Skilled Nursing Facility and refers to a facility that provides twenty-four (24) hour/day skilled nursing care and supervision.

AZ. TMS means Transcranial Magnetic Stimulation and refers to the noninvasive procedure that uses magnetic fields to stimulate never cells in the brain for the treatment of depression, obsessive compulsive disorder, and other approved behavioral health conditions.

BA MAT means Medication Assisted Treatment and is a treatment strategy that combines FDA-approved medications opioid-dependent and alcohol-dependent patients recover and maintain healthy lives.

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

II . PATIENT'S RIGHTS

A. CONTRACTOR shall comply with all Patients' Rights requirements as outlined in the Welfare & Institutions Code, California Code of Regulations Title 9, and County of Orange LPS Criteria for Designated Facilities.

B. CONTRACTOR shall post the current California Department of Health Care Services Patients' Rights poster as well as the Orange County HCA Mental Health Plan Complaint and Grievance poster in all Orange County threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients.

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

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

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

D. Complaint Resolution and Grievance Process – ADMINISTRATOR shall implement complaint and grievance procedures that shall include the following components:

1. Complaint Resolution. This process will specifically address and attempt to resolve Client complaints and concerns at CONTRACTOR's facility. Examples of such complaints may include dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant. CONTRACTOR shall maintain and make available a log of these informal complaints to ADMINISTRATOR or County Patient's Rights Advocacy Services (PRAS). If a complaint is resolved at CONTRACTOR's facility level, Clients still have the right to file a formal grievance with COUNTY or County PRAS.

2. Formal Grievance. The Client, or client family member or designee, has the right to file a

formal grievance via County Grievance Forms available on the unit. This includes new grievances or complaints, as well as those informal complaints not resolved at CONTRACTOR's facility level. County Grievance forms are mailed to HCA Behavioral Health Services (BHS) Quality Management Services (QMS) and represents the first step in the formal grievance process. CONTRACTOR shall maintain and make available a log of these formal complaints to ADMINISTRATOR or County PRAS.

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

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

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

G. CONTRACTOR shall work collaboratively with County PRAS, including providing timely access to medical records and access to Clients and unit.

H. CONTRACTOR shall notify PRAS of all admissions of minors within 24 hours of admission.

I. CONTRACTOR AND ADMINISTRATOR may mutually agree, in writing, to modify the Patient's Rights Paragraph of this Exhibit A to the Contract.

III . PAYMENTS

A. CONTRACTOR shall be reimbursed by DHCS and/or HCA using the all-inclusive rates per client day for acute Psychiatric Inpatient Hospital Services based on accommodation codes and age groups listed below. The negotiated rate must not exceed either the hospital's usual and customary charge, or the maximum per-diem rate determined by DHCS using the most current settled or audited Centers for Medicare & Medicaid Services (CMS) 2552 cost report using CMS Market Basket Index for inpatient psychiatric facilities.

//

//

//

//

//

//

//

//

//

ACCOMMODATION CODE	DESCRIPTION OF FACILITY	RATE PERIOD ONE 11/1/2026-6/30/2027	RATE PERIOD TWO 7/1/2027-6/30/2028	RATE PERIOD THREE 7/1/2028-6/30/2029	PAY SOURCE
114	Acute Psychiatric Hospital: Adolescent/Child & Adult Psychiatric	$1805.00	$1805.00	$1805.00	DHCS
124	Acute Psychiatric Hospital: Adolescent/Child & Adult Psychiatric	$1523.00	$1523.00	$1523.00	DHCS
134	Acute Psychiatric Hospital: *Adolescent/Child & **Adult Psychiatric	$1459.00	$1459.00	$1459.00	DHCS
154	Acute Psychiatric Hospital: Adolescent/Child & Adult Psychiatric	$523.00	$523.00	$523.00	DHCS
204	Acute Psychiatric Hospital: Adolescent/Child & Adult Psychiatric	$1306.00	$1306.00	$1306.00	DHCS
114-204	Acute Day Adult Psychiatric Ages 21 through 64 years (IMD Exclusion Population)	$1523	$1523	$1523	HCA
LERKE CLIENTS	Acute Psychiatric Hospital: 1:1 Service Observation	$840	$840	$840	HCA

1. The rate for Accommodation Code 169 is established and adjusted by DHCS.

2. The number of billable Units of Service shall include the day of admission and exclude the day of discharge. If admission and discharge occur on the same day, the day of admission shall be

charged.

3. The Bed Day Rates stated above do not include ECT or MRI Services. The rates for ECT and MRI Services shall apply only for the day(s) in which the Client received an approved ECT or MRI and shall be reimbursed by the Client's Managed Care Plan. CONTRACTOR must obtain prior approval from ADMINISTRATOR and Client's Managed Care Plan to perform the ECT or MRI in order to be reimbursed.

4. For MediCal Beneficiaries, ages 12 – 20 years old, or 65 years and older:

a. DHCS may reimburse Administrative Days for dates in which documentation does not meet requirements for Acute Day reimbursement, contingent upon CONTRACTOR documentation of services that qualify for Administrative Day reimbursement.

b. Bed Day Rates do not include physician or psychologist services rendered to Clients, or transportation services required in providing Psychiatric Inpatient Hospital services. These services shall be billed separately from the above per diem rate for Psychiatric Inpatient Hospital Services as follows:

1) When Medi-Cal eligible mental health services are provided by a psychiatrist or psychologist, such services shall be billed to COUNTY's ASO. Prior authorization and notification are not required prior to providing these services.

2) When Medi-Cal eligible medical services are provided by a physician, such services shall be billed to the designated Managed Care Plan, depending on the Client's health coverage benefit. Prior authorization and notification may be required prior to providing these services; such authorization and notification is the responsibility of CONTRACTOR.

3) When Medi-Cal eligible transportation services are provided, such services shall be billed to the designated Managed Care Plan, depending on the Client's health coverage benefit. Prior authorization and notification may be required prior to providing these services; such authorization and notification is the responsibility of CONTRACTOR.

B. BILLING PROCEDURES

1. CONTRACTOR must obtain an NPI.

2. CONTRACTOR shall invoice DHCS for each client day, authorized by the ASO during the concurrent review process, and approved by ADMINISTRATOR, for each Client who meets notification, admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 AM in CONTRACTOR's facility. CONTRACTOR may invoice DHCS if the Client is admitted and discharged during the same day; provided, however, that such admission and discharge is not within twenty-four (24) hours of a prior discharge.

3. CONTRACTOR shall determine that Psychiatric Inpatient Hospital services provided pursuant to the Contract are not covered, in whole or in part, under any other state or federal medical care program or under any other contractual or legal entitlement including, but not limited to, a private group

indemnification or insurance program or Workers' Compensation Program. CONTRACTOR shall seek to be reimbursed by other coverage prior to seeking reimbursement by DHCS. DHCS's maximum obligation shall be reduced if other coverage is available.

4. CONTRACTOR shall submit claims to DHCS's fiscal intermediary, along with the approved Treatment Authorization Request (Form 18-3), for all services rendered pursuant to the Contract, in accordance with the applicable invoice and billing requirements contained in WIC, Section 5778.

5. CONTRACTOR may appeal any denials from DHCS based on the guidelines of their DHCS's fiscal intermediary.

C. Acute Day Medical Necessity and Administrative Day Reimbursement Requirements

1. Acute Day Medical Necessity – for Medi-Cal reimbursement of psychiatric inpatient hospital services, the Client must meet medical necessity criteria set forth in Title 9 of the CCR, section 1820.205. Medical necessity criteria are applicable regardless of the legal status (voluntary or involuntary) of the Client. The Client must meet the following medical necessity criteria for admission to a hospital for psychiatric inpatient hospital services:

a. Have an included diagnosis;

b. Cannot be safely treated at a lower level of care, except that a Client who can be safely treated with crisis residential treatment services of psychiatric health facility services for an acute psychiatric episode shall be considered to have met this criterion; and

c. Requires psychiatric inpatient hospital services, as the result of a behavioral health disorder and/or a severe substance use disorder, due to one of the following:

1) Has symptoms or behaviors due to a mental disorder that (one of the following):

i. Represent a current danger to self or others, or significant property damage;

ii. Prevent the Client from providing for, or utilizing, food, clothing, or shelter;

iii. Present a severe risk to the Client's personal safety or necessary medical care;

iv. Represent a recent, significant deterioration in ability to function.

2) Require admission for one of the following:

i. Further psychiatric evaluation;

ii. Medication treatment;

iii. Other treatment that can be reasonably provided only if the Client is hospitalized.

2. Continued Stay Acute Medical Necessity includes:

a. Continued presence of indications that meet the medical necessity criteria outlined above;

b. Serious adverse reaction to medications, procedures, or therapies requiring continued hospitalization;

c. Presence of new indications that meet medical necessity criteria;

d. Need for continued medical evaluation or treatment that can only be provided if the Client remains in the hospital; and

e. If ADMINISTRATOR does not approve CONTRACTOR's request for extended treatment, CONTRACTOR shall be responsible for effecting the appropriate transfer and/or discharge of COUNTY Client. In any case, if CONTRACTOR elects to provide inpatient treatment without the express authorization of ADMINISTRATOR, CONTRACTOR shall assume responsibility for the cost of such treatment.

3. COUNTY's Director of Behavioral Health Services or designee may determine a COUNTY Client no longer meets the above criteria and request that CONTRACTOR discharge COUNTY Client to a facility appropriate for COUNTY Client's treatment requirements.

4. Administrative Day Reimbursement Requirements – a Client no longer meets medical necessity criteria for acute psychiatric hospital services but has not yet been accepted for placement at a non-acute licensed residential treatment facility in a reasonable geographic area. For reimbursement for administrative day service claims, CONTRACTOR shall document the following in the Client's medical record:

a. Having made at least one contact to a non-acute licensed residential treatment facility per day (except weekends and holidays) or person or agency responsible for placement, starting with the day the Client was placed on administrative day status.

b. Once five (5) contacts have been made and documented, any remaining days within the seven-consecutive-day period from the day the Client is placed on administrative day status can be authorized.

c. CONTRACTOR must continue to document contacts with appropriate placement facilities until the Client is discharged. Contacts shall be documented by a brief description of the placement facilities reported bed availability status, reason for denial if applicable, and the signature of the person making the contact.

d. If Client is being referred to a Long Term Care Facility, CONTRACTOR must make contact with ADMINISTRATOR's LTC Unit weekly and document these contacts to meet administrative day reimbursement.

e. Documented placement efforts must be submitted to ADMINISTRATOR's third-party ASO for review and approval.

f. ADMINISTRATOR shall monitor the Client's status, appropriateness of the facilities being contacted for referral, and/or the Client's chart to determine if the Client's status has changed.

D. MediCal Beneficiaries Billing for ages 21 – 64 years old (IMD Exclusion Population):

1. COUNTY shall pay CONTRACTOR, at the Bed Day Rates listed above, provided that the total of all payments to CONTRACTOR shall not exceed COUNTY's Total Amount Not to Exceed for each contract Period as specified in the Referenced Contract Provisions of the Contract.

2. HCA may reimburse Administrative Days for dates in which documentation does not meet requirements for Acute Day reimbursement, contingent upon CONTRACTOR documentation of services that qualify for Administrative Day reimbursement.

3. Bed Day Rates are inclusive of all Psychiatric Inpatient Hospital Services as defined in this Exhibit A to the Contract and shall constitute payment in full for these services, including those for physician or psychologist services rendered to Clients.

4. CONTRACTOR shall invoice HCA for each client day, approved by HCA, for each Client who meets notification, admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and, except for day of admission, occupies a psychiatric inpatient hospital bed at 12:00 AM in CONTRACTOR's facility for each client day charged. CONTRACTOR may invoice HCA if the Client is admitted and discharged during the same day; provided, however, that such admission and discharge is not within twenty-four (24) hours of a prior discharge.

a. CONTRACTOR shall bill ADMINISTRATOR at the rate of $1523.00 per bed day for Clients admitted between the ages of 21 and 64 years of age that meet the medical necessity for acute inpatient hospital services and who also meet the criteria approved by DHCS and the guidelines under Title 9, Chapter 11, Section 1820.202. The total of all payments to CONTRACTOR and all other contract providers under this Master Contract shall not exceed COUNTY's Aggregate Amount Not To Exceed for Period One, Period Two and Period Three as specified in the Referenced Contract Provisions of the Contract.

b. CONTRACTOR shall bill ADMINISTRATOR at the rate of $840.00 per bed day, when a Lerke Client, who has been referred by the ADMINISTRATOR, requires one on one observation due to aggressive behaviors, provided, however, the total of all payments to CONTRACTOR and all other contract providers under this Master Contract shall not exceed COUNTY's Aggregate Amount Not To Exceed for Period One, Period Two and Period Three as specified in the Referenced Contract Provisions of the Contract.

5. CONTRACTOR shall submit an invoice on a form approved or supplied by COUNTY and provide such information as required by ADMINISTRATOR. Invoices are due the tenth (10th) day of the following month. Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of a correctly completed invoice.

6. Upon receipt of a correctly completed billing form and all required supporting documentation, ADMINISTRATOR shall:

a. Approve and process the invoice once reconciled against applicable Concurrent Review authorizations for medical necessity criteria for the requested reimbursement period, as well as ensure a Treatment Authorization Request (TAR) has been completed and processed.

b. Deny the claim if Concurrent Review and/or TAR are not present for the requested reimbursement period.

E. OVERPAYMENTS

1. CONTRACTOR agrees that DHCS or HCA may recoup any such overpayment by withholding the amount owed to DHCS or HCA from future payments due CONTRACTOR, in the event

that an audit or review performed by ADMINISTRATOR, DHCS, the State Controller's Office, or any other authorized agency discloses that CONTRACTOR has been overpaid.

2. CONTRACTOR agrees that DHCS or HCA may recoup funds from prior year's overpayments, which occurred prior to the effective date of the Contract, by withholding the amount currently owed to CONTRACTOR by DHCS or HCA.

3. CONTRACTOR may appeal recoupments according to applicable procedural requirements of the regulations adopted pursuant to Welfare and Institutions Code Sections 5775, et seq. and 14680 and DHCS regulations and Provider Billing Manual with the following exceptions:

a. The recovery or recoupment shall commence sixty (60) calendar days after issuance of account status or demand resulting from an audit or review and shall not be deferred by the filing of a request for an appeal according to the applicable regulations.

b. CONTRACTOR's liability to COUNTY for any amount recovered shall be as described in the applicable regulations.

c. Customary Charges Limitation – DHCS's obligation to CONTRACTOR shall not exceed CONTRACTOR's total customary charges for like services during each hospital fiscal year or portion thereof in which the Contract is in effect. DHCS may recoup any portion of the total payments to CONTRACTOR which are in excess of CONTRACTOR's total customary charges.

F. CONTRACTOR shall notify ADMINISTRATOR, prior to 12:00 PM Monday through Friday, excluding holidays, of the daily census of all Clients in which reimbursement for Psychiatric Inpatient Hospital Services will be requested. The census report following a weekend and/or holiday shall include any admissions made during that time.

1. CONTRACTOR shall notify ADMINISTRATOR of any Client discharge within twenty-four (24) hours of the Client's discharge, excluding weekends and holidays. CONTRACTOR shall include the client's name, discharge date, discharge placement and placement phone number. CONTRACTOR shall inform COUNTY of where the Client has been referred for continuing treatment, along with the facility's phone number, contact person and the Client's first appointment time and date.

2. Public Guardian Notification: CONTRACTOR must notify Public Guardians' office immediately, 24 hours a day/7-days per week/365 days per year, at Main Line (714) 567-7600 or After Hours Line (714) 628-7000, of changes in placement, emergencies, or changes of the Client's condition, for any publicly conserved Client, in addition to notifying OC HCA contract monitor.

3. CONTRACTOR shall notify the Regional Center Service Coordinator and Nurse Consultant of a Regional Center Client's admission within twenty-four (24) hours of admission or within twenty-four (24) hours of identifying that a Client is a Regional Center client.

4. CONTRACTOR shall notify both the Client's Regional Center Service Coordinator and one of the Regional Center Nurse Consultants of the intent to seek their placement services. Such notification must occur on or before the date for which CONTRACTOR intends to seek Administrative Day reimbursement. CONTRACTOR may seek reimbursement from Regional Center for all Administrative

Days after the first three (3) Administrative Days.

5. CONTRACTOR shall notify ADMINISTRATOR within twenty-four (24) hours of admission of all Clients served under this Contract, who are admitted, regardless of legal status.

6. CONTRACTOR shall notify ADMINISTRATOR on the day that the other health insurance benefit has been exhausted, or the day the other health insurance benefit is known to be denied, if the Client has other health insurance coverage in addition to Medi-Cal, and CONTRACTOR intends to seek Medi-Cal reimbursement for all or a portion of the hospital stay.

G. CONCURRENT REVIEW

1. CONTRACTOR shall comply with concurrent Review Policies and Procedures per DHCS Information Notices 19-026, DHCS Information Notice 22-017, and any future letters from DHCS outlining updates to this process, including:

a. CONTRACTOR shall notify ADMINISTRATOR's third-party ASO for concurrent review and authorization of services within twenty-four (24) hours of Client admission.

b. CONTRACTOR shall participate in initial, concurrent, and discharge review with ADMINISTRATOR's third-party ASO to determine medical necessity criteria for authorization of services, for the entire duration of the client's admission.

H. TAR Process

1. CONTRACTOR shall submit the TAR, through the Chorus platform, for authorization of payment for Psychiatric Inpatient Hospital services to ADMINISTRATOR no later than fourteen (14) calendar days after:

a. Ninety-nine (99) calendar days of continuous service to a Client; and/or

b. Discharge.

2. CONTRACTOR shall resubmit the TAR and any additional information requested, no later than sixty (60) calendar days from the date of the deferral letter, in the event ADMINISTRATOR defers the MHIS TAR back to CONTRACTOR to obtain further information.

3. Should ADMINISTRATOR deny CONTRACTOR's request for reimbursement, CONTRACTOR may appeal ADMINISTRATOR's decision by sending a cover letter with an explanation of CONTRACTOR's disagreement to ADMINISTRATOR within ninety (90) calendar days of receiving the TAR denial.

4. ADMINISTRATOR shall submit to CONTRACTOR a written summary of the review and rationale for each decision within sixty (60) calendar days of receiving the letter of appeal.

5. In the event that the appeal is overturned, ADMINISTRATOR shall coordinate with CONTRACTOR regarding the submission of an adjusted invoice.

6 In the event the First Level Appeal is denied by ADMINISTRATOR, for clients aged 21 and younger or 65 and older, CONTRACTOR may continue to the Second-Level Appeals process by writing directly to DHCS, within thirty (30) calendar days of ADMINISTRATOR's decision.

7. If provider disagrees with DHCS' appeal decision, the provider has thirty (30) calendars days

to file a formal appeal with the Office of Administrative Hearings.

8. If the First Level Appeal is denied by ADMINISTRATOR, for clients aged 22-64, the decision of the ADMINISTRATOR shall be final.

I. If Health Care Services are provided to any COUNTY Client who does not have medical insurance coverage, hospital providers may submit a claim to COUNTY's Medical Safety Net (MSN) program. MSN provides for services that are medically necessary to protect life, prevent significant disability, or prevent the serious deterioration of health. The Medical Safety Net Program does not provide comprehensive health coverage, primary, or preventive care. Claims may be submitted under the following scenarios:

1. The Client must be currently eligible for MSN and the service may have to be prior approved by the MSN Authorizations Department.

2. If clinically appropriate, the Client must be transferred to an acute medical bed should the Client need treatment related to a medical service that is covered under the scope of the MSN program.

3. If the Client needs ancillary services related to a medical condition while housed in the psychiatric unit, MSN may cover the service.

J. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provision of the Contract.

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

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

IV . REPORTS

A. CONTRACTOR shall maintain records and make statistical reports as required by ADMINISTRATOR using forms provided by COUNTY.

B. CONTRACTOR is required to comply with all applicable reporting requirements, including the requirements set forth in Division 5 of the California Welfare Institutions Code and Division 1, Title 9 of the California Code of Regulations, as well as any reports required of LPS designated facilities in the County of Orange.

C. CONTRACTOR shall provide ADMINISTRATOR a monthly Programmatic Report and Performance Outcomes Measures with the outcome objectives tracked for COUNTY Clients, outlined in the Services paragraph under Performance Objectives of this Exhibit A-1. Monthly reports are due no later than the 20th of the month following the reporting period.

D. CONTRACTOR shall provide ADMINISTRATOR a daily report of all new admissions.

E. ADMINISTRATOR may request additional reports of CONTRACTOR in order to determine the quality and nature of services provided hereunder. ADMINISTRATOR will be specific as to the nature of information requested and may allow up to thirty (30) calendar days for CONTRACTOR

to respond.

F. UNUSUAL or ADVERSE INCIDENT REPORTING

1. CONTRACTOR shall advise ADMINISTRATOR of any special incidents, conditions, or issue that materially or adversely affect the quality or accessibility of services provided by, or under contract with, COUNTY.

2. CONTRACTOR shall document and report to ADMINISTRATOR all adverse incidents affecting the physical and/or emotional welfare of Clients seen, including, but not limited to, serious physical harm to self or others, client being sent out of the psychiatric unit for more than 24-hours for medical care, any sentinel event, serious destruction of property, developments, etc., and which may raise liability issues with COUNTY.

3. CONTRACTOR shall notify COUNTY within twenty-four (24) hours of any such serious adverse incident.

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

V. SERVICES

A. FACILITY – CONTRACTOR shall provide Inpatient Behavioral Health Services at the following Medi-Cal Certified and LPS Designated facility in Orange County, California:

[PROVIDER]
Address
City, State, Zip Code

1. This Facility must be licensed by the California Department of Public Health (CDPH) as an acute care hospital as defined in Health & Safety Code Section 1250(a) or as an acute psychiatric hospital as defined in Section 1250(b).

2. This Facility shall be certified for participation under 42 CFR Part 482. If not certified, Facility must hold accreditation from a nationally recognized accrediting body and meet all applicable State licensure and/or accreditation requirements.

3. Facility shall meet all quality standards required by County, State, and Federal entities.

4. CONTRACTOR shall maintain capacity to participate in statewide tracking of inpatient and crisis stabilization bed availability in accordance with State and Federal Health IT (HIT) Plan standards/regulations upon DHCS launch of a bed capacity data solution.

5. CONTRACTOR shall Comply with Electronic Notification requirements under 42 CFR 482.61(f), as specified in the CMS Interoperability and Patient Access Final Rule.

6. CONTRACTOR shall maintain effective Information Systems, including use of an Electronic Medical Record (EMR), Health Information Exchange (HIE), and data exchange capabilities to support

care coordination and compliance with performance measures as determined by HEDIS (Healthcare Effectiveness Data and Information Set) and NCQA (National Committee for Quality Assurance).

7. CONTRACTOR shall allow facility access, as requested, to County Contract Monitors and Patient Rights Advocates to conduct chart reviews and meet with Clients and staff.

8. This Facility must be designated by the Orange County Board of Supervisors and approved by the California Department of Health Care Services (DHCS) as a Lanterman-Petris-Short (LPS) facility for 72-hour treatment and evaluation pursuant to Welfare & Institutions Code Section 5150 and 5585; CONTRACTOR shall comply with all LPS Designated Facility Criteria.

9. In addition to semi-private rooms, the Facility shall include, at a minimum, space for dining, group therapy and activities, a day room/visitor room and a seclusion room.

10. Provider must maintain all licensure and certification in compliance with state and federal regulations.

B. CLIENTS SERVED - CONTRACTOR shall provide acute behavioral health inpatient services within a locked psychiatric inpatient setting to Orange County Medi-Cal beneficiaries living with serious and persistent mental health issues, serious emotional disturbance and those who are experiencing a psychiatric crisis requiring immediate stabilization. These services are provided 24 hours a day, 7 days a week.

1. CONTRACTOR shall admit and serve all Clients referred by ADMINISTRATOR who meet ADMINISTRATOR's criteria for acute psychiatric hospitalization and who also meet the criteria approved by DHCS and the guidelines under Title 9, Chapter 11, Section 1820.205. This may include Clients with severe substance use disorders and/or co-morbid medical conditions. CONTRACTOR shall not refuse admissions of Clients if they meet all the admission criteria identified above.

2. TARGET POPULATION: Services shall be provided to Orange County residents, ages 12 through 17 years old living with a serious emotional disturbance or adults aged 18+ years living with a serious behavioral health disorder , who may have co-occurring medical or substance use disorders or a standalone severe substance use disorder and are experiencing a behavioral health crisis that requires this highly restrictive level of care to ensure the safety of themselves and/or others. These individuals may be deemed dangerous to themselves and/or others, or gravely disabled, and come from all areas of Orange County.

3. Referrals from COUNTY and COUNTY-Contracted Crisis Stabilization Units will be prioritized for admission.

C. BEHAVIORAL HEALTH INPATIENT SERVICES TO BE PROVIDED

1. CONTRACTOR's services shall be designed to engage seriously mentally ill adults and/or seriously emotionally disturbed youth, including those who are dually diagnosed, in partnership to achieve the individual's wellness and recovery goals. CONTRACTOR shall provide services in collaboration with COUNTY's Director of Behavioral Health, or designee.

a. CONTRACTOR may request information and records from the Behavioral Health Plan

(BHP) needed to determine the appropriate length of stay for Client. CONTRACTOR shall exchange relevant clinical information for the purposes of concurrent review and discharge planning and aftercare support for continuity of care for all Clients.

2. CONTRACTOR shall provide Inpatient Behavioral Health Services in the same manner to Medi-Cal Clients as it provides to all other Clients and not discriminate against Medi-Cal Clients in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

3. CONTRACTOR services shall be person-centered, recovery-oriented, non-coercive, trauma-informed, medically necessary, co-occurring capable and time-limited to achieve psychiatric stabilization sufficient for discharge or transfer to a lower level of care.

4 CONTRACTOR shall utilize a standardized assessment tool approved by the Behavioral Health Plan (BHP) to determine appropriate level of care and length of stay, used in conjunction with the concurrent review process.

5. CONTRACTOR shall screen for comorbid physical health conditions, SUD and suicidal ideation and demonstrate capacity to address comorbid needs during short-term stay via on-site staff, telemedicine, and/or partnerships with local physical health providers.

6. CONTRACTOR shall engage in pre-discharge planning by implementing extensive pre-discharge planning using the Model Care Coordination Plan or an equivalent tool containing the same requirements.

7. Continuing Care and Coordination: Provide continuing care planning and coordinate behavioral health services, including: Admission, discharge, and transfer notifications from acute care hospitals, psychiatric hospitals, state hospitals, and skilled nursing facilities; Data sharing among Medi-Cal Partners, including BHPs and MCPs and; Service coordination with all applicable providers regardless of Medi-Cal participation.

8. CONTRACTOR shall provide psychiatric inpatient hospital services in accordance with Welfare and Institutions Code (WIC), Sections 5774, et seq. and 14680, et seq., and Title 9 of the California Code of Regulations (CCR), which shall include, but not be limited to psychiatric, ancillary, testimonial, medical, and additional services required of acute psychiatric hospitals. Further clarification of these services are outlined below.

D. PSYCHIATRIC SERVICES - CONTRACTOR shall provide psychiatric treatment and support services in accordance with all applicable laws and regulations to all Clients, including but not limited to, the following services:

1. Psychiatric evaluation, within twenty-four (24) hours of admission, by a licensed psychiatrist which shall include a psychiatric history, diagnosis, and evaluation in accordance with the current version of the DSM/ICD. The initial psychiatric evaluation may be prepared by a Psychiatric Nurse Practitioner, and include a psychiatric history, diagnosis, and be completed in accordance with the current DSM/ICD-10. The initial psychiatric evaluation must be completed face to face and signed with an attestation by

the licensed psychiatrist that they interviewed the Client and verified all information within the evaluation for the certification of medical necessity of acute psychiatric inpatient hospital services.

2. On-Call psychiatrist coverage twenty-four (24) hours per day, seven (7) days per week with the ability to be on-site within 30 minutes.

3. Assessment and re-assessment for voluntary and involuntary treatment.

4. Daily progress notes on all Clients by the Psychiatrist or a Nurse Practitioner working under the supervision of a psychiatrist as evidenced by psychiatrists countersigning the progress note(s).

5. Psycho-social assessment shall be completed within 48 hours of admission by a Licensed or licensed waivered Practitioner of the Healing Arts (LPHA).

6. Provide psychological services as clinically indicated.

7. Psychometrics upon admission to establish clinical baseline, inform treatment decision-making, and support evidence-based practices.

8. Medical history and physical examination of each Client within twenty-four (24) hours of admission. CONTRACTOR shall document coordination of care with the Managed Care Plan (MCP) and community-based providers.

9. Laboratory and diagnostic services as indicated throughout admission; this includes urine drug screens as applicable within the first twenty-four (24) hours of admission to assess underlying causes of the current crisis.

10. Initiation of an ITP of each new Client within twenty-four (24) hours of admission.

11. An ITP for each Client must be completed with signatures of the treatment team and the Client (or explanation of inability to obtain) within seventy-two (72) hours of admission. All psychiatric, psychological, and social services must be compatible with the ITP.

12. Psychiatric medication evaluation and monitoring, including ongoing laboratory testing as clinically necessary.

13. Medication for Addiction Treatment (MAT): CONTRACTOR shall initiate, continue, and link clients to continued MAT for substance use disorders as appropriate.

14. Nursing, Psychological, Therapeutic, and Social Services compatible with ITPs.

15. Capacity to treat stand alone severe substance use disorders or co-occurring substance use disorders based on either harm-reduction or abstinence-based models to wellness and recovery including Medication Assisted Treatment therapy. All facilities must be able to initiate, continue, and refer to ongoing Medication Assisted Treatments as approved by the FDA and/or updated requirements by DHCS.

16. Individual, group and collateral therapies, which include provision or supervision of family therapy sessions as indicated for youth; including but not limited to:

a. Appropriate one-on-one Client-to-staff counseling as appropriate to the diagnosis and ITP, or at least once per week, whichever is more frequent.

b. Documentation of Client's attendance/participation in collateral therapy including schedule of therapies, attendance log, and medical record progress notes.

c. Use of Evidence-Based Practices including but not limited to: motivational interviewing, solution-focused therapy, seeking safety, cognitive behavioral therapy, and/or Dialectical-Behavioral Therapy, to address the unique symptoms and behaviors presented by Clients in accordance to ITP goals.

d. Promote recovery in individual and group sessions. Group topics may include but not be limited to: building a wellness toolbox or resource, list, WRAP plans, symptom monitoring, identifying and coping with triggers, developing a crisis prevention plan, etc.; of Client's attendance/participation in collateral therapy including schedule of therapies, attendance log, and medical record progress notes.

17. Activities Therapy

18. Crisis Intervention

19. Education and supportive services, including psychoeducational support, to COUNTY clients and family/support networks and, for adolescents enrolled in school, coordination with schools and/or districts and families to support school re-entry.

20. Transportation Services as needed to support access to care.

21. Develop strategies to advance trauma-informed care and accommodate the vulnerabilities of trauma survivors.

22. Provide services in an environment which is compatible with and supportive of a recovery model. Services shall be delivered in the spirit of recovery and resiliency, tailored to the unique strengths of each Client. The focus will be on personal responsibility for behavioral health disorder management and independence, which fosters empowerment, hope, and an expectation of recovery from behavioral health issues. Recovery oriented language and principles shall be evident and incorporated in CONTRACTOR's policies, program design and space, and practice.

23. Collaborate with Peer Mentors, as available, to provide direct support, education, and advocacy, as well as resource and linkage assistance to Clients.

a. CONTRACTOR shall sustain a culture that supports and/or employs Peer Recovery Specialist/Counselors in providing supportive socialization for Clients that will assist in their recovery, self-sufficiency and in seeking meaningful life activities and relationships. Peers shall be encouraged to share their stories of recovery as much as possible to infiltrate the milieu with the notion that recovery is possible.

24. Weekly Interdisciplinary Treatment Team meetings for each COUNTY Client. Weekly Interdisciplinary Treatment Team meetings shall include the OC HCA Contract Monitor.

25. Additional laboratory and diagnostic services when necessary for the initiation and monitoring of psychiatric medication treatments.

26. Services will involve families, significant others, or natural support systems throughout the duration of the treatment episode and discharge planning process.

27. Provide all necessary substance use disorder treatment services for Clients who are living with a severe substance use disorder or co-occurring substance use disorder problem in addition to their behavioral health issues as appropriate.

28. CONTRACTOR's hospital psychiatrist and social worker/case manager shall consult with parent/legal guardian for minor Clients who are living with parents/legal guardian, SSA for dependents, and Probation for Wards of the Court during the hospital stay.

29. Supervision or provision of family therapy sessions if indicated, which shall be at least thirty (30) minutes in duration. Family therapy shall be provided two times per week if minor Client remains hospitalized more than three (3) days. At least one (1) family session shall be provided before discharge unless clinically contraindicated.

30. CONTRACTOR shall provide Court-Related Services to include preparing required court documents and provide expert witness testimony services, including but not limited to writs of habeas corpus, capacity hearings, conservatorship, probable cause hearings, court ordered evaluations, and appeal/post certification proceedings.

31. CONTRACTOR shall provide Juvenile Court Documentation which includes preparing documentation required by Juvenile Court to authorize psychotropic medication for youth under court jurisdiction (JV220).

32. CONTRACTOR shall demonstrate capacity to treat severe standalone SUD or cooccurring SUD using harm reduction or abstinence-based models, including MAT therapy. Facility must be able to initiate, continue, and refer for MAT as approved by the Food and Drug Administration (FDA) and/or updated DHCS requirements.

33. CONTRACTOR shall be familiar with County and community resources to support SUD treatment and recovery.

34. CONTRACTOR shall have services to include SUD therapies and ensure access to SUD experts.

E. DISCHARGE PLANNING - CONTRACTOR shall provide referral and linkage to behavioral health and substance use treatment providers and other support services prior to discharge. Discharge planning to Clients that includes but is not limited to continuing care planning and referral services. COUNTY shall provide such assistance, as COUNTY deems necessary, to assist CONTRACTOR's Social Services staff to initiate, develop and finalize discharge planning and necessary follow-up services. Discharge planning must begin upon admission and occur seven (7) days per week. Discharge planning and coordination of care services include, but are not limited to, the following:

1. Coordination with current outpatient providers and Client's family/guardians/conservator for continuity of treatment during Clients' admissions.

2. Referral and linkage to aftercare providers for continued treatment to address the Client's whole health, including primary care linkage, peer support, substance use treatment and HCA outpatient behavioral health services providers; Referrals must be documented in the Client's medical record.

3. CONTRACTOR shall arrange a specific date and time within twenty-four (24) business hours of discharge for an aftercare appointment with a COUNTY outpatient clinic.

4. CONTRACTOR shall fax or secure email to COUNTY outpatient clinic, at the time of

discharge, the Hospital Discharge Referral Form or the hospital's aftercare plan, the initial psychiatric evaluation, the history and physical examination report, recent lab studies, the current medication list, date any long acting injectable was provided and when the next injection is due and any medical consults.

a. ADMINISTRATOR may provide assistance to CONTRACTOR to initiate, develop and finalize discharge planning and necessary follow-up services on a case-by-case basis.

5. Discharge Planning to non-acute licensed residential treatment or Long-Term Care (LTC):

a. CONTRACTOR shall document in the Client's medical record for those Clients being referred to a SNF at discharge, at least five (5) SNF contacts daily, Monday through Friday, until the Client is either discharged or no longer requires a SNF level of care.

b. CONTRACTOR shall document in the Client's medical record, for those Clients awaiting LTC placement, contact with ADMINISTRATOR's LTC Unit at least once every seven (7) calendar days until the Client is either discharged or no longer requires LTC services. Contact may be made by fax, email, or direct telephone discussion with ADMINISTRATOR. If CONTRACTOR fails to document contact with ADMINISTRATOR within a seven (7) calendar day period, CONTRACTOR will be ineligible for Administrative Day reimbursement until next contact with ADMINISTRATOR.

c. CONTRACTOR shall make five (5) calls per week, Monday through Friday, excluding holidays, if the Client requires Board and Care placement, or until the Client is either discharged or no longer requires Board and Care placement. CONTRACTOR shall comply with P&Ps established by ADMINISTRATOR for placing Board and Care Clients.

6. Clients shall be discharged with seven (7) calendar days of medications. This includes psychiatric medications and other medications needed to treat concurrent medical conditions.

7. All discharges must be completed by a psychiatrist. Discharge documentation shall include discharge orders and discharge summary.

8. Provide each patient with an aftercare plan prior to discharge that includes, to the extent known: Nature of illness, required follow-up, and expected course of recovery; Medications, side effects, and dosage schedules; Notation that informed consent for medications was obtained; Confirmation that informed consent includes information on medication side effects; Expected course of recovery; Treatment recommendations relevant to the patient's care; Documented referrals to medical and behavioral health providers using a closed-loop referral process through a BHP-determined application or vendor.; and Housing assessment for members at risk of homelessness or returning to unsafe/unstable housing, with documented referrals to community-based housing providers using closed-loop/e-referrals when available.

9. Post-discharge Outreach: Contact members within 72 hours of discharge to ensure follow-up care is accessed, using the most effective means (e.g., email, text messaging, telephone). Report outcomes to County BHP via the closed-loop referral method designated by the plan.

10. Assertive Discharge Planning (Suicide Risk): Provide person-centered, tailored, participatory discharge planning for any member at risk of death by suicide, which may include: Immediate access to

structured clinical interventions within a stepdown level of care; Appointments with primary care or other medical follow-up; Arranged access to prescription medications; Family/support system engagement and psychoeducation; Peer support engagement; Vocational or educational support; Crisis response planning; Risk factor analysis and safety contracting; Strategies to address social determinants of health and Preferred methods for proactive outreach within the first hours or days post-discharge.

11. Be familiar with County and community resources to provide support and treatment for substance use disorders.

F. CONTRACTOR may continue to request extensions for treatment and authorization of services through the concurrent review process and, if approved, shall comply with providing updates and clinical justification for ongoing treatment as requested by ADMINISTRATOR or third-party contractor acting on behalf of the Behavioral Health Plan.

G. If ADMINISTRATOR does not approve CONTRACTOR's request for continued authorization of treatment, CONTRACTOR is responsible for effecting the appropriate transfer and/or discharge of Client. In any case, if CONTRACTOR elects to provide inpatient treatment without the express authorization of ADMINISTRATOR, CONTRACTOR shall assume responsibility for the cost of such treatment.

H. Primary criteria for continued treatment within the acute inpatient setting shall include, but not be limited to, the medical necessity of hospitalization within a secure acute medical setting as reflected within the medical record. COUNTY's Director of Behavioral Health Services or designee may determine Client no longer meets this primary criteria and request that CONTRACTOR discharge Client to a facility appropriate for Client's treatment requirements.

I. ANCILLARY SERVICES - CONTRACTOR shall provide all ancillary services necessary for the evaluation and treatment of psychiatric conditions. Services shall be recovery-based, non-coercive, and must focus on assisting Clients to become more independent and self-sufficient. Services shall include, but not be limited to, the following:

1. Group Therapy
2. Activities therapy and other adjunctive therapy
3. Initial laboratory services consistent with CONTRACTOR's usual and customary hospital admitting protocol, including Urine Drug Screen.
4. Additional laboratory and diagnostic services when necessary for the initiation and monitoring of psychiatric medication treatments.
5. Pharmaceutical services.
6. Neuroimaging studies and psychological testing – CONTRACTOR may, as part of the diagnosis and evaluation of Client's psychiatric condition, request necessary testing. CONTRACTOR shall receive approval from ADMINISTRATOR before such testing and document this approval in Client's medical record. The parties expect testing will be infrequent.
7. A conflict resolution process may be initiated by either party to the Contract in the event of

a disagreement between CONTRACTOR and ADMINISTRATOR regarding the appropriateness of proposed laboratory and/or diagnostic services. ADMINISTRATOR's designated psychiatrist will review said proposed services and render a decision that will be binding on both parties.

8. Substance Use Disorder therapies, including access to Substance Use Disorder experts.

J. TESTIMONY SERVICES – CONTRACTOR will provide expert witness testimony by appropriate behavioral health professionals in all legal proceedings required for the institutionalization, admission, or treatment of COUNTY Clients. These services shall include, but not be limited to, writs of habeas corpus, capacity hearings, conservatorship, probable cause hearings, court-ordered evaluation, and appeal and post-certification proceedings.

1. ADMINISTRATOR shall provide representation to CONTRACTOR, at ADMINISTRATOR's cost and expense, in all legal proceedings required for conservatorship. CONTRACTOR shall cooperate with ADMINISTRATOR in all such proceedings.

2. ADMINISTRATOR will provide hearing officers for probable cause hearings for Clients approved by ADMINISTRATOR only, all other hearings will be provided at CONTRACTOR's cost and expense.

3. CONTRACTOR shall prepare all documentation required by Juvenile Court to authorize administration of psychotropic medication for those youth under the jurisdiction of the juvenile court (JV220).

K. MEDICAL SERVICES

1. CONTRACTOR shall provide or cause to be provided all health care services deemed appropriate according to usual and customary hospital practices without regard for payer status. This includes physician or other professional services required by Clients and escort of such Clients to and from medical treatment. A conflict resolution process may be initiated by either party to the Contract in the event of a disagreement regarding the appropriateness of rendering urgent health care services. ADMINISTRATOR's designated psychiatrist will review proposed medical services and render a decision that will be binding on both parties.

2. COMPUTERIZED TOMOGRAPHY (CT) – CONTRACTOR may, as part of the diagnosis and evaluation of Client's psychiatric condition, authorize necessary CT scanning. CONTRACTOR shall receive approval of ADMINISTRATOR before such testing and document this approval in Client's medical record.

L. ADDITIONAL SERVICES - CONTRACTOR shall provide those services required of acute psychiatric hospitals which shall at a minimum include, but not be limited to, the following:

1. Direct Services – including a therapeutic milieu, room and dietetic services, nursing services, including drug administration and client care, and a client activity program including OT/RT services.

2. CONTRACTOR shall use individual therapy, brief intensive services, motivational interviewing, and short-term group therapy modalities including psycho-educational, cognitive behavioral and self-soothing therapy techniques.

3. Support Services – CONTRACTOR shall provide support services including housekeeping, laundry, maintenance, medical records, and drug order processing services.

4. In-Service Training – CONTRACTOR shall provide formalized in-service training to CONTRACTOR staff that focuses on subjects that increase their expertise in behavioral health services and ability to manage and serve Clients.

5. Program Description – CONTRACTOR shall maintain an ADMINISTRATOR approved written description of the inpatient psychiatric program, which shall include goals, objectives, philosophy, and activities that reflect the active involvement of nursing personnel in all aspects of the inpatient therapeutic milieu.

6. CONTRACTOR shall provide, the NPP for COUNTY, as the BHP, to any individual who received services under the Contract.

7. CONTRACTOR shall allow ADMINISTRATOR to conduct a face-to-face evaluation of the Client for assessment and recommendation to CONTRACTOR regarding the appropriate level of care and need for the Clients' hospitalization.

M. CONTRACTOR shall make its best efforts to provide services pursuant to the Contract in a manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR shall be in compliance with the current Joint Commission requirements related to the provision of culturally and linguistically appropriate health care. If CONTRACTOR is not accredited by the Joint Commission, CONTRACTOR shall maintain documentation of such efforts which may include, but not be limited to: records of participation in COUNTY sponsored or other applicable training, recruitment and hiring policies and procedures, copies of literature in multiple languages and formats, as appropriate, and descriptions of measures taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

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

O. QUALITY IMPROVEMENT

1. CONTRACTOR shall develop and maintain a plan for Quality Improvement, the overall goal of which is the maintenance of high-quality client care and effective utilization of services offered. This plan shall include utilization review, peer review, and medication monitoring as mandated by the DCHS. CONTRACTOR shall adhere to the standards set forth in Title 9 of the CCR.

2. CONTRACTOR shall allow ADMINISTRATOR to take part in Utilization Review and Quality Assurance activities if such attendance will not waive any privilege granted by law.

3. ADMINISTRATOR may conduct periodic treatment reviews at any time during the course of Client's hospitalization.

4. CONTRACTOR shall cooperate with ADMINISTRATOR in meeting quality improvement and utilization review requirements. Quality improvement and utilization reviews shall include, but not be limited to, performance outcome studies and Client satisfaction surveys. CONTRACTOR shall cooperate with concurrent review and managed care procedures related to treatment authorization, including the provision of working space for ADMINISTRATOR to conduct visits with Clients, interview staff, and perform chart reviews.

5. CONTRACTOR shall follow current legislative requirements for wards and dependents of the Juvenile Court. CONTRACTOR shall obtain information regarding any court ordered monitoring of visits, mandatory translators, and other court orders from SSA, Probation, or any other responsible agency.

6. CONTRACTOR shall follow the guidelines for submission of JV-220 as required by California Rules of Court (Rule 5.640. Psychotropic medications).

7. CONTRACTOR shall cooperate with ADMINISTRATOR to collect any hospital-related State required Performance Outcome Measures. ADMINISTRATOR will share results with hospital as they become available.

P. MEETINGS – CONTRACTOR shall attend meetings as requested by COUNTY, including but not limited to, the following:

1. Case conferences, as requested by ADMINISTRATOR, to address any aspect of clinical care and implement any recommendations made by COUNTY to improve client care, including treatment team meetings for Clients who have been identified by either CONTRACTOR or COUNTY's contracted ASO Utilization Management team to be considered a high utilizer of acute inpatient hospital services.

2. Monthly COUNTY management meetings with ADMINISTRATOR to discuss contractual and other issues related to, but not limited to, whether it is or is not progressing satisfactorily in achieving all the terms of the Contract and, if not, what steps will be taken to achieve satisfactory progress, compliance with P&Ps, review of statistics and clinical services.

Q. PERFORMANCE OBJECTIVES:

CONTRACTOR shall perform outcome studies, on-site reviews, and written reports to be made available to ADMINISTRATOR upon request.

A. Aftercare Scheduling (Timeliness):

1. CONTRACTOR shall ensure that one hundred percent (100%) of clients discharged to the community shall have a follow-up outpatient appointment scheduled within 24 business hours of discharge.

2. CONTRACTOR shall contact members within seventy-two (72) hours of discharge to ensure follow-up care is accessed reporting linkage rates, on a monthly basis, to County BHP via the closed-loop referral method designated by the plan.

B. Timely Access to Post Discharge Care: CONTRACTOR shall ensure timely follow-up after inpatient hospitalization related to behavioral health treatment. Provider shall achieve performance above the 50th percentile for Medicaid HMO plans for the reported measurement year (MY) or demonstrate at

least a five (5) percentage point improvement

from the previous year, for 7- and 30-day Follow-Up After Hospitalization for Mental Illness (FUH).

C. Average Length of Stay: CONTRACTOR shall track and report monthly the length of stay for all clients discharged in the previous month.

D. 7-Day Rehospitalization Prevention: CONTRACTOR shall monitor and implement quality improvement strategies to ensure greater than or equal to ninety percent (≥90%) of clients will not require rehospitalization within seven (7) calendar days of discharge.

E. 30-Day Rehospitalization Prevention: CONTRACTOR shall monitor and implement quality improvement strategies to ensure greater than or equal to eighty percent (≥80%) of clients will not require rehospitalization within thirty (30) calendar days of discharge.

F. Lanterman-Petris-Short (LPS) Reporting: CONTRACTOR shall ensure timely, accurate, and fully compliant SB 929 data reporting.

1. Achieve 100% on quarterly submission of SB 929 reports with zero preventable data quality errors returned by County.

2. Implement and adjust, if needed, quality improvement strategies to achieve zero preventable data-quality errors.

G. Psychiatric Advance Directive (PAD) Compliance: CONTRACTOR shall obtain PAD status on 100% of clients admitted for inpatient treatment.

H. Seclusion/Restraint Monitoring: CONTRACTOR shall track and report seclusion and restraint rates on a monthly basis.

I. Admissions Reporting: CONTRACTOR shall track and report monthly admissions by referral source and population age groups (Youth 13 through 17, Adults 18 through 64, and Older Adults 65+ years.)

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

VI . STAFFING

A. CONTRACTOR shall maintain a staffing pattern and administrative personnel that meet all applicable State, Federal, and County regulations, including Title 9, California Code of Regulations (CCR), Lanterman-Petris-Short (LPS) Act Facility Designation Interim Regulations, and SB 43 mandates. If staffing ratio requirements conflict, the highest client to staff ratio will be followed. At a minimum, the following shall be provided:

1. Clinical Staff must comply with Title 9 CCR, Section 663, which requires:

a. A psychiatrist (if the administrative director is not a psychiatrist) who assumes medical responsibility as defined in Section 522.

b. A Psychologist, social worker, registered nurse, and other nursing personnel under supervision of a registered nurse

c. Nursing personnel present at all times. Physicians, psychiatrists, and behavioral health personnel available at all times.

2. Administrative Director who qualifies under Title 9, CCR, Section 620(d), 623, 624, 625, or 627;

3. Clinical Program Director who qualifies under Title 9, CCR, Section 623, 624, 625, 626, or 627;

4. Psychiatric Medical Director who qualifies under Title 9, CCR, Section 623 who shall assume medical responsibility as defined in Title 9, CCR, Section 522;

5. SB 43 initiative and staffing requirements required per updated LPS Facility Regulations.

6 Adequate Clerical Support to support documentation, reporting, and coordination requirements;

7. All Staff shall reflect the linguistic and cultural patterns of the population served and complete training in cultural competency and diversity;

8. Staffing must support expanded criteria for grave disability under SB 43, which includes severe substance use disorder as a basis for involuntary detention or placement. Staff shall be trained on SB 43 requirements and updated LPS facility regulations.

B. CONTRACTOR shall provide professional, allied, and supportive paramedical personnel to provide all necessary and appropriate Psychiatric Inpatient Hospital services.

C. CONTRACTOR shall provide administrative and clerical staff to support the above-mentioned staffing and the services provided pursuant to the Contract, including Treatment Authorization Request (TAR) processing, and concurrent review processes ensuring notification of client admission within 24 hours of admission to COUNTY ASO, as well as ongoing review and authorization of inpatient psychiatric services.

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

E. CONTRACTOR shall maintain personnel files for each staff person, including management and other administrative positions, both direct and indirect to the Contract, which shall include, but not be limited to, an application for employment, qualifications for the position, applicable licenses, Live Scan results, waivers, registrations, documentation of bicultural/bilingual capabilities (if applicable), pay rate and evaluations justifying pay increases.

F. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, paid or unpaid, direct line staff or supervisors/directors, to enhance service quality and program effectiveness. Supervision methods should include debriefings and consultation as needed, individual supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor who has

extensive knowledge regarding behavioral health issues.

G. CONTRACTOR shall ensure that a bilingual professional or qualified interpreter is fluent in English and in the primary language spoken by Client. The bilingual professional or qualified interpreter must have the ability to accurately speak, read and interpret Client's primary language. CONTRACTOR shall ensure that, when needed, a qualified interpreter is available who can accurately provide sign language services. The bilingual professional or qualified interpreter must have the ability to translate behavioral health terminology necessary to convey information such as symptoms or instructions to Client. CONTRACTOR shall ensure that the bilingual person and/or the qualified interpreter completes appropriate courses that cover terms and concepts associated with behavioral health issues, psychotropic medications, and cultural beliefs and practices which may influence Client's behavioral health condition, if they have not been trained in the provision of behavioral health services.

H. CONTRACTOR shall ensure that all staff is trained and is knowledgeable in treatment issues reflecting the diversity of the Orange County resident population including individuals living with severe substance use disorders as recommended by SB 43 mandates. All clinical staff need to be competent in treating severe behavioral health disorders, serve emotional health disorders and stand alone severe substance use disorders. Staff will also need to complete any recommended and or required trainings. CONTRACTOR shall develop and maintain in-service staff training programs which will train staff to respect and respond with sensitivity to the language and cultural experiences of Clients.

I. CONTRACTOR staff shall participate in cultural competency and/or awareness training on an annual basis. Training shall be designed to help staff understand cultural diversity and may include but not be limited to such topics such as behavioral health care that is unique to Clients including awareness; sensitivity to Client's cultural and spiritual beliefs, and the role of the family in diverse cultures and ethnic groups. Additionally, training components shall include:

1. Background information for identifying and treating behavioral health disorders and related health conditions not commonly found in the dominant client population;

2. Utilization of non-psychiatrically trained interpreters in taking client histories and assisting with communication relating to behavioral health treatment; and

3. Strategies for utilizing the belief patterns and family support systems of Clients to promote adherence to the course of treatment and assuming responsibility for preventive behavioral health behaviors.

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

//

//

//

//

//

EXHIBIT B
TO CONTRACT FOR PROVISION OF
INPATIENT BEHAVIORAL HEALTH SERVICES
BETWEEN
COUNTY OF ORANGE
AND
[PROVIDER]
NOVEMBER 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 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 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

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

B. DEFINITIONS

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

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

a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

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

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

other than as provided for by this Business Associate Contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B.2.a above.

D. SECURITY RULE

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

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

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

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

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

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

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

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

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

E. DATA SECURITY REQUIREMENTS

1. Personal Controls

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

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

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

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

2. Technical Security Controls

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

//

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

c. Minimum Necessary. Only the minimum necessary amount of PHI COUNTY discloses

to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY required to perform necessary business functions may be copied, downloaded, or exported.

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

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

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

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

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

h. Data Destruction. When no longer needed, all PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must be wiped using the Gutmann or DoD 5220.22-M (7 Pass) standard, or by degaussing. Media may

also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission by COUNTY.

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

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

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

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

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

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

//

3. Audit Controls

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

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

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

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

4. Business Continuity/Disaster Recovery Control

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

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

5. Paper Document Controls

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

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

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

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

of CONTRACTOR except with express written permission of COUNTY.

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

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

F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

b. Any other information that COUNTY is required to include in the notification to Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or

//

promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

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

2) A description of the types of Unsecured PHI that were involved in the Breach (such

as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

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

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

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

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

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

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

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

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

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

G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, for

the proper management and administration of CONTRACTOR.

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

1) The Disclosure is required by law; or

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

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

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

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

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

H. PROHIBITED USES AND DISCLOSURES

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

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

I. OBLIGATIONS OF COUNTY

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

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

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

affect CONTRACTOR's Use or Disclosure of PHI.

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

J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

b. CONTRACTOR shall retain no copies of the PHI.

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

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

//

//

//

//

//

//

//

//

//

//

EXHIBIT C
TO CONTRACT FOR PROVISION OF
INPATIENT BEHAVIORAL HEALTH SERVICES
BETWEEN
COUNTY OF ORANGE
AND
[PROVIDER]
NOVEMBER 1, 2026 THROUGH JUNE 30, 2029

I. PERSONAL INFORMATION AND SECURITY CONTRACT

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

A. DEFINITIONS

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

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

3. "CMPPA 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, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation

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

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

B. TERMS OF CONTRACT

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

2. Responsibilities of CONTRACTOR

CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

//

//

//