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REFERENCED CONTRACT PROVISIONS

Term: March 1, 2025 through June 30, 2027

Period One means the period from March 1, 2025 through June 30, 2026

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

Amount Not To Exceed:

Period One Amount Not to Exceed	\$3,500,718
Period Two Amount Not To Exceed	10,999,779

TOTAL AMOUNT NOT TO EXCEED:	\$14,500,497
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Basis for Reimbursement: Negotiated Amount

Payment Method: Monthly in Advance

CONTRACTOR UEI Number: ZNUZY7JGQKM1

CONTRACTOR DUNS Number: 07-953-4772

CONTRACTOR TAX ID Number: 92-1071620

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Attn: Avrohom Tress, Executive Vice President
 23228 MADERO OPCO, LLC
 23228 Madero
 Mission Viejo, CA 92691
 atress@newgenhcg.com

I. ACRONYMS

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

- 1 A. AA Alcoholics Anonymous
- 2 B. AB 109 Assembly Bill 109, 2011 Public Safety Realignment
- 3 C. ABC Allied Behavioral Care
- 4 D. ADL Activities of Daily Living
- 5 E. AIDS Acquired Immune Deficiency Syndrome
- 6 F. AIS Additional Income Sources
- 7 G. AMA Against Medical Advice
- 8 H. AMHS Adult Mental Health Services
- 9 I. ARRA American Recovery and Reinvestment Act of 2009
- 10 J. ASI Addiction Severity Index
- 11 K. ASO Administrative Service Organization
- 12 L. ASRS Alcohol and Drug Programs Reporting System
- 13 M. AWOL Absent Without Leave
- 14 N. BBS Board of Behavioral Sciences
- 15 O. BHS Behavioral Health Services
- 16 P. CalOMS California Outcomes Measurement System
- 17 Q. CalWORKs California Work Opportunity and Responsibility for Kids
- 18 R. CAP Corrective Action Plan
- 19 S. CAT Centralized Assessment Team
- 20 T. CCC California Civil Code
- 21 U. CCR California Code of Regulations
- 22 V. CESI Client Evaluation of Self at Intake
- 23 W. CEST Client Evaluation of Self and Treatment
- 24 X. CFDA Catalog of Federal Domestic Assistance
- 25 Y. CFR Code of Federal Regulations
- 26 Z. CHPP COUNTY HIPAA Policies and Procedures
- 27 AA. CHS Correctional Health Services
- 28 AB. COI Certificate of Insurance
- 29 AC. CPA Certified Public Accountant
- 30 AD. CSW Clinical Social Worker
- 31 AE. CYS Child Youth Services
- 32 AF. D/MC Drug/Medi-Cal
- 33 AG. DCR Data Collection and Reporting

1	AH. DD	Dual Disorders
2	AI. DHCS	California Department of Health Care Services
3	AJ DPFS	Drug Program Fiscal Systems
4	AK. DRS	Designated Record Set
5	AL. DSH	Direct Service Hours
6	AM. DSM-V	Diagnostic and Statistical Manual of Mental Disorders, 5th Edition
7	AN. EBP	Evidence-Based Practice
8	AO. EHR	Electronic Health Record
9	AP. EOC	Equal Opportunity Clause
10	AQ. ePHI	Electronic Protected Health Information
11	AR. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
12	AS. ETS	Evaluation and Treatment Services
13	AT. FAX	Facsimile Machine
14	AU. FSP	Full Service Partnership
15	AV. FTE	Full Time Equivalent
16	AW. GAAP	Generally Accepted Accounting Principles
17	AX. HCA	County of Orange Health Care Agency
18	AY. HHS	Federal Health and Human Services Agency
19	AZ. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
20		Law 104-191
21	BA. HITECH Act	Health Information Technology for Economic and Clinical Health
22		Act, Public Law 111-005
23	BB. HIV	Human Immunodeficiency Virus
24	BC. HSC	California Health and Safety Code
25	BD. IRIS	Integrated Records and Information System
26	BE. ITC	Indigent Trauma Care
27	BF. KET	Key Events Tracking
28	BG. LCSW	Licensed Clinical Social Worker
29	BH. LPS	Lanterman/Petris/Short (Act)
30	BI. LPT	Licensed Psychiatric Technician
31	BJ. LTC	Long Term Care
32	BK. MAT	Medication Assisted Treatment
33	BL. MFT	Marriage and Family Therapist
34	BM. MHP	Mental Health Plan
35	BN. MHRC	Mental Health Rehabilitation Center
36	BO. MHS	Mental Health Specialist
37	BP. MHSA	Mental Health Services Act

1	BQ. MIHS	Medical and Institutional Health Services
2	BR. MIO	Mentally Ill Offender
3	BS. MIOP	Mentally Ill Offender Pedophile
4	BT. MORS	Milestones of Recovery Scale
5	BU. MSN	Medical Safety Net
6	BV. MTP	Master Treatment Plan
7	BW. NA	Narcotics Anonymous
8	BX. NOA	Notice of Action
9	BY. NP	Nurse Practitioner
10	BZ. NPI	National Provider Identifier
11	CA. NPP	Notice of Privacy Practices
12	CB. NPPEs	National Plan and Provider Enumeration System
13	CC. OCJS	Orange County Jail System
14	CD. OCPD	Orange County Probation Department
15	CE. OCR	Office for Civil Rights
16	CF. OCSD	Orange County Sheriff's Department
17	CG. OIG	Federal Office of Inspector General
18	CH. OMB	Federal Office of Management and Budget
19	CI. OPM	Federal Office of Personnel Management
20	CJ. P&P	Policies and Procedures
21	CK. PA DSS	Payment Application Data Security Standard
22	CL. PAF	Partnership Assessment Form
23	CM. PATH	Projects for Assistance in Transition from Homelessness
24	CN. PBM	Pharmaceutical Benefits Management
25	CO. PC	California Penal Code
26	CP. PCI DSS	Payment Card Industry Data Security Standard
27	CQ. PCS	Post-Release Community Supervision
28	CR. PEI	Prevention and Early Intervention
29	CS. PHI	Protected Health Information
30	CT. PII	Personally Identifiable Information
31	CU. PRA	California Public Record Act
32	CV. PSC	Professional Services Coordinator
33	CW. QIC	Quality Improvement Committee
34	CX. RN	Registered Nurse
35	CY. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
36	CZ. SIR	Self-Insured Retention
37	DA. SMA	Statewide Maximum Allowable (rate)

1	DB. SNC	Skilled Nursing Care
2	DC. SNF	Skilled Nursing Facility
3	DD. SOW	Scope of Work
4	DE. SUD	Substance Use Disorder
5	DF. STEPS	Striving Towards Enhanced Partnerships
6	DG. STP	Special Treatment Program
7	DH. SRAS	Suicide Risk Assessment Standards
8	DI. SSA	County of Orange Social Services Agency
9	DJ. SSD	Social Services Department
10	DK. SSI	Supplemental Security Income
11	DL. TAR	Treatment Authorization Request
12	DM. TAY	Transitional Age Youth
13	DN. UMDAP	Uniform Method of Determining Ability to Pay
14	DO. USC	United States Code
15	DP. W&IC	California Welfare and Institutions Code
16	DQ. WRAP	Wellness Recovery Action Plan
17	DR. XML	Extensible Markup Language

18
19 **II. ALTERATION OF TERMS**

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

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

27
28 **III. AMOUNT NOT EXCEED**

29 A. The Total Amount Not to Exceed of COUNTY for services provided in accordance with this
30 Contract, and the separate Amount Not to Exceed Amounts for each period under this Contract, are as
31 specified in the Referenced Contract Provisions of this Contract

32
33 **IV. ASSIGNMENT OF DEBTS**

34 Unless this Contract is followed without interruption by another contract between the parties hereto
35 for the same services and substantially the same scope, at the termination of this Contract,
36 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of persons
37 receiving services pursuant to this Contract. CONTRACTOR shall immediately notify by mail each of

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

4
 5 **V. COMPLIANCE**

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

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

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

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

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

32 //

33 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any
 34 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR
 35 shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures
 36 to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract.
 37 ADMINISTRATOR’s Compliance Officer, or designee, shall review said documents within a reasonable

1 time, which shall not exceed forty-five (45) calendar days, and determine if CONTRACTOR's proposed
2 compliance program and code of conduct contain all required elements to ADMINISTRATOR's
3 satisfaction as consistent with the HCA's Compliance Program and Code of Conduct.
4 ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and
5 CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's
6 required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's
7 determination and resubmit the same for review by ADMINISTRATOR.

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

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

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

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

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

36 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to
37 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its

1 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of
 2 California health programs and have not been excluded or debarred from participation in any federal or
 3 state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible
 4 Person in their employ or under contract.

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

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

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

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

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

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

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

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

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

37 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized Provider

1 Training, where appropriate, available to Covered Individuals.

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

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

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

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

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

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

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

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

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

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

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

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

34 7. CONTRACTOR shall comply with the provisions of ADMINISTRATOR's Cultural
35 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
36 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
37 §1810.410.subds.(c)-(d).

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

7 **IV. CONFIDENTIALITY**

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

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

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

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

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

29
 30 **VI. CONFLICT OF INTEREST**

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

1 officers in the performance of their duties. CONTRACTOR shall notify COUNTY, in writing, of any
2 potential or actual conflicts of interest between CONTRACTOR and COUNTY that may arise prior to,
3 or during the period of, Contract performance, including, but not limited to, whether any known county
4 public officer's child is an officer or director or, or has an ownership interest of then (10) percent or more
5 in, Contractor. While CONTRACTOR will be required to provide this information without prompting
6 from COUNTY any time there is a change regarding conflict of interest, CONTRACTOR must also
7 provide an update to COUNTY upon request by COUNTY. County of Orange Board of Supervisors
8 policy prohibits its employees from engaging in activities involving a conflict of interest. CONTRACTOR
9 shall not, during the period of this Contract, employ any County employee for any purpose.

10 **VIII. COST REPORT**

11
12 A. CONTRACTOR shall submit an individual and/or consolidated Cost Report to COUNTY no later
13 than sixty (60) calendar days following termination of this Contract. CONTRACTOR shall prepare the
14 individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY
15 requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall
16 allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in
17 accordance with such requirements and consistent with prudent business practice, which costs and
18 allocations shall be supported by source documentation maintained by CONTRACTOR, and available at
19 any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple
20 Contract for mental health services that are administered by HCA, consolidation of the individual Cost
21 Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR.
22 CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business
23 days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a
24 consolidated Cost Report.

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

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

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

36 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
37 individual and/or consolidated Cost Report setting forth good cause for justification of the request.

1 Approval of such requests shall be at the sole discretion of ADMINISTRATOR and shall not be
2 unreasonably denied.

3 3. In the event that CONTRACTOR does not submit an accurate and complete individual and/or
4 consolidated Cost Report within one hundred and eighty (180) calendar days following the termination of
5 this Contract

6 , and CONTRACTOR has not entered into a subsequent or new contract for any other services with
7 COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Contract shall
8 be immediately reimbursed to COUNTY.

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

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

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

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

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

37

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

8
 9 Signed _____
 10 Name _____
 11 Title _____
 12 Date _____”

13
 14 **IX. DEBARMENT AND SUSPENSION CERTIFICATION**

15 A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

37 B. The terms and definitions of this paragraph have the meanings set out in the Definitions and

1 Coverage sections of the rules implementing 51 F.R. 6370.

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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 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.

C. CONTRACTOR’s obligations undertaken pursuant to this Contract may be carried out by means of subcontracts, provided such subcontractor are approved in advance, in writing by ADMINISTRATOR,

1 meet the requirements of this Contract as they relate to the service or activity under subcontract, and
 2 include any provisions that ADMINISTRATOR may require.

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

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

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

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

14 **VI. DISPUTE RESOLUTION**

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

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

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

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

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

35 D. This Contract has been negotiated and executed in the State of California and shall be governed
 36 by and construed under the laws of the State of California. In the event of any legal action to enforce or
 37 interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in

1 Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such
 2 court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree
 3 to waive any and all rights to request that an action be transferred for adjudication to another county.

4
 5 **XII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

15
 16 **XIII. EQUIPMENT**

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

27 B. CONTRACTOR shall obtain ADMINISTRATOR’s written approval prior to purchase of any
 28 Equipment with funds paid pursuant to this Contract. Upon delivery of Equipment, CONTRACTOR shall
 29 forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
 30 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
 31 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each purchased
 32 asset in an Equipment inventory.

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

37 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part with

1 funds paid through this Contract, including date of purchase, purchase price, serial number, model and
 2 type of Equipment. Such inventory shall be available for review by ADMINISTRATOR, and shall
 3 include the original purchase date and price, useful life, and balance of depreciated Equipment cost, if
 4 any.

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

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

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

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

17
 18 **VIIIV. FACILITIES, PAYMENTS AND SERVICES**

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

24 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or supplies
 25 as required, ADMINISTRATOR may, at its sole discretion, reduce the Total Amount Not To Exceed for
 26 the appropriate Period as well as the Total Amount Not To Exceed. The reduction to the Amount Not To
 27 Exceed for the appropriate Period as well as the Total Amount Not To Exceed shall be in an amount
 28 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
 29 services, staffing, facilities or supplies.

30
 31 **XV. INDEMNIFICATION AND INSURANCE**

32 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
 33 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
 34 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
 35 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
 36 including but not limited to personal injury or property damage, arising from or related to the services,
 37 products or other performance provided by CONTRACTOR pursuant to this Contract. If judgment is

1 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
2 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
3 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request
4 a jury apportionment.

5 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to purchase all
6 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary
7 to satisfy COUNTY that the insurance provisions of this Contract have been complied with.
8 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on
9 deposit with COUNTY during the entire term of this Contract. In addition, all subcontractors performing
10 work on behalf of CONTRACTOR pursuant to this Contract shall obtain insurance subject to the same
11 terms and conditions as set forth herein for CONTRACTOR.

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

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

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

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

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

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

37 F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims made
Professional Liability Insurance	\$1,000,000 per claims made \$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

28 H. REQUIRED COVERAGE FORMS

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

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

33 I. REQUIRED ENDORSEMENTS

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

36 a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as
 37 broad naming the *County of Orange, its elected and appointed officials, officers, agents and employees*

1 as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN***
 2 ***AGREEMENT.***

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

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

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

10 b. A primary and non-contributing endorsement evidencing that CONTRACTOR’s
 11 insurance is primary and any insurance or self-insurance maintained by County of Orange shall be excess
 12 and non-contributing.

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

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

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

25 M. If CONTRACTOR’s Network Security & Privacy Liability are “Claims Made” policy(ies),
 26 CONTRACTOR shall agree to maintain coverage for two (2) years following the completion of the
 27 Contract.

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

30 O. Insurance certificates should be forwarded to the department address specified in the Referenced
 31 Contract Provisions of this Contract.

32 P. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7)
 33 calendar days of notification by COUNTY, COUNTY may immediately terminate this Contract for cause.

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

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

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

9 T. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

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

33
 34 **VIII. INSPECTIONS AND AUDITS**

35 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
 36 of the State of California, the Secretary of the United States Department of Health and Human Services,
 37 the Comptroller General of the United States, or any other of their authorized representatives, shall have

1 access to any books, documents, and records, including but not limited to, financial statements, general
2 ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly
3 pertinent to this Contract, for the purpose of responding to a beneficiary complaint or conducting an audit,
4 review, evaluation, or examination, or making transcripts during the periods of retention set forth in the
5 Records Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable
6 times inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in
7 which they are provided.

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

12 C. AUDIT RESPONSE

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

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

25 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare and file with
26 ADMINISTRATOR, an annual, independent, organization-wide audit of related expenditures as may be
27 required during the term of this Contract.

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

32 **IX. LICENSES AND LAWS**

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

1 applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and
2 in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals,
3 permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be
4 cause for termination of this Contract.

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

- 8 1. ARRA of 2009.
- 9 2. Title 22, CCR, §51009, Confidentiality of Records.
- 10 3. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
- 11 4. D/MC Certification Standards for Substance Abuse Clinics, July 2004.
- 12 5. D/MC Billing Manual (March 23, 2010).
- 13 6. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 14 7. State of California-Health and Human Services Agency, Department of Health Care Services,
15 Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October 2013 Orange
16 County Medi-Cal Mental Health Managed Care Plan.
- 17 8. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management.
- 18 9. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted
19 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter
20 No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
- 21 10. WIC, Division 5, Community Mental Health Services.
- 22 11. WIC, Division 6, Admissions and Judicial Commitments.
- 23 12. WIC, Division 7, Mental Institutions.
- 24 13. HSC, §§1250 et seq., Health Facilities.
- 25 14. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
- 26 15. CCR, Title 9, Rehabilitative and Developmental Services.
- 27 16. CCR, Title 17, Public Health.
- 28 17. CCR, Title 22, Social Security.
- 29 18. CFR, Title 42, Public Health.
- 30 19. CFR, Title 45, Public Welfare.
- 31 20. USC Title 42. Public Health and Welfare.
- 32 21. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 33 22. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 34 23. 42 USC §1857, et seq., Clean Air Act.
- 35 24. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 36 25. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 37 26. Policies and procedures set forth in Mental Health Services Act.

1 27. Policies and procedures set forth in DHCS Letters.

2 28. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.

3 29. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
 4 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal
 5 Awards.

6 C. CONTRACTOR shall comply with all applicable governmental laws, regulations, and
 7 requirements as they exist now or may be hereafter amended or changed.

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

11 E. CONTRACTOR shall have hours of operation during which services are provided to Medi-Cal
 12 beneficiaries that are no less than the hours of operation during which the provider offers services to non-
 13 Medi-Cal beneficiaries. If the provider only serves Medi-Cal beneficiaries, the CONTRACTOR shall
 14 require that hours of operation are comparable to the hours the provider makes available for Medi-Cal
 15 services that are not covered by the CONTRACTOR, or another Mental Health Plan.

16
 17 **XVIII. LITERATURE AND ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

35 D. CONTRACTOR agrees that it will not issue any news releases or make any contact with the
 36 media in connection with either the award of this Contract or any subsequent amendment of, or effort
 37 under this Contract. CONTRACTOR must first obtain review and approval of said news media contact

1 from the COUNTY through the County DPA. Any requests for interviews or information received by the
 2 media should be referred directly to the COUNTY. Contractors are not authorized to serve as a media
 3 spokespersons for County projects without first obtaining permission from the COUNTY.

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

6
 7 **XIX. MINIMUM WAGE LAWS**

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

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

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

22
 23 **XX. NONDISCRIMINATION**

24 **A. EMPLOYMENT**

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

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

1 for training, including apprenticeship.

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

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

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

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

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

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

1 condition, or eligibility requirement or condition, which Clients must meet in order to be provided any
2 service or benefit.

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

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

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

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

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

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

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

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

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

34
35 **XXI. NOTICES**

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

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

4 2. When faxed, transmission confirmed;

5 3. When sent by Email; or

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

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

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

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

18 **XII. NOTIFICATION OF DEATH**

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

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

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

29 2. WRITTEN NOTIFICATION

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

33 //

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

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

5
6 **XIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

14
15 **XIV. PATIENT'S RIGHTS**

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

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

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

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

29 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to
30 CONTRACTOR, appeal to the County Patients' Rights Office, file a grievance, and file a Title IX
31 complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the
32 grievance, and attempt to resolve the matter

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

35
36 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

37 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of

1 this Contract, prepare, maintain and manage records appropriate to the services provided and in
2 accordance with this Contract and all applicable requirements.

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

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

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

13 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
14 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
15 necessity of the service, and the quality of care provided. Records shall be maintained in accordance with
16 §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

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

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

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

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

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

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

- 5 1. The medical records and billing records about individuals maintained by or for a covered
 6 health care provider;
- 7 2. The enrollment, payment, claims adjudication, and case or medical management record
 8 systems maintained by or for a health plan; or
- 9 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

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

- 13 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit
 14 or site visit.
- 15 2. Provide auditor or other authorized individuals access to documents via a computer terminal.
- 16 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
 17 requested.

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

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

25 L. CONTRACTOR shall make records pertaining to the costs of services, patient fees, charges,
 26 billings, and revenues available at one (1) location within the limits of Orange County.

27
 28 **XXVI. RESEARCH AND PUBLICATION**

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

32 **XIII. REVENUE**

33 A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to
 34 Clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other
 35 third party health plans, are provided pursuant to this Contract, their estates and responsible relatives,
 36 according to their ability to pay as determined by the State Department of Health Care Services’ “Uniform
 37 Method of Determining Ability to Pay” (UMDAP) procedure or by any other payment procedure as

1 approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title 9 of the
 2 California Code of Regulations. Such fee shall not exceed the actual cost of services provided. No Client
 3 shall be denied services because of an inability to pay.

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

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

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

14
 15 **XIV. SEVERABILITY**

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

21
 22 **XXIX. SPECIAL PROVISIONS**

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

- 25 1. Making cash payments to intended recipients of services through this Contract.
- 26 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
 27 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use
 28 of appropriated funds to influence certain federal contracting and financial transactions).
- 29 3. Fundraising.
- 30 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
 31 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 32 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing body
 33 for expenses or services.
- 34 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
 35 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
 36 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 37 7. Paying an individual salary or compensation for services at a rate in excess of the current

1 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule
2 may be found at www.opm.gov.

3 8. Severance pay for separating employees.

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

6 10. Supplanting current funding for existing services.

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

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

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

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

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

15 5. Purchasing or improving land, including constructing or permanently improving any building
16 or facility, except for tenant improvements.

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

18 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds
19 (matching).

20 **XXX. STATUS OF CONTRACTOR**

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

31
32 **XV. TERM**

33 A. The term of this Contract shall commence as specified in the Referenced Contract Provisions of
34 this Contract or the execution date, whichever is later. This Contract shall terminate as specified in the
35 Referenced Contract Provisions of this Contract unless otherwise sooner terminated as provided in this
36 Contract; provided, however, CONTRACTOR must perform such duties as would normally extend
37 beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification,

1 audits, reporting and accounting.

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

4
5 **XVI. TERMINATION**

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

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

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

28 **C. CONTINGENT FUNDING**

- 29 1. Any obligation of COUNTY under this Contract is contingent upon the following:
 - 30 a. The continued availability of federal, state and county funds for reimbursement of
31 COUNTY’s expenditures, and
 - 32 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
33 approved by the Board of Supervisors.
- 34 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
35 terminate or renegotiate this Contract effective immediately upon written notice. If COUNTY elects to
36 renegotiate this Contract due to reduced or terminated funding, CONTRACTOR shall not be obligated to
37 accept the renegotiated terms.

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

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

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

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

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

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

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

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

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

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

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

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

34
 35 **XXXIII. THIRD PARTY BENEFICIARY**

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

XVIII. 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.

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

3
4 23228 MADERO OPCO, LLC.

5 Signed by:
6 BY: Avrohom Tress
7 23FA04E307614BB...

DATED: 2/25/2026

8
9 TITLE: vp

10 Signed by:
11 BY: Abdoulaye Mang
12 433968975BAC44D...

DATED: 2/25/2026

13
14 TITLE: COO

15
16
17
18 COUNTY OF ORANGE

19
20
21 BY: _____
22 HEALTH CARE AGENCY

DATED: _____

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

29
30 Signed by:
31 BY: Brittany Mclean
32 71CFE638662E411...
33 DEPUTY

DATED: 2/25/2026

34
35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the
36 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or
37 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
 CONTRACT FOR PROVISION OF
 MENTAL HEALTH INPATIENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 23228 MADERO OPCO, LLC
 MARCH 1, 2025 THROUGH JUNE 30, 2027

I. COMMON TERMS & 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. ADL means diet, personal hygiene, clothing care, grooming, money and household management, personal safety, symptom monitoring, etc.
- B. Additional Income Source means all income other than SSI and includes such sources of income as retirement income, disability income, trust fund income, Social Security income, Veteran’s Affairs disability income, etc.
- C. 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.
- D. Client or Consumer means an individual, referred by COUNTY or enrolled in CONTRACTOR’s program for services under this Contract, who is dealing with a chronic mental illness.
- E. Crisis Stabilization Unit (CSU) means 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.
- F. Diagnosis means the definition of the nature of the Client's disorder. When formulating the diagnosis of Client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most current edition of the DSM published by the American Psychiatric Association.
- G. 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 mental disorders.
- H. 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 has two main goals, as its name

- 1 implies: making health insurance more portable when persons change employers, and making the
 2 health care system more accountable for costs-trying especially to reduce waste and fraud.
- 3 I. ITP means Individualized Treatment Plan for each Client. All psychiatric, psychological, and
 4 social services must be compatible with the ITP.
- 5 J. Lanterman–Petris–Short (LPS) Act (Cal. Welf & Inst. Code, sec. 5000 et seq.) provides
 6 guidelines for handling involuntary civil commitment to a mental health institution in the
 7 State of California.
- 8 K. Licensed Clinical Social Worker (LCSW) means a licensed individual, pursuant to the
 9 provisions of Chapter 14 of the California Business and Professions Code, who can provide
 10 clinical services to individuals they serve. The license must be current and in force, and has not
 11 been suspended or revoked.
- 12 L. Licensed Marriage Family Therapist (MFT) means a licensed individual, pursuant to the
 13 provisions of Chapter 13 of the California Business and Professions Code, pursuant to the
 14 provisions of Chapter 14 of the California Business and Professions Code, who can provide
 15 clinical services to individuals they serve. The license must be current and in force, and has
 16 not been suspended or revoked.
- 17 M. Licensed Professional Clinical Counselor (LPCC) means a licensed individual, pursuant to the
 18 provisions of Chapter 13 of the California Business and Professions Code, pursuant to the
 19 provisions of Chapter 16 of the California Business and Professions Code, who can provide
 20 clinical service to individuals they serve. The license must be current and in force, and has
 21 not been suspended or revoked.
- 22 N. Licensed Psychiatric Technician (LPT) means a licensed individual, pursuant to the
 23 provisions of Chapter 10 of the California Business and Professions Code, who can provide
 24 clinical services to individuals they serve. The license must be current and in force, and has not
 25 been suspended or revoked.
- 26 O. Licensed Psychologist means an individual who meets the minimum professional and licensure
 27 requirements set forth in CCR, Title 9, Section 624; they are a licensed individual, pursuant to
 28 the provisions of Chapter 6.6 of the California Business and Professions Code, who can provide
 29 clinical services to individuals they serve. The license must be current and in force and has not
 30 been suspended or revoked.
- 31 P. Licensed Vocational Nurse (LVN) means a licensed individual, pursuant to the provisions of
 32 Chapter 6.5 of the California Business and Professions Code, who can provide clinical services
 33 to individuals they serve. The license must be current and in force, and has not been suspended
 34 or revoked.
- 35 Q. Long Term Care (LTC) refers to the County department that reviews referrals for placement in
 36 county-contracted long term care facilities.
- 37 R. 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.

- S. Medical Necessity means the requirements as defined in the MHP 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 prevent the Client from providing for, or utilizing, food, clothing, shelter; and/or present a severe risk to the Client’s physical health; and/or represent a recent, significant deterioration in ability to function.
- T. 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:
 - 1. Assessment means a service activity, which may include a clinical analysis of the history and current status of a beneficiary’s mental, emotional, or behavioral disorder, relevant cultural issues and history, diagnosis and the use of testing procedures.
 - 2. 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 beneficiary.
 - 3. 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.
 - 4. 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 beneficiaries which may include family therapy in which the beneficiary is present.
- U. MHSA means the law that provides funding for expanded community mental health services. It is also known as “Proposition 63.”
- V. Milestones of Recovery Scale (MORS) refers to a Recovery scale that the COUNTY uses in outpatient Adult Mental Health programs. The scale assigns Consumers to their appropriate

- 1 level of care and replaces diagnostic and acuity of illness-based tools.
- 2 W. NPI means the standard unique health identifier that was adopted by the Secretary of HHS under
- 3 HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and
- 4 organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions.
- 5 The NPI is assigned for life.
- 6 X. NPP means a document that notifies individuals of uses and disclosures of PHI that may be made
- 7 by or on behalf of the health plan or health care provider as set forth in the HIPAA.
- 8 Y. PHI means individually identifiable health information usually transmitted by electronic media,
- 9 maintained in any medium as defined in the regulations, or for an entity such as a health plan,
- 10 transmitted or maintained in any other medium. It is created or received by a covered entity and
- 11 relates to the past, present, or future physical or mental health or condition of an individual,
- 12 provision of health care to an individual, or the past, present, or future payment for health care
- 13 provided to an individual.
- 14 Z. Peer Recovery Specialist/Counselor means an individual in a paid position who has been
- 15 through the same or similar Recovery process as those being assisted to attain their Recovery
- 16 goals. A peer Recovery Specialist practice is informed by personal experience.
- 17 AA. Psychiatrist means an individual who meets the minimum professional and licensure
- 18 requirements set forth in Title 9, CCR, Section 623.
- 19 BB. Psychiatric Inpatient Hospital Services means services, including ancillary services, provided
- 20 either in an acute care hospital or a free-standing psychiatric hospital for the care and treatment
- 21 of an acute episode of mental illness.
- 22 CC. Quality Improvement Committee (QIC) means a committee that meets quarterly to review one
- 23 percent (1%) of all “high-risk” Medi-Cal Clients in order to monitor and evaluate the quality and
- 24 appropriateness of services provided. At a minimum, the committee is comprised of one
- 25 (1) ADMINISTRATOR, one (1) clinician, and one (1) physician who are not involved in the
- 26 clinical care of the cases.
- 27 DD. Recovery means a “deeply personal, unique process of changing one’s attitudes, values,
- 28 feelings, goals, skills and/or roles. It is a way of living a satisfying, hopeful and contributing life
- 29 even with limitations caused by the illness. Recovery involves the development of new meaning
- 30 and purpose in one’s life as one grows beyond the catastrophic effects of mental illness.
- 31 Ultimately, because recovery is a personal and unique process, everyone with a psychiatric illness
- 32 develops his or her own definition of recovery. However, certain concepts or factors are common
- 33 to recovery.” (William Anthony, 1993).
- 34 EE. Referral means providing the effective linkage of a Client to another service, when indicated;
- 35 with follow-up to be provided within five (5) working days to assure that the Client has made
- 36 contact with the referred service.
- 37 FF. Registered Nurse (RN) means a licensed individual, pursuant to the provisions of Chapter 6 of

1 the California Business and Professions Code, who can provide clinical services to the
 2 individuals served. The license must be current and in force and has not been suspended or
 3 revoked.

4 GG. Serious Persistent Mental Impairment (SPMI) means an adult with a behavioral health
 5 disorder that is severe in degree and persistent in duration, which may cause behavioral
 6 functioning which interferes substantially with the primary activities of daily living, and which
 7 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.

8 HH. SNF/STP means a facility that provides twenty-four (24)-hour/day skilled nursing care and
 9 supervision and at least twenty-seven (27) hours of therapeutic programming to Clients with a
 10 primary psychiatric diagnosis, who may also have co-existing medical conditions. In most cases,
 11 Clients are conserved under LPS.

12 II. SSI means income from a United States government program that provides stipends to low-
 13 income people who are either aged (65 or older), blind, or disabled.

14 JJ. SSP means additional cash benefits to supplement the federal SSI payment.

15 KK. Unit of Service means one (1) calendar day during which CONTRACTOR provides all of
 16 the SNF-STP described hereunder, which day shall begin at twelve o'clock midnight. The
 17 number of billable Units of Service shall include the day of admission and exclude the day of
 18 discharge unless admission and discharge occur on the same day.

19 LL. HIPAA means the federal law that establishes standards for the privacy and security of health
 20 information, as well as standards for electronic data interchange of health information. HIPAA
 21 law has two main goals, as its name implies: making health insurance more portable when
 22 persons change employers, and making the health care system more accountable for costs-trying,
 23 especially to reduce waste and fraud.

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

28 NN. Wellness Action & Recovery Plan (WRAP) refers to a self-help technique for monitoring
 29 and responding to symptoms to achieve the highest possible levels of wellness, stability, and
 30 quality of life.

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

33
 34 **II. BUDGET**

35
 36 A. The following budget is set forth for informational purposes only and may be adjusted by mutual
 37 written agreement by CONTRACTOR and ADMINISTRATOR.

<u>Mission Viejo</u>	<u>Period One*</u>	<u>Period Two</u>
	*Only expenses from April 1, 2026- June 30, 2026	
Total Program Costs	\$3,500,718	\$10,999,779
Total Anticipated Revenue	<u>\$ 310,000</u>	<u>\$ 940,000</u>
State/County Funds Required (Amount Not to Exceed)	\$3,500,718	\$10,999,779

III. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and COUNTY with respect to the implementation and operation of the Contract or COUNTY’s P&P’s regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Contract or COUNTY’s P&P’s regarding services described herein.

B. If the parties are unable to resolve the issue, CONTRACTOR shall give written notice to ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or concern related to the purposes and obligations of the Contract. ADMINISTRATOR shall have fifteen (15) business days following such notice to obtain resolution of any issue(s) identified in this manner, provided, however, by mutual consent this period of time may be extended to thirty (30) calendar days.

C. If the parties are unable to obtain resolution of the issue, they shall submit a joint written statement describing the facts of the issue, within thirty (30) calendar days after the written notice described above to COUNTY’s Director of Behavioral Health for final resolution.

D. The rights and remedies provided by this Paragraph are in addition to those provided by law to either party.

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

IV. PATIENT RIGHTS

A. CONTRACTOR shall post the current Patients’ Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients without having to ask permission to obtain it.

B. In addition to those processes provided by ADMINISTRATOR and the resident County, 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 in all threshold languages.

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

C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and grievance procedures in concert with the resident County that shall include the components outlined below. The resident County will handle such complaints that may include allegations of denial of rights, dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant. COUNTY will handle such complaints regarding access to care or regarding COUNTY’s Public Administrator/Public Guardian Office services.

1. Complaint Resolution. This process will specifically address and attempt to resolve Client complaints and concerns at CONTRACTOR’s facility.

2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR’s facility and the Client or Client representative requests it, the complaint becomes a formal grievance. The request is made to the respective resident County or ADMINISTRATOR and represents the first step in the formal grievance process.

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 CONTRACTOR for Patients’ Rights. The County CONTRACTOR for Patients’ Rights shall investigate the complaint, and Title IX grievance procedures shall apply, which involve the COUNTY Behavioral Health Director and the State Patients’ Rights Office.

D. CONTRACTOR agrees that Clients have recourse to initiate a complaint to CONTRACTOR, appeal to the respective resident County or County CONTRACTOR for Patients’ Rights, to file a formal grievance, 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.

E. CONTRACTOR agrees that no provision of this Contract shall be construed as to replacing or conflicting with the duties of County CONTRACTOR for Patients’ Rights pursuant to WIC Section 5500.

1 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify Patient
 2 Rights Paragraph of this Exhibit A to the Contract.

4 **V. PAYMENTS**

5 A. COUNTY shall pay CONTRACTOR for services provided in accordance with this Contract
 6 during Period One, for expenses between April 1, 2026 through June 30, 2026, and Period Two as
 7 specified in the Referenced Contract Provisions of this Contract.

8 B. REVENUE

9 1. "Revenue" means Medi-Cal and any third party or private reimbursement actually received
 10 by CONTRACTOR for Mental Health Inpatient Services provided to patients served pursuant to this
 11 Contract.

12 2. "Period One Revenue" means revenue actually received during Period One, which revenue
 13 is anticipated by the parties to be \$310,000.

14 3. "Period Two Revenue" means revenue actually received during Period Two, which revenue
 15 is anticipated by the parties to be \$940,000.

16 4. "Excess Revenue" means the amount of revenue generated above \$1,250,000 for the period
 17 March 1, 2025 through June 30, 2027.

18 5. If the Total Revenue received by CONTRACTOR is greater than \$1,250,000, then the excess
 19 shall be either paid to COUNTY or included in whole or in part in a subsequent Contract between
 20 COUNTY and CONTRACTOR and deemed as Prior Years' Excess Revenue and separately identified as
 21 such.

22 6. Excess Revenue usage:

23 a. CONTRACTOR has agreed to utilize the amount over \$1,250,000, representing Excess
 24 Revenue, to offset proposed program costs for the period March 1, 2025, through June 30, 2027. This
 25 amount is inclusive of the total Excess Revenue that CONTRACTOR estimates to be generated over the
 26 budgeted amount of \$1,250,000, for the period March 1, 2025, through June 30, 2027.

27 b. CONTRACTOR shall submit in writing to ADMINISTRATOR, prior to utilizing
 28 Excess Revenue, a request to utilize funds for program costs. The request shall be submitted on a report
 29 that will include a complete breakdown of funds that will be utilized for the program. Prior to any requests,
 30 ADMINISTRATOR will approve a form developed by CONTRACTOR.

31 c. ADMINISTRATOR shall review the request and respond to CONTRACTOR within two
 32 (2) weeks after receiving the request, or three (3) calendar days if deemed an emergency.
 33 ADMINISTRATOR shall approve the request after proper documentation has been submitted by
 34 CONTRACTOR.

35 f. In the event that MHRC generates less than \$1,250,000 in Excess Revenue than
 36 previously budgeted, CONTRACTOR may use the Excess Revenue from the Therapeutic Residential
 37 Center (TRC) program to cover MHRC costs, upon approval from ADMINISTRATOR.

C. In the event that this Contract terminates before June 30, 2027, the Revenues and Total Revenue stipulated in Payment paragraph above shall be proportionately modified by ADMINISTRATOR, based upon the number of days this Contract was in effect.

D. It is understood by the parties that the Department of Health Care Services (DHCS) is in the process of modifying Treatment Authorization Request process and Medi-Cal billing procedures to include the direct involvement of, or control by, County which may impact the way CONTRACTOR bills and collects the Revenues specified herein. CONTRACTOR agrees to comply with any and all state requirements related to Medi-Cal billing, as well as the Orange County Medi-Cal Mental Health Managed Care Plan and related policies and procedures.

E. For provision of the services described herein, COUNTY shall pay CONTRACTOR in advance, for each month during which CONTRACTOR provides the services herein, at the following rates, provided such payments of this Exhibit A and Exhibit B to the Contract do not exceed COUNTY's Amount Not To Exceed for each period as specified in the Referenced Contract Provisions of this Contract:

MHRC PAYMENTS PER MONTH

PERIOD ONE*

*only reimbursing for April 1, 2026 \$875,180 through June 30, 2026

PERIOD TWO

July 1, 2026 through June 30, 2027 \$919,366

F. ADMINISTRATOR and CONTRACTOR shall review on a quarterly basis all contracted budgeted costs to assure services as contracted are being provided. If there are variances; ADMINISTRATOR and CONTRACTOR will discuss the use of excess Medi-Cal, private, and all revenues as indicated in Exhibit A and B of the Contract for budgeted overages costs and for budget under costs.

G. If the Contract terminates at a time other than at the end of a full calendar month, COUNTY shall continue to pay CONTRACTOR in the manner specified in this Payments paragraph at the following rates for any portion of a month during which services are provided.

	<u>RATE PER DAY</u>
PERIOD ONE (April 1, 2026-June 30, 2026)	\$29,173
PERIOD TWO	\$30,646

H. CONTRACTOR’s invoices shall be on a form approved or supplied by COUNTY and provide such information as is required by ADMINISTRATOR. Invoices should not be submitted before the first (1st) day of the month for which services are being invoiced and are due no later than the tenth (10th) day of the 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 the correctly completed and approved invoice.

I. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other revenues due the Client, conservator/guardian, or legally responsible person to determine a Client share of cost.

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

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

VI. QUALITY IMPROVEMENT

A. CONTRACTOR shall maintain a written Quality Improvement Plan, which shall meet the SSD guidelines for inpatient services. These shall include the definition of specific levels of care for MHRC utilization review and monitoring processes to evaluate the appropriateness of Client admission, treatment, and the length of stay based on specified behavioral criteria. The plan will also include procedures addressing the quality of clinical records, peer review, medication monitoring, and medical care evaluation studies.

B. CONTRACTOR shall maintain on file at its facility documentation of minutes and the implementation of the Quality Improvement Plan in the form of minutes and records of all quality improvement, utilization review, and medication monitoring processes. Such records and minutes will be subject to review by ADMINISTRATOR.

C. CONTRACTOR shall allow ADMINISTRATOR to participate in utilization review and quality improvement activities.

D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Quality Improvement Paragraph of this Exhibit A to the Contract.

VII. RECORDS

A. CLIENT RECORDS - CONTRACTOR shall maintain adequate medical records on each individual Client which shall include legal status; diagnosis; psychiatric evaluation; medical history; individual treatment plan; records of Client interviews; progress notes; recommended continuing care plan; discharge summary and records of service provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type

1 of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect
 2 costs, to or between programs or cost centers of CONTRACTOR shall be documented, and shall be made
 3 in accordance with generally accepted principles of accounting, the CRDC Manual, and Medicare
 4 regulations. The Client eligibility determination and fee charged to and collected from Clients, together
 5 with a record of all billings rendered and revenues received from any source, on behalf of Clients treated
 6 pursuant to the Contract, must be reflected in CONTRACTOR's financial records.

7 C. RECORDS LOCATION - All CONTRACTOR'S books of accounts and records related to the
 8 costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1)
 9 location within the limits of the COUNTY or other local location approved, in writing, by
 10 ADMINISTRATOR.

11
 12 **VIII. REPORTS**

13 A. CONTRACTOR shall submit reports as needed to ADMINISTRATOR concerning its activities
 14 as they relate to the duties and purposes contained herein, provided CONTRACTOR is given at least thirty
 15 (30) calendar days prior written notification thereof.

16 B. CONTRACTOR shall submit to COUNTY'S Consumers' Rights Advocate monthly reports of
 17 Clients' Rights Denials, and separate quarterly reports of Involuntary Detentions for the quarters ending
 18 September 30, December 31, March 31, and June 30, of each fiscal year. Quarterly reports are due on the
 19 20th of the month following the period reported.

20 C. CONTRACTOR shall submit a monthly report including but not limited to: Medi-Cal and
 21 Client's revenue, bed occupancy, and staffing. These reports must be on a form acceptable to
 22 ADMINISTRATOR and submitted to ADMINISTRATOR by the twentieth (20th) day of the month
 23 following services.

24 D. CONTRACTOR shall submit on a quarterly basis the following reports for the analyzing of
 25 reported revenue and contracted budgeted costs. Quarterly reports are due on the twentieth (20th) of the
 26 month following the period being reported:

- 27 1. Client's revenue
- 28 2. Medi-Cal Revenue
- 29 3. Contract Budgeted Costs compared to Actual Expenditures
- 30 4. Summary variance of Budget Approved Staffing compared to Actual FTEs by position title

31 These reports shall be on a form acceptable to ADMINISTRATOR and submitted to ADMINISTRATOR
 32 as indicated below:

- 33 1. Quarter 1: ending September 30
- 34 2. Quarter 2: ending December 31
- 35 3. Quarter 3: ending March 31
- 36 4. Quarter 4: ending June 30

37 E. CONTRACTOR shall, for persons served pursuant to the Contract, complete such forms and

1 input data as specified by ADMINISTRATOR for input to COUNTY's IRIS System. Such forms shall
 2 be provided by COUNTY, together with training in their completion.

3 F. CONTRACTOR shall submit monthly programmatic reports to ADMINISTRATOR with program
 4 outcomes including:

- 5 1. Average Length of Stay of all Current Residents
- 6 2. Number of Admits per Month
- 7 3. Number of Assaults, Restraint and Seclusion Episodes, AWOL/Elopements
- 8 4. Client Reintegration into the community, such as outings and walks
- 9 5. Client Participation in MHRC Programming, including number of individuals participating
 10 in STEPs, prevocational job program, Referred to Peer Navigators, and participating in Specialized
 11 Recovery Plans
- 12 6. Number of Discharged per Month
- 13 7. Of those discharged, percentage linking to a lower level of care
- 14 8. Of those discharged, average length of stay

15 G. CONTRACTOR shall submit monthly staffing reports to ADMINISTRATOR outlining the
 16 current staffing vacancies, as well as the following information per staff member: name, license, license
 17 expiration date, FT/PT status, position, and NPI.

18 H. UNUSUAL or ADVERSE INCIDENT REPORTING

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

22 2. CONTRACTOR shall document all adverse incidents affecting the physical and/or emotional
 23 welfare of the individuals seen, including, but not limited to, serious physical harm to self or others,
 24 serious destruction of property, developments, etc., and which may raise liability issues with COUNTY.

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

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

29
 30 **IX. RESPONSIBILITIES**

31 A. CONTRACTOR shall provide, or cause to be provided, medical services as required to Clients
 32 treated pursuant to the Contract. CONTRACTOR shall follow all mutually agreed upon COUNTY P&P's
 33 for arranging medical care for medical emergencies and non-emergencies.

34 B. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all P&Ps.
 35 CONTRACTOR shall provide signature confirmation of the P&P's training for each staff member and
 36 placed in their personnel files.

37 C. CONTRACTOR shall obtain a NPI – The standard unique health identifier adopted by the

1 Secretary of HHS under HIPAA of 1996 for health care providers.

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

4 2. CONTRACTOR, including each employee that provides services under the Contract, will
5 obtain a NPI upon commencement of the Contract or prior to providing services under the Contract.
6 CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by
7 ADMINISTRATOR, all NPI as soon as they are available.

8 D. CONTRACTOR shall provide the NPP for the COUNTY, as the MHP, at the time of the first
9 service provided under the Contract to individuals who are covered by Medi-Cal and have not previously
10 received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon request, the
11 NPP for the COUNTY, as the MHP, to any individual who received services under the Contract.

12 E. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,
13 with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the terms
14 of the Contract. Further, CONTRACTOR agrees that the funds provided hereunder will not be used to
15 promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution,
16 or religious belief.

17 F. CONTRACTOR shall provide effective Administrative management of the budget, staffing,
18 recording, and reporting portion of the Contract with the COUNTY. If administrative responsibilities are
19 delegated to subcontractors, the CONTRACTOR must ensure that any subcontractor(s) possess the
20 qualifications and capacity to perform all delegated responsibilities, including but not limited to the
21 following:

- 22 1. Designate the responsible position(s) in your organization for managing the funds allocated
- 23 to this program;
- 24 2. Maximize the use of the allocated funds;
- 25 3. Ensure timely and accurate reporting of monthly expenditures;
- 26 4. Maintain appropriate staffing levels;
- 27 5. Request budget and/or staffing modifications to the Contract;
- 28 6. Effectively communicate and monitor the program for its success;
- 29 7. Track and report expenditures electronically;
- 30 8. Maintain electronic and telephone communication between key staff and
- 31 ADMINISTRATOR; and
- 32 9. Act quickly to identify and solve problems.

33 G. COUNTY shall assist CONTRACTOR in monitoring CONTRACTOR's program to ensure
34 compliance with workload standards and productivity.

35 H. COUNTY shall review Client charts to assist CONTRACTOR in ensuring compliance with HCA
36 P&Ps and Medi-Cal documentation requirements.

37 I. COUNTY shall review and approve all admissions, discharges from the program and extended

1 stays in the program.

2 J COUNTY shall monitor CONTRACTOR’s completion of corrective action plans.

3 K. COUNTY shall monitor CONTRACTOR’s compliance with COUNTY P&P’s.

4 L. ADMINISTRATOR shall meet regularly, and when requested, with CONTRACTOR's Medical
5 Director/Program Director to discuss program issues, problematic cases, linkage issues, and the results of
6 ADMINISTRATOR'S chart review.

7 M. ADMINISTRATOR shall provide consultation and assistance in the development of the facility's
8 Quality Improvement Plan.

9 N. ADMINISTRATOR shall provide a hearing officer for probable cause hearings, shall assist in
10 screening of individuals for all board and care home placements in COUNTY, and shall provide case
11 management services to individuals discharged from CONTRACTOR’s facility.

12 O. ADMINISTRATOR shall pay for ambulance or medical van transportation to another mental
13 health facility in accordance with COUNTY’s Medical Transportation Contract. CONTRACTOR shall
14 provide an accompanying escort with Client if a return trip is intended.

15 P. ADMINISTRATOR shall provide legal representation in all legal proceedings required for the
16 hospitalization, admission or treatment of Clients provided services hereunder, including but not limited
17 to Habeas Corpus, Riese hearings, conservatorship, seventy-two (72)-hour treatment and evaluation,
18 court-ordered evaluation, and appeal and post-certification proceedings.

19 Q. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
20 Responsibilities Paragraph of this Exhibit A to the Contract.

21
22 **X. SERVICES**

23
24 A. FACILITY - CONTRACTOR shall provide MHRC services within a locked facility with a total
25 capacity of eighty (80) MHRC beds, located at:

26
27 23228 Madero
28 Mission Viejo, CA 92691

- 29
30 1. At this facility the CONTRACTOR shall provide the following:
31 a. Rooms for group and activities therapies, visiting, and Client recreation.
32 b. Office space for confidential medical examinations and Client interviews.
33 c. A secure outside Client recreational area.
34 d. Access to public transportation.
35 e. Office space for nursing, psychiatric, and social service staff.
36 f. Space for Dining.
37 g. Van transportation for the transfer of COUNTY Clients from CONTRACTOR's facility to

1 alternative treatment facilities, non-emergency medical treatment and supervised
 2 therapeutic outings.

3 **B. CLIENTS SERVED**

- 4 1. CONTRACTOR shall serve and treat chronic and persistently mentally ill Clients who are
 5 medically stable, including those with co-existing substance use disorders and require long-
 6 term stabilization and rehabilitation presenting high risk of further decompensation if not
 7 treated.
- 8 2. CONTRACTOR shall admit and treat only those persons referred and/or approved by
 9 COUNTY. CONTRACTOR shall not refuse admission of consumers referred by COUNTY,
 10 provided, however, such consumers meet the COUNTY’s medical criteria for admission to
 11 the COUNTY CSU.
- 12 3. CONTRACTOR shall provide services to persons eighteen (18) years of age or older and
 13 emancipated minors as defined in Section 62 of the California Civil Code, with a psychiatric
 14 diagnosis as defined in the current ICD-10, and who are admitted pursuant to WIC §6000,
 15 §5350, §5353, and §5358.
- 16 4. Any denials for Client admission will be discussed and reviewed with COUNTY to
 17 collaboratively address concerns and reduce barriers to admission.
- 18 5. CONTRACTOR shall accept for re-admission those Clients transferred from their facility for
 19 acute medical or psychiatric stabilization unless an alternative placement plan is indicated and
 20 agreed upon by ADMINISTRATOR.
- 21 6. MHRC admissions and discharges shall occur Monday through Friday during the hours of
 22 7 a.m. to 7 p.m.

23 **C. SERVICES TO BE PROVIDED - CONTRACTOR shall provide a secure long-term inpatient**
 24 **program, herein referred to as “MHRC,” to provide physician, nursing, pharmaceutical, and**
 25 **dietary services and shall maintain the capability of providing such services to eighty (80) persons.**

- 26 1. CONTRACTOR shall meet the requirements set forth in Title 9 of the CCR to be certified to
 27 provide an MHRC, including staffing and services requirements.
- 28 2. The MHRC shall provide a Recovery based rehabilitation and activity program as specified
 29 in MHRC regulations and shall be designed to assist Clients considered seriously disabled
 30 due to a mental illness to develop skills to become self-sufficient and capable of increasing
 31 levels of independent functioning in the community.
- 32 3. CONTRACTOR services will be trauma-informed. Clients will be treated with the highest
 33 level of dignity and respect at all times, and staff will engage Clients with non-coercion,
 34 focusing on assisting Clients in reaching psychiatric stabilization sufficient to be discharged
 35 to a lower level of care.
- 36 4. The program will be based upon a recovery model therapeutic milieu with a primary
 37 rehabilitation focus using evidenced-based programming to serve the severe, persistent, and

1 chronic mental health symptoms of consumers.

- 2 5. The rehabilitation program services shall be individualized to each Clients' needs, and include
 3 psychiatric and psychological services, pre-vocational and vocational counseling,
 4 development of independent living skills, self-help and social skills, substance use services,
 5 symptom management and community outreach to develop linkages with other
 6 support and service systems, including family members. Learning disability assessment and
 7 educational services may be included.

8 **D. PSYCHIATRIC SERVICES – CONTRACTOR shall provide or cause to provide psychiatric**
 9 **treatment and support services under subcontracted services, including:**

- 10 1. Each Client shall be assigned a primary Psychiatrist for ongoing medication evaluation and
 11 treatment; and appropriate program staff for on-going therapy and case management.
 12 2. Seven (7) days per week evaluation and treatment services to include a psychiatric and
 13 medical history, psychiatric diagnosis including a secondary substance abuse disorder as
 14 defined in the most current version of the ICD-10, and a physical examination of each newly
 15 admitted Client within twenty-four (24) hours of admission.
 16 3. CONTRACTOR shall also provide on a seven (7) day per week basis, initiation of
 17 certification and conservatorship as well as reappointment of conservatorship processes
 18 including declarations in support of reappointment of Conservatorship as well as including
 19 declarations in support of termination of Conservatorship as clinically indicated, discharge
 20 planning, continuing care planning and referral services for each Client.
 21 4. Access to twenty-four (24)-hour psychiatric services for MHRC and on-site coverage to
 22 comply with applicable regulatory minimum requirements.
 23 5. The names of the Attending Psychiatrist(s) and Medical Director will be posted within each
 24 Nursing Unit.
 25 6. Expert Witness testimony by appropriate mental health professionals in all legal proceedings
 26 required for the hospitalization, admission, or treatment of Clients provided services herein.
 27 These services shall include, but are not limited to, Writs of Habeas Corpus, conservatorship,
 28 court-ordered evaluation, and appeal and post-certification proceedings.
 29 7. Medical Director, or appropriate psychiatric designee, attendance at all treatment service team
 30 meetings held for all programs.
 31 8. Availability of Medical Director, Program Director, or appropriate psychiatric designee,
 32 either directly or by pager or cell phone, twenty-four (24)-hours per day, every day for
 33 unresolved emergencies in all programs.

34 **E. ADDITIONAL/ANCILLARY TREATMENT SERVICES**

- 35 1. CONTRACTOR shall also provide an individual treatment service plan, developed in
 36 collaboration with the Client and interdisciplinary treatment team.
 37 2. CONTRACTOR shall provide psychological, recreational, occupational and vocational

- 1 therapy services consistent with the individualized treatment service plan.
- 2 3. The Client's family and outpatient behavioral health team shall be actively involved in the
- 3 treatment process in order to facilitate support of the Client after discharge.
- 4 4. CONTRACTOR shall dedicate fifteen (15) of the eighty (80) beds to a specialized program,
- 5 Striving Towards Enhanced Partnerships (STEPS), which assists Clients in transitioning to
- 6 lower levels of care and provides wrap around services to assist in this process.
- 7 5. Laboratory services limited to an initial CBC, UA, RPR, comprehensive metabolic panel,
- 8 thyroid panel, urine pregnancy as indicated, and if needed, a drug or alcohol screen.
- 9 6. Appropriate laboratory services for any psychiatric medication which requires additional
- 10 pre-screening or regular tests.
- 11 7. Radiology services, primarily for the evaluation and treatment of psychiatric disorders.
- 12 8. Pharmaceutical services primarily for the evaluation and treatment of psychiatric disorders
- 13 including medications provided to Clients.
- 14 9. Daily Utilization Review of psychiatric inpatient services to assure that the medical necessity
- 15 is clearly documented.
- 16 10. CONTRACTOR shall interface with the Client's health plan, Primary Care Physician, and/or
- 17 CalOptima if Client is a COUNTY Medi-Cal Beneficiary to obtain authorization for medical
- 18 services and to exchange relevant clinical information for continuity of care.
- 19 11. CONTRACTOR shall link with the Client's outpatient behavioral health services team if the
- 20 Client has been receiving services from COUNTY or outpatient County-Contractor, and
- 21 involve the behavioral health clinical and/or outpatient clinical team in treatment service
- 22 planning and discharge planning.
- 23 12. CONTRACTOR shall develop specialized treatment service modules focusing on the needs
- 24 of the dually diagnosed (i.e. psychiatric and substance use disorders), and on the needs of
- 25 multicultural populations served by the program. This can include providing specific
- 26 evidence-based substance use treatment modalities as part of daily and/or weekly
- 27 programming, as well as consultation or hiring of staff with additional substance use training
- 28 or treatment certification to address these issues and promote recovery.
- 29 13. CONTRACTOR shall develop specialized treatment service modules focusing on the needs
- 30 of multicultural populations served by the program. This includes providing culturally
- 31 competent services, hiring bilingual and/or bicultural staff, and providing services in all
- 32 threshold languages through use of the language line to meet the needs of the Client and/or
- 33 their support network or family.
- 34 14. CONTRACTOR shall develop a tobacco use prevention and cessation program based on "best
- 35 practices" for those Clients who use tobacco and are served by the program. CONTRACTOR
- 36 shall serve Clients in a smoke free environment.

37 F. CONTRACTOR shall provide those services required by Title 9 CCR for MHRC which shall

1 include, but not be limited to the following:

2 1. Direct Services - Room and dietetic services, nursing services including drug administration
3 and Client care, Client activities will include occupational/recreational/vocational services, and provision
4 of a therapeutic milieu, as well as individual and group programming based upon evidence-based
5 practices.

6 2. Support Services - Housekeeping, laundry, maintenance, medical records, drug order
7 processing, written procedures for obtaining emergency and non-emergency medical services and
8 ambulance services.

9 G. DISCHARGE PLANNING

10 1. CONTRACTOR shall make its best effort to maintain an average length of stay no greater
11 than six (6) months.

12 2. Discharge planning will begin on admission and placement, and/or referral shall be provided
13 seven (7) days per week.

14 3. CONTRACTOR shall initiate a discharge planning conference with ADMINISTRATOR for
15 each Client whose length of stay exceeds nine (9) months. CONTRACTOR shall seek a
16 discharge planning update on a monthly basis thereafter until the Client is discharged.

17 4. CONTRACTOR shall notify ADMINISTRATOR of all admissions who qualify for COUNTY
18 services. CONTRACTOR shall coordinate all discharges that are referred to COUNTY, including
19 COUNTY contractors, and ensure linkage with outpatient providers for continuity of care.

20 H. PERFORMANCE OUTCOMES MEASURES

21 1. CONTRACTOR shall make its best effort to maintain an average length of stay of six (6) to
22 nine (9) months

23 2. Ninety-five (95) percent of all Clients discharged to the community will be scheduled a
24 follow-up outpatient services appointment to occur within twenty-four (24) hours of
25 discharge

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

28
29 **XI. STAFFING**

30 A. CONTRACTOR shall provide the following staffing, expressed in Full-Time Equivalent (FTE)
31 which shall be equal to an average of forty (40) hours work per week including sick leaves, holidays,
32 vacation, and "on-call" time.

<u>MISSION VIEJO – MHRC</u>	<u>FTEs</u>
Adjunctive Therapy Director	1.00
Adjunctive Therapy Staff	5.20
Clerical/Driver	2.00

1	Dietary Staff	8.40
2	Dietary Supervisor	1.00
3	Director of Nursing	1.00
4	Facility Director	1.00
5	Staff Development Director	1.00
6	Housekeeping Staff	4.60
7	LVN/LPT	22.40
8	Maintenance Director	1.00
9	Maintenance Staff	1.00
10	Medical Records	1.00
11	MHW/MHA	38.00
12	Peer Mentor	1.00
13	Pre-Vocational Specialist	1.00
14	Program Director	1.00
15	Social Services	4.00
16	Ward Clerk	<u>2.00</u>
17	TOTAL MHRC	97.60
18	Subcontractors:	
19	TOTAL Subcontractor FTEs	2.75

21 B. CONTRACTOR will hire bilingual/bicultural staff in sufficient number to meet the needs of
 22 Clients serviced pursuant to the Contract.

23 C. CONTRACTOR shall make its best efforts to provide services pursuant to the Contract in a
 24 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR
 25 shall maintain documentation of such efforts which may include, but not be limited to: records of
 26 participation in COUNTY sponsored or other applicable training; recruitment and hiring P&Ps; copies of
 27 literature in multiple languages and formats, as appropriate; and descriptions of measures taken to enhance
 28 accessibility for, and sensitivity to, persons who are physically challenged.

29 D. CONTRACTOR shall provide a Medical Director whose responsibilities shall be provided to
 30 ADMINISTRATOR.

31 E. CONTRACTOR shall provide ADMINISTRATOR a list of current staff on a monthly basis.

32 F. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of
 33 any staffing vacancies or filling of vacant positions that occur during the term of the Contract

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

36
 37

1
2 EXHIBIT B
3 CONTRACT FOR PROVISION OF
4 MENTAL HEALTH INPATIENT SERVICES
5 BETWEEN
6 COUNTY OF ORANGE
7 AND
8 23228 MADERO OPCO, LLC
9 MARCH 1, 2025 THROUGH JUNE 30, 2027

10
11 **I. BUSINESS ASSOCIATE CONTRACT**

12 A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

1 with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed
 2 pursuant to the Contract.

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37 6. "Health Care Operations" shall have the meaning given to such term under the HIPAA

1 Privacy Rule in 45 CFR § 164.501.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
 2 other than as provided for by this Business Associate Contract.

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

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

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

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

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

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

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

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

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

1 Disclosures of PHI in accordance with 45 CFR § 164.528.

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

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

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

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

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

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

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

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

4 D. SECURITY RULE

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

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

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

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

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

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

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

32 //

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

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

1 matters with COUNTY.

2 E. DATA SECURITY REQUIREMENTS

3 1. Personal Controls

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

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

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

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

29 2. Technical Security Controls

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

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

1 upon a risk assessment/system security review.

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

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

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

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

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

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

37 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to

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

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

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

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

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

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

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

35 3. Audit Controls

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

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

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

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

12 4. Business Continuity/Disaster Recovery Control

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

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

25 5. Paper Document Controls

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

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

36 c. Confidential Destruction. PHI COUNTY discloses to CONTRACTOR or
 37 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must be disposed of

1 through confidential means, such as cross cut shredding and pulverizing.

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

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

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

17 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

37 1) A brief description of what happened, including the date of the Breach and the date

1 of the discovery of the Breach, if known;

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

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

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

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

11 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
12 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
13 COUNTY.

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

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

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

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

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

35 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

36 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR as
37 necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in the

1 Contract, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by
 2 COUNTY except for the specific Uses and Disclosures set forth below.

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

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

8 1) The Disclosure is required by law; or

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

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

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

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

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

22 H. PROHIBITED USES AND DISCLOSURES

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

28 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
 29 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
 30 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by 42 USC §
 31 17935(d)(2).

32 I. OBLIGATIONS OF COUNTY

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

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

1 CONTRACTOR's Use or Disclosure of PHI.

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

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

7 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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EXHIBIT C
 CONTRACT FOR PROVISION OF
 MENTAL HEALTH INPATIENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 23228 MADERO OPCO, LLC
 MARCH 1, 2025 THROUGH JUNE 30, 2027

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

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

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

7 B. TERMS OF CONTRACT

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

12 2. Responsibilities of CONTRACTOR

13 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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