

**RESIDENTIAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
A&A HEALTH SERVICES LLC
FOR FISCAL YEARS 2022-2023 THROUGH 2024-2025**

This “Residential Services Agreement” (the “Agreement”), entered into, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and A&A Health Services LLC, a Delaware limited liability company authorized to do business in California, hereinafter referred to as “CONTRACTOR,” is made on the last day signed below to be effective July 1, 2022 and is made for the following considerations:

WHEREAS, COUNTY, by and through its Department of Health and Human Services – Behavioral Health (“DHHS – Behavioral Health”), desires to retain a qualified professional to provide long-term residential mental health treatment program for adults with severe mental illnesses; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the long-term residential mental health treatment services required by COUNTY; and

WHEREAS, CONTRACTOR and COUNTY desire to enter into an agreement that will be in effect during three (3) fiscal years, and which sets forth each Party’s rights and responsibilities regarding the professional services CONTRACTOR hereby agrees to provide to COUNTY.

NOW THEREFORE, in consideration of the covenants and promises set forth herein and for such other good and valuable consideration, the Parties hereto agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR hereby agrees to provide the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference as if set forth in full. In providing such services, CONTRACTOR hereby agrees to fully cooperate with the DHHS – Behavioral Health Director, or a designee thereof, hereinafter referred to as “Director.”

2. TERM:

This Agreement shall be effective as of July 1, 2022 and shall remain in full force and effect until June 30, 2025, unless sooner terminated as provided herein.

3. TERMINATION:

A. Termination for Cause. COUNTY may, in its sole discretion, immediately terminate this Agreement, if CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal law, regulation or standard applicable to its performance hereunder.

- B. Termination Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice which states the effective date of the termination.
- C. Termination due to Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services provided prior to COUNTY's termination pursuant to the terms and conditions set forth herein. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for any and all services provided, including costs and expenses incurred, pursuant to the terms and conditions of this Agreement is One Million, One Hundred Forty Nine Thousand, Seven Hundred Fifty Dollars (\$1,149,750.00). In no event shall the maximum amount paid under this Agreement exceed Three Hundred Eighty-Three Thousand Two Hundred Fifty Dollars (\$383,250.00) per fiscal year for fiscal years 2022-23 through 2024-2025. CONTRACTOR hereby agrees to perform any and all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable hereunder or terminate this Agreement as provided herein.
- B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit B-Schedule of Rates, which is attached hereto and incorporated herein by reference as if set forth in full.
- C. Additional Services. Any additional services not otherwise set forth herein, shall not be provided by CONTRACTOR, or compensated by COUNTY, without COUNTY's prior written authorization. Any and all unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

- A. Invoices. CONTRACTOR shall submit to COUNTY monthly invoices itemizing any and all services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement by the tenth (10th) day of each month. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Invoices shall be prepared using a format that is substantially similar to the format set forth in Exhibit C – Sample Invoice Form, which is attached hereto and incorporated herein by reference as if set forth in full. Payment for any and all services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement shall be made within thirty (30) days after the receipt of approved invoices. Any and all invoices submitted pursuant to the terms and conditions of this Agreement shall be sent to COUNTY at the following address:

COUNTY: Humboldt County DHHS – Behavioral Health

Attention: Financial Services
507 F Street
Eureka, California 95501

- B. Disputed Costs. COUNTY shall have the right to reasonably and in good faith dispute any portion of any amount billed by CONTRACTOR. If COUNTY believes that CONTRACTOR has billed COUNTY incorrectly, COUNTY must contact CONTRACTOR's customer support department no later than thirty (30) days after the date on the invoice in which the error or problem appeared, in order to receive an adjustment or credit. Such notification shall include written documentation which identifies and substantiates the disputed amount. Notwithstanding the foregoing, COUNTY shall submit to CONTRACTOR, prior to the invoice due date, full payment of the undisputed portion of any fees billed by CONTRACTOR.

6. NOTICES:

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County DHHS – Behavioral Health
Attention: Emi Botzler-Rodgers, Behavioral Health Director
720 Wood Street
Eureka, California 95501

CONTRACTOR: A&A Health Services LLC
Attention: Andrew Dominici, Executive Director
3201 Danville Blvd Ste 265
Alamo, California 94507

7. REPORTS:

- A. General Reporting. CONTRACTOR hereby agrees to provide COUNTY with any and all reports that may be required by any local, state and/or federal agencies for compliance with this Agreement. CONTRACTOR shall submit one (1) hard copy and one (1) electronic copy of any and all reports required hereunder in a format that complies with the Americans with Disabilities Act and any other applicable local, state and federal accessibility laws, regulations and standards. Any and all reports required hereunder shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California as appropriate.

- B. Year-End Cost Reports. If applicable to a specific local, state or federal funding source covered by this Agreement, CONTRACTOR shall submit an unaudited year-end cost report, which includes, an accurate and complete statement of any and all costs and expenses incurred pursuant to the terms and conditions of this Agreement, within sixty (60) days after the end of each fiscal year in which services are provided hereunder. CONTRACTOR shall also submit a final year-end cost report within sixty (60) days after the expiration or termination date of this Agreement. Year-end cost reports shall be separated into each type of service provided pursuant to the terms and conditions of this Agreement in accordance with any and all applicable local, state and federal fiscal reporting requirements, as well as any and all written instructions and/or guidelines provided by COUNTY. COUNTY may suspend any payments due hereunder until past due year-end cost reports are received. If an accurate and complete year-end cost report is not submitted within one hundred (100) days after the end of any fiscal year in which services are

provided pursuant to the terms and conditions of this Agreement, any and all amounts covered by the outstanding year-end cost report shall be repaid to COUNTY.

8. PREPARATION, RETENTION AND INSPECTION OF PERFORMANCE RECORDS:

- A. Preparation of Performance Records. CONTRACTOR shall prepare and maintain, in accordance with all applicable local, state and federal laws, regulations and standards, any and all records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, documents regarding CONTRACTOR's accounting procedures and practices, necessary to properly reflect all direct and indirect costs of any nature claimed to have been incurred in the performance of the services provided hereunder, including, but not limited to, any and all matching costs and expenses. The foregoing constitutes "performance records" for purposes of this provision.
- B. Preservation of Performance Records. CONTRACTOR shall preserve, in accordance with any and all applicable local, state and federal laws, regulations and standards, any and all performance records prepared and maintained pursuant to the terms and conditions of this Agreement for a period of ten (10) years after final payment hereunder, and for such longer period, if any, as required by applicable statute or this Agreement.
 - 1. If this Agreement is completely or partially terminated, any and all performance records relating to the terminated services shall be preserved and made available for a period of ten (10) years from the date of any resulting final settlement.
 - 2. If any litigation, claim, negotiation, audit or other action involving any performance records prepared and maintained pursuant to the terms and conditions of this Agreement is initiated before the expiration of the above-referenced ten (10) year period, such performance records shall be retained until completion of the action and resolution of all issues arising therefrom, or until the end of the ten (10) year period, whichever is later.
- C. Inspection of Performance Records. CONTRACTOR shall make, in accordance with any and all applicable local, state and federal laws, regulations and standards, and any and all performance records prepared and maintained pursuant to the terms and conditions of this Agreement immediately available, during normal business hours, inspection, audit and reproduction by COUNTY, the California Department of Health Care Services ("DHCS"), the California Department of General Services, the Bureau of State Audits, or their designated representatives, including, without limitation, the Comptroller General of the United States, and any other duly authorized local, state or federal agencies for a period of ten (10) years after final payment hereunder, and for such longer period, if any, as required by applicable statute or this Agreement. CONTRACTOR shall also allow interviews of any employees who might reasonably have information related to any performance records prepared pursuant to the terms and conditions of this Agreement by COUNTY and any other duly authorized local, state and federal agencies during the above-referenced ten (10) year period.
- D. Record Storage and Reproduction. Following the receipt of final payment hereunder, CONTRACTOR may, at its discretion, reduce any and all performance records prepared and maintained pursuant to the terms and conditions of this Agreement to microfilm, computer disk, CD ROM, DVD or other data storage medium. Upon request by a designated representative of COUNTY, DHCS or any other duly authorized local, state or federal agency to inspect, audit or obtain copies of said performance records, CONTRACTOR shall make available any and all applicable devices, hardware and/or software necessary to view, copy and/or print such performance records.

E. Effect of Non-Compliance. CONTRACTOR's failure to comply with the requirements set forth herein may result in the imposition of any and all applicable penalties pertaining to obstruction of governmental investigations.

9. AUDIT AND EXAMINATION OF PERFORMANCE RECORDS:

In accordance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation, California Government Code Section 8546.7, any and all performance records, reports and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and any subcontracts related hereto, shall be subject to examination and audit by COUNTY, DHCS, the California Department of General Services, the Bureau of State Audits, or their designated representatives, including, but not limited to, the Comptroller General of the United States and any other duly authorized local, state or federal agencies. CONTRACTOR hereby agrees to allow COUNTY, DHCS and any other duly authorized local, state or federal agencies access to such performance records, reports and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement during normal business hours, for a period of ten (10) years after final payment hereunder, and for such longer period, if any, as required by applicable statute or any provision of this Agreement. CONTRACTOR shall hold COUNTY harmless for any and all liability resulting from any audit conducted pursuant to the terms and conditions of this Agreement.

10. LOCAL, STATE AND FEDERAL MONITORING:

CONTRACTOR hereby agrees that COUNTY and any other duly authorized local, state or federal agencies, including, without limitation, DHCS and the United States Department of Health and Human Services, shall have the right to monitor any and all activities related hereto, including the right to review CONTRACTOR's records, policies, procedures and overall business operations, at any time, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR shall cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, policies, procedures or business operations are identified by COUNTY or any other duly authorized local, state or federal agencies. However, COUNTY is not responsible, and shall not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

11. CONFIDENTIAL INFORMATION:

A. Legal Compliance. CONTRACTOR hereby agrees to protect any and all confidential records and client confidentiality in conformance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology and Clinical Health Act ("HITECH Act"); the United States Health Information Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, all as may be amended from time to time.

B. State Contractual Requirements. CONTRACTOR hereby agrees to comply with any and all applicable confidentiality requirements contained in the Mental Health Performance Agreement (State Standard Agreement No. 21-10082) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full.

C. HIPAA Covered Entity Requirements. Each party hereto represents itself to be a "covered entity," as that term is defined by HIPAA, and agrees to use and disclose any and all confidential

information concerning persons receiving services pursuant to this Agreement in accordance with any and all applicable laws, regulations and standards. COUNTY and CONTRACTOR acknowledge that the exchange of such confidential information shall only be for the purposes of treatment, payment and health care operations.

- D. HIPAA Business Associate Requirements. CONTRACTOR hereby agrees to adhere to the terms and conditions set forth in Exhibit D – County of Humboldt HIPAA Business Associate Agreement, which is attached hereto and incorporated herein by reference as if set forth in full.
- E. Continuing Compliance with Confidentiality Requirements. Each party hereby acknowledges that local, state and federal laws, regulations, standards and contractual requirements pertaining to confidentiality, electronic data security and privacy are rapidly evolving, and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations, standards or contractual requirements.

12. PRIVACY AND DATA SECURITY REQUIREMENTS:

- A. Legal Compliance. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal privacy and data security requirements, including, without limitation: the Federal Privacy Regulations contained in Parts 160 and 164 of Title 45 of the Code of Federal Regulations (“C.F.R.”); the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164; the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162; 42 C.F.R. Sections 431.300, *et seq.*; and 45 C.F.R. Section 205.50, all as may be amended from time to time.
- B. State Contractual Requirements. CONTRACTOR hereby agrees to comply with any and all applicable privacy and data security requirements contained in the Mental Health Performance Agreement (State Standard Agreement No. 21-10082) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full.
- C. Definitions. For purposes of this provision, the following definitions shall apply:
 - 1. Public Information. As used herein, the term “Public Information” shall include, without limitation, any and all information that is not exempt from disclosure under the provisions of the California Public Records Act (California Government Code Sections 6250, *et seq.*) or any other applicable local, state or federal laws, regulations or standards.
 - 2. Exempt Information. As used herein, the term “Exempt Information” shall include, without limitation, any and all information that is exempt from disclosure under the provisions of the California Public Records Act (California Government Code Sections 6250, *et seq.*) or any other applicable local, state or federal laws, regulations or standards.
 - 3. Sensitive Information. As used herein, the term “Sensitive Information” shall include, without limitation, any and all information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss or deletion. Sensitive Information may be either Public Information or Exempt Information. It is information that requires a higher than normal assurance of accuracy and completeness. Typically, Sensitive Information includes records of an agency’s financial transactions and regulatory actions.
 - 4. Personal Information. As used herein, the term “Personal Information” shall include,

without limitation, any and all information that identifies or describes an individual, including, but not limited to, his or her name, physical description, home address, home telephone number, education, financial matters, medical or employment history and statements made by, or attributed to, the individual. It is DHCS' policy to consider all information about individuals private that must be protected from inappropriate access, use or disclosure, unless such information is determined to be a public record.

5. Personally Identifiable Information. As used herein, the term "Personally Identifiable Information" shall include, without limitation, any and all information which can be used to distinguish or trace an individual's identity, such as their name, social security number, driver license number, identification card number, financial account number or other identifying number, symbol or particular, including, but not limited to, finger prints, voice prints and photographs (California Civil Code Sections 1798.29 and 1798.82).
 6. Protected Health Information. As used herein, the term "Protected Health Information" shall include, without limitation, any and all individually identifiable health information that is transmitted by, or maintained in, electronic media or any other medium, as defined by the HIPAA Standards for Privacy of Individually Identifiable Health Information and the Federal Security Standards contained in 45 C.F.R. Parts 160 and 164, all as may be amended from time to time.
- D. Nondisclosure of Identifying Information. In connection with the execution of this Agreement, CONTRACTOR shall protect from unauthorized disclosure the names and other identifying information, including Personal Information ("PI"), Personally Identifiable Information ("PII"), Sensitive Information and Exempt Information (referred to collectively as "PSEI"), concerning persons receiving services pursuant to the terms and conditions of this Agreement or persons whose PSEI becomes available to CONTRACTOR as a result of the services provided hereunder, except for statistical information not identifying any such person.
1. Unauthorized Disclosures of Identifying Information. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any PSEI to anyone other than COUNTY or DHCS without prior written authorization from COUNTY or the DHCS Program Contract Manager, unless disclosure is required by applicable local, state or federal laws, regulations or standards.
 2. Use of Identifying Information. CONTRACTOR shall not use any PSEI for any purpose other than carrying out its duties and obligations under this Agreement.
 3. Notification of Requests for Identifying Information. CONTRACTOR shall transmit to COUNTY all requests for disclosure of any PSEI not emanating from a person whose PSEI becomes available to CONTRACTOR as a result of the services provided hereunder.
- E. Nondisclosure of Protected Health Information. In connection with the execution of this Agreement, CONTRACTOR shall protect from unauthorized disclosure any and all Protected Health Information ("PHI") concerning persons receiving services pursuant to the terms and conditions of this Agreement or persons whose PHI becomes available to CONTRACTOR as a result of the services provided hereunder.
1. Use and Disclosure of Protected Health Information. CONTRACTOR shall not use or disclose PHI in any manner that would constitute a breach of this Agreement or a violation of any applicable local, state or federal laws, regulations or standards.

2. Minimum Use and Disclosure of Protected Health Information. CONTRACTOR shall use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of this Agreement.
 3. Legal Standards Pertaining to Protected Health Information. CONTRACTOR shall only use, store or disclose PHI in compliance with the terms and conditions of this Agreement and any and all applicable local, state and federal laws, regulations and standards.
 4. Downloading Protected Health Information. CONTRACTOR shall not download PHI to any personal device, including, without limitation, flash drives, cell phones or tablets without COUNTY's prior written approval.
 5. Maintenance and Preservation of Disclosure Records. CONTRACTOR hereby agrees to timely prepare accurate and complete performance records relating to the use and disclosure of PHI transmitted pursuant to this Agreement, and to maintain and preserve said records for at least ten (10) years from the date of expiration or termination of this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom.
 6. Accounting Requirements. CONTRACTOR shall comply with the accounting requirements set forth in 45 C.F.R. Section 164.528 and any associated regulations or informal guidance issued by the United States Department of Health and Human Services – Office of Civil Rights, all as may be amended from time to time.
- F. Security Incidents and Suspected Breaches of Confidential Information. If CONTRACTOR has reason to believe that PSEI or PHI transmitted hereunder may have been accessed, disclosed or acquired in breach of this Agreement, CONTRACTOR shall immediately take all actions necessary to preserve forensic evidence and to identify, mitigate and remediate the cause of the suspected breach. Such actions shall include, without limitation, the following:
1. Reporting Breaches of Confidential Information. CONTRACTOR shall notify COUNTY immediately, by telephone and e-mail or fax, upon the discovery of a breach of PSEI or PHI in electronic media or any other medium, if the PSEI or PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person.
 2. Reporting Suspected Security Incidents. CONTRACTOR shall notify COUNTY, by telephone and e-mail or fax, within twenty-four (24) hours after discovering any suspected security incident, intrusion, loss or unauthorized use or disclosure of PSEI or PHI in violation of this Agreement or any applicable local, state or federal laws, regulations or standards.
 - a. Discovery of Breaches and Security Incidents. For purposes of this Agreement, a breach of, or security incident involving, PSEI or PHI shall be treated as discovered by CONTRACTOR as of the first (1st) day on which such breach is known, or by exercising reasonable diligence would have been known, to CONTRACTOR or any employee or agent thereof, other than the person committing the suspected breach.
 3. Reporting Suspected Breaches and Security Incidents to Affected Individuals. To the extent deemed warranted, CONTRACTOR shall provide notice to any and all individuals affected by the suspected breach of, or security incident involving, PSEI or PHI. CONTRACTOR shall pay the full costs associated with notifying such individuals, which may include, without limitation, the costs to retain an outside firm to undertake the

notification effort. In addition, CONTRACTOR shall consult with COUNTY regarding the steps required to notify impacted individuals and any other persons, media outlets or governmental agencies, and must supply COUNTY with the following information:

- a. Description of Suspected Breach or Security Incident. A brief description of the circumstances surrounding the suspected breach of, or security incident involving, PSEI or PHI, including, without limitation, the date of occurrence and discovery thereof, if known.
 - b. Description of the Information Involved. A description of the types of unsecured PSEI or PHI that were involved in the suspected breach or security incident, including, without limitation, the full name, social security number, date of birth, home address, account number or disability code of all affected third parties.
 - c. Description of Remedial Actions. A brief description of the actions being taken by CONTRACTOR to remediate the breach of, or security incident involving, PSEI or PHI, mitigate losses and protect against any further breaches or security incidents.
4. Investigation of Suspected Breaches and Security Incidents. CONTRACTOR shall immediately investigate any and all suspected breaches of, or security incidents involving, PSEI or PHI. Within seventy-two (72) hours after the discovery of such suspected breach or security incident, CONTRACTOR shall submit an updated "Privacy Incident Report" containing the applicable information to the extent known at that time.
 5. Remediation of Breaches and Security Incidents. Upon discovery of a breach of, or security incident involving, PSEI or PHI, CONTRACTOR shall:
 - a. Corrective Action. Take prompt corrective action to mitigate any risks or damages regarding the breach or security incident and to protect the operating environment.
 - b. Legal Compliance. Take any action pertaining to such breach or security incident required by any and all applicable local, state and federal laws and regulations.
 6. Cooperation with COUNTY's Remediation Efforts. Upon discovery of a breach of, or security incident involving, PSEI or PHI, CONTRACTOR shall give highest priority to immediately mitigating and remediating the breach or security incident, and shall devote such resources as may be required to accomplish that goal. In addition, CONTRACTOR shall cooperate with COUNTY's mitigation and remediation efforts, including, without limitation, providing any and all information necessary to enable COUNTY to fully understand the nature and scope of the breach or security incident, including, but not limited to, identification of each individual whose unsecured PHI may have been improperly accessed, acquired or disclosed. In the event that CONTRACTOR's assistance is required to reinstall software, such assistance shall be provided, at CONTRACTOR's expense, in accordance with COUNTY's policies, procedures and standards.
 7. Remediation Report. CONTRACTOR shall provide to COUNTY a written report of the investigation of a breach of, or security incident involving, PSEI or PHI within ten (10) business days of the discovery of such breach or security incident. The report shall include, without limitation, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to remediate and/or contain the breach or security incident.

G. Safeguarding Confidential Information. CONTRACTOR shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of all PSEI and PHI related to the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, electronic PSEI and PHI that CONTRACTOR creates, receives, maintains, uses or transmits on behalf of COUNTY. CONTRACTOR shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of CONTRACTOR's operations and the nature and scope of its activities, including, at a minimum, all of the following safeguards:

1. Personnel Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

a. Employee Training. Any and all employees who assist in the performance of CONTRACTOR's duties and obligations hereunder, or access or disclose PSEI or PHI, must complete, at a minimum, annual confidentiality, data security and privacy training at their own expense. Each employee who receives confidentiality, data security and privacy training pursuant to the terms and conditions of this Agreement must sign a certification indicating the employee's name and the date on which the training was completed. Such certifications must be retained for a period of ten (10) years following the expiration or termination of this Agreement.

b. Employee Discipline. Appropriate sanctions must be applied against any and all employees who fail to comply with any of the confidentiality, data security or privacy requirements set forth herein, including, without limitation, termination of employment where appropriate.

c. Confidentiality Statement. Any and all employees who will be accessing PSEI or PHI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use and Enforcement Policies, prior to gaining access to any such PSEI or PHI and on an annual basis thereafter. CONTRACTOR shall retain each employee's written confidentiality statement for a period of ten (10) years following the expiration or termination of this Agreement.

d. Background Check. A background screening of each employee who will be accessing PSEI or PHI must be conducted before access to any PSEI or PHI is granted, in order to assure that there is no indication that the employee may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. Background screenings should be commensurate with the risk and magnitude of harm that each employee could cause, with more thorough screening being done for those employees who are authorized to bypass significant technical and operational security controls. CONTRACTOR shall retain each employee's background check documentation for a period of ten (10) years following the expiration or termination of this Agreement.

2. Technical Security Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

a. Workstation and Laptop Encryption. Any and all workstations and laptops that store PSEI or PHI either directly, indirectly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard ("AES"). The encryption solution must be full disk unless approved by the

DHCS – Information Security Office.

- b. Server Security. Any and all servers containing unencrypted PSEI or PHI must have sufficient administrative, physical and technical controls in place to protect such data, based upon a risk assessment or system security review.
- c. Minimum Necessary. Only the minimum amount of PSEI or PHI required to perform necessary business functions may be copied, downloaded or exported.
- d. Removable Media Devices. Any and all electronic files that contain PSEI or PHI must be encrypted when stored on any removable media or portable device, including, without limitation, USB drives, CD, DVD, and backup tapes. Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.
- e. Antivirus Software. Any and all workstations, laptops and systems that process and/or store PSEI or PHI must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- f. Patch Management. Any and all workstations, laptops and systems that process and/or store PSEI or PHI must have critical security patches applied, with system reboot capabilities, if necessary. There must be a documented patch management process which determines installation timeframes based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within thirty (30) days after vendor release. Applications and systems that cannot be patched within the required timeframe due to significant operational reasons must have compensatory controls implemented to minimize risk until the patches can be installed. Any and all applications and systems that cannot be patched must have compensatory controls implemented to minimize risk, where possible.
- g. User Identification and Password Controls. Any and all users of any system providing access to PSEI or PHI must be issued a unique username and password. Usernames must be promptly disabled, deleted or have the password associated therewith changed within twenty-four (24) hours after the transfer or termination of an employee with knowledge of the password. Passwords must be a non-dictionary word that has at least eight (8) characters, and must not be shared or stored in readable format on any computer. Passwords must be changed at least every ninety (90) days, preferably every sixty (60) days. Passwords must be immediately changed if revealed or compromised. Passwords must be composed of characters from at least three (3) of the following four (4) groups from the standard keyboard:
 - Upper case letters (A-Z);
 - Lower case letters (a-z);
 - Arabic numerals (0-9);
 - Non-alphanumeric characters (punctuation symbols).
- h. System Timeout. Any and all systems providing access to PSEI or PHI must have an automatic timeout feature which requires re-authentication of the user session after no more than twenty (20) minutes of inactivity.
- i. Warning Banners. Any and all systems providing access to PSEI or PHI must display a warning banner which states that data contained therein is confidential and that

system use is restricted to authorized users for business purposes and will be logged. Users must be directed to log off if they disagree with such requirements.

- j. System Logging. Any and all systems providing access to PSEI or PHI must maintain an automated audit trail that can be used to identify any user or process which alters PSEI or PHI. The audit trail must be date and time stamped, log both successful and failed accesses, be read only and restricted to authorized users. If PSEI or PHI is stored in a database, logging functionality must be enabled. Audit trail data must be archived for at least ten (10) years after occurrence.
 - k. Access Controls. Any and all systems providing access to PSEI or PHI must use role-based user authentication controls that enforce the principle of least privilege.
 - l. Transmission Encryption. Any and all transmissions of PSEI or PHI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement applies to any type of PSEI or PHI in motion such as website access and e-mail.
 - m. Intrusion Detection. Any and all systems involved in accessing, holding, transporting or protecting PSEI or PHI that are accessible via the internet must be protected by a comprehensive intrusion detection and prevention solution.
 - n. Data Destruction. When no longer needed, all PSEI or PHI must be wiped using the Gutmann or United States Department of Defense 5220.22-M (7 Pass) standard or by degaussing. Media may also be physically destroyed in accordance with National Institute of Standards and Technology Special Publication 800-88. The use of any other data destruction methods shall require prior written permission of the DHCS – Information Security Office.
3. Audit Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. System Security Review. CONTRACTOR must ensure audit control mechanisms which record and examine system activity are in place. Any and all systems processing and/or storing PSEI or PHI must have at least an annual system risk assessment or security review, including, without limitation, vulnerability scanning, which provides assurance that administrative, physical and technical controls are functioning effectively and providing adequate levels of protection.
 - b. Log Reviews. Any and all systems processing and/or storing PSEI or PHI must have a routine procedure in place to review system logs for unauthorized access.
 - c. Change Control. Any and all systems processing and/or storing PSEI or PHI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.
4. Business Continuity and Disaster Recovery Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan to enable continuation of critical business processes and protection of the

security of PSEI or PHI held in an electronic format in the event of an emergency. For purposes of this provision, “emergency” means any circumstance or situation that causes normal computer operations to become unavailable for performing the work required under this Agreement for more than twenty-four (24) hours.

b. Data Backup Plan. CONTRACTOR must have documented procedures to backup PSEI or PHI which allows retrievable exact copies of PSEI or PHI to be maintained. Such procedures must include a regular schedule for making backups, storing backups offsite, an inventory of backup media and an estimate of the amount of time needed to restore lost PSEI or PHI. At a minimum, the schedule must include weekly data backup and monthly offsite storage.

5. Paper Document Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

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

b. Escorting Visitors. Visitors to areas where PSEI or PHI is contained shall be escorted and PSEI or PHI shall be kept out of sight while visitors are in the area.

c. Confidential Destruction. PSEI or PHI must be disposed of through confidential means, including, without limitation, cross-cut shredding and pulverizing.

d. Removal of Data. Only the minimum necessary amount of PSEI or PHI may be removed from the premises of CONTRACTOR except with express written permission from COUNTY. PSEI or PHI shall not be considered “removed from the premises,” if it is only being transported from one (1) of CONTRACTOR’s locations to another of CONTRACTOR’s locations.

e. Faxing. Faxes containing PSEI or PHI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.

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

13. PATIENTS’ RIGHTS:

A. Legal Compliance. Each party hereto shall comply with any and all applicable local, state and federal laws, regulations and standards relating to patients’ rights, including, without limitation, California Welfare and Institutions Code Section 5325, Sections 862 through 868 of Title 9 of the California Code of Regulations (“C.C.R.”) and 42 C.F.R. Section 438.100.

B. Specific Rights. During the performance of this Agreement, each party hereto shall comply with any and all applicable local, state and federal policies and procedures pertaining to patients’

rights, and shall ensure that its staff and subcontractors take those rights into account when providing services pursuant to the terms and conditions of this Agreement, including, without limitation, the right to:

1. Receive information in accordance with 42 C.F.R. Section 438.10.
2. Be treated with respect and with due consideration for his or her dignity and privacy.
3. Receive information on available treatment options and alternatives, presented in a manner appropriate to his or her condition and ability to understand.
4. Participate in decisions regarding his or her health care, including, without limitation, the right to refuse treatment.
5. Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation.
6. Request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 C.F.R. Sections 164.524 and 164.526.
7. Be furnished services in accordance with 42 C.F.R. Sections 438.206 through 438.210.
8. Freely exercise his or her rights without adversely affecting the way in which he or she is treated by CONTRACTOR.

C. Effect of Provision. Nothing herein shall be construed to replace or conflict with the duties of patients' rights advocates set forth in California Welfare and Institutions Code Section 5520.

14. ADMISSION REQUIREMENTS:

A. Admission Policies and Procedures. In order to ensure equal access to the services provided pursuant to the terms and conditions of this Agreement, CONTRACTOR shall develop, implement and maintain comprehensive policies and procedures that are designed to assure compliance with all of the following admission requirements:

1. CONTRACTOR shall confirm that all referrals made pursuant to the terms and conditions of this Agreement have been authorized by Director prior to making an admission decision.
2. CONTRACTOR shall schedule initial appointments with clients within ten (10) business days after the receipt of a referral made pursuant to the terms and conditions of this Agreement.
3. CONTRACTOR shall establish appropriate mechanisms to record the date on which a particular referral was received, the date of the first (1st) offered appointment and the date of the first (1st) face-to-face appointment, which account for staff cancellations and failure to appear, as applicable.
4. CONTRACTOR shall immediately notify Director of, and the reasons leading to, the denial of any referral made pursuant to the terms and conditions of this Agreement.
5. CONTRACTOR shall ensure that any and all referrals made pursuant to the terms and conditions of this Agreement are accepted and evaluated in accordance with any and all applicable local, state and federal anti-discrimination laws, regulations, policies,

procedures and standards.

6. CONTRACTOR shall accept, and participate in, the overall care plan for clients referred to CONTRACTOR pursuant to the terms and conditions of this Agreement, including, without limitation, discharge planning, as a condition of acceptance of such clients.

- B. Admission Priority. CONTRACTOR shall provide COUNTY with periodic reports of openings in its facility, and give priority to the admission of COUNTY's clients .

15. DETERMINATION OF ABILITY TO PAY:

If so instructed by Director, CONTRACTOR shall determine client's share of the cost associated with the services provided pursuant to the terms and conditions of this Agreement using the State of California's Uniform Method of Determining the Ability to Pay, and notify COUNTY of its determination. Such determinations shall be made any time there is a demonstrable change in client's financial status, but no less than annually. CONTRACTOR agrees that a client's inability to pay shall not be a bar to CONTRACTOR's services.

16. UTILIZATION REVIEW:

COUNTY may designate appropriate DHHS – Behavioral Health staff to perform a utilization and/or professional standards review of all clients receiving services pursuant to the terms and conditions of this Agreement for which COUNTY is expected to make reimbursement.

17. NON-DISCRIMINATION COMPLIANCE:

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of: race; religion or religious creed; color; age (over forty (40) years of age); sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. Nothing herein shall be construed to require employment of unqualified persons.

- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, *et seq.*; California Government Code Sections 4450, *et seq.*; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Sections 8101, *et seq.* of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a

part hereof as if set forth in full.

- C. Notification to Labor Unions and/or Employee Representatives. CONTRACTOR shall send written notice of its obligations hereunder to each labor union or employee representative with which it has a collective bargaining agreement, or other understanding, and shall post copies thereof in conspicuous places available to employees and applicants for employment.

18. NUCLEAR-FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this Agreement, CONTRACTOR certifies that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear-Free Humboldt County Ordinance. CONTRACTOR hereby agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

19. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will provide a drug-free workplace in accordance with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, *et seq.*), by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. CONTRACTOR's policy of maintaining a drug-free workplace;
 - 3. Any available counseling, rehabilitation and employee assistance programs; and
 - 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:
 - 1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 - 2. Agree to abide by CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Non-Compliance. Failure to comply with the requirements set forth herein may result in termination of this Agreement and/or ineligibility for award of future contracts.

20. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages and liabilities of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

21. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations set forth herein, CONTRACTOR, and its subcontractors hereunder, shall take out and maintain, throughout the entire term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR or its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
 - 1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
 - 2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).
 - 3. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
 - 4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability

regarding the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

- B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:
1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, commonly referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
 2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice requirements set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
 3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
 4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
 5. Any failure to comply with the terms and conditions of this Agreement shall not affect the coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.
 6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.

7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms and conditions of this Agreement shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CONTRACTOR: A&A Health Services LLC
Attention: Andrew Dominici, Executive Director
3201 Danville Blvd Ste 265
Alamo, California 94507

22. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agents, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, without limitation, overtime, retirement, leave or workers' compensation benefits. CONTRACTOR shall be solely responsible for the acts and omissions of its agents, officers, employees, assignees and subcontractors.

23. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

A. General Legal Requirements. CONTRACTOR hereby agrees to comply with any and all local, state and federal laws, regulations, policies, procedures and standards applicable to the services provided pursuant to the terms and conditions of this Agreement.

B. Licensure Requirements. CONTRACTOR hereby agrees to comply with any and all local, state and federal licensure, certification and accreditation standards applicable to the services provided pursuant to the terms and conditions of this Agreement.

C. Accessibility Requirements. CONTRACTOR hereby agrees to comply with any and all applicable accessibility requirements set forth in the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 1135 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time.

D. Conflict of Interest Requirements. CONTRACTOR hereby agrees to comply with any and all applicable conflict of interest requirements set forth in the California Political Reform Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time.

E. Humboldt County Mental Health Performance Agreement. CONTRACTOR hereby agrees to

comply with any and all applicable provisions of the Mental Health Performance Agreement (State Standard Agreement No. 21-10082) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full. In the event, of any conflict in the terms and conditions set forth in COUNTY's Mental Health Performance Agreement (State Standard Agreement No. 21-10082) and the terms and conditions set forth in this Agreement, the terms and conditions set forth in COUNTY's Mental Health Performance Agreement (State Standard Agreement No. 21-10082) shall have priority. COUNTY's Mental Health Performance Agreement can be obtained online at <https://humboldt.gov.org>.

24. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the terms, conditions or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or incorrectly stated, the parties agree to amend the pertinent section to make such insertion or correction.

25. REFERENCE TO LAWS, REGULATIONS AND STANDARDS:

In the event any law, regulation, policy, procedure, standard or contractual obligation referred to herein is amended during the term of this Agreement, the parties agree to comply with the amended provision as of the effective date of such amendment.

26. PROTOCOLS:

Both parties agree that the inclusion of additional protocols may be required to make this Agreement specific. All such protocols shall be negotiated, determined and agreed upon by both parties hereto.

27. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

28. ASSIGNMENT:

Neither party shall delegate its duties or assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

29. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

30. WAIVER OF DEFAULT:

The waiver by either party of any breach of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement which may then

exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to the breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds which COUNTY determines were not expended in accordance with the terms and conditions of this Agreement.

31. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

32. AMENDMENT:

This Agreement may be amended at any time during the term hereof upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

33. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

34. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and COUNTY's contractual obligations under the Mental Health Performance Agreement (State Standard Agreement No. 21-10082) that COUNTY has with DHCS. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

35. ADVERTISING AND MEDIA RELEASE:

Any and all informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, without limitation, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of any and all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. Any and all notices required by this provision shall be given to Director in accordance with the notice requirements set forth herein.

36. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided pursuant to the terms and conditions of this Agreement. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including, without limitation, any and all services provided by third parties under subcontracts, whether approved by COUNTY or not.

37. ATTORNEYS' FEES:

If either party shall commence any legal action, including, without limitation, an action for declaratory relief, against the other by reason of the alleged failure of the other to perform any of its obligations hereunder, the party prevailing in said action shall be entitled to recover court costs and reasonable attorneys' fees, including, but not limited to, the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, the term "prevailing party" means the party who dismisses an action in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

38. SURVIVAL OF PROVISIONS:

The duties and obligations of the parties set forth in Section 3(D) – Compensation upon Termination, Section 8 – Preparation, Retention and Inspection of Performance Records, Section 9 – Audit and Examination of Performance Records, Section 11 – Confidential Information, Section 12 – Privacy and Data Security Requirements, and Section 20 – Indemnification shall survive the expiration or termination of this Agreement.

39. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

40. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

41. INDEPENDENT CONSTRUCTION:

The titles of the sections and subsections set forth herein are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

42. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

43. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already

been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

44. COUNTERPART EXECUTION:

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This Agreement, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

45. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS AND LIMITED LIABILITY COMPANIES:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

A&A HEALTH SERVICES LLC:

By: B. Dominici

Date: 8/18/22

Name: Beata Dominici

Title: CEO

By: R. C. Pandihewa

Date: 8/18/22

Name: Rujan C. Pandihewa

Title: CFO

COUNTY OF HUMBOLDT:

By: _____
Virginia Bass, Chair
Humboldt County Board of Supervisors

Date: _____

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: _____
Risk Management

Date: 08/23/2022

LIST OF EXHIBITS:

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Rates
- Exhibit C – Sample Invoice Form
- Exhibit D – County of Humboldt HIPAA Business Associate Agreement

EXHIBIT A
SCOPE OF SERVICES
A&A Health Services LLC
For Fiscal Years 2022-2023 through 2024-2025

1. SERVICES:

A. Basic Service Level. CONTRACTOR shall provide sub-acute transitional mental health services, twenty-four (24) hours per day, seven (7) days per week, to severely and persistently mentally ill adults and Lanterman Petris Short Act conservatees, between eighteen (18) to sixty-four (64) years of age, at its licensed Adult Residential Facilities. A subset of clients may be over the age of 65. The sub-acute transitional mental health services provided to COUNTY clients at its Adult Residential Facilities pursuant to the terms and conditions of this Agreement shall include, without limitation:

1. Provision of personal living quarters and laundry facilities in a safe and supportive environment.
2. Provision of continuous observation, assessment, supervision and support, including, without limitation, medication monitoring and administration, if necessary.
3. Provision of three (3) nutritional meals, and snacks in between meals on a daily basis, including the preparation of special diets as prescribed by a physician.
4. Assistance, if needed, with menu planning, budgeting, shopping, meal preparation and washing dishes.
6. Assistance, if needed, with cleaning personal living quarters, laundry and other necessary housekeeping tasks.
7. Assistance, if needed, with taking any and all prescribed medications.
8. Assistance, if needed, with planning, arranging and/or providing transportation to medical, clinical and dental appointments.
9. Assistance with modifying maladaptive behavior patterns and developing alternative methods of managing life stressors and other daily living skills, including, without limitation, personal hygiene, grooming, household and recreational leisure skills, that will enable clients to live in less restrictive, more independent settings and eventually transition back into the community.
10. Development of client treatment and wellness recovery action plans, with the assistance of COUNTY staff, that include utilization of community resources and supports, Peer support, referrals to alcohol and other drug treatment programs and mental health services, such as individual and group counseling.
11. Adherence to County's individualized client plans in order to transition clients to less restrictive levels of care in a timely manner.
12. Notification, as needed, to appropriate persons and/or agencies regarding client needs.

- B. Enhanced Service Level. Enhanced services will consist of intensive supervision and unique mental health treatment interventions which will augment the provision of the basic transitional services set forth herein. Enhanced services shall be provided to COUNTY clients who need such augmented supervision and specialized mental health intervention due to specific behavioral and/or medical problems that prevent the individual from receiving treatment and care in a less restrictive environment.
- C. Discharge Planning and Coordination Services. CONTRACTOR shall communicate with COUNTY on a monthly basis, and more frequently as needed, to coordinate plans for discharge of COUNTY clients to less restrictive levels of care. CONTRACTOR hereby agrees to facilitate access to, and utilization of, Health Insurance Portability and Accountability Act compatible web conferencing, video conferencing or telemedicine equipment to enable COUNTY to have a minimum of monthly joint conferences with COUNTY clients, clients' significant others and/or CONTRACTOR's clinicians in order to facilitate discharge planning processes. CONTRACTOR shall be responsible for obtaining informed consents for telemedicine.
- D. Additional Services. Additional services, including, but not limited to, out of county transportation and extraordinary staffing requests, may be negotiated, and included herein through written amendment, on an individual basis. Emergency services shall be provided at the direction of the CONTRACTOR in coordination with the COUNTY

2. ACCEPTANCE CRITERIA:

The effectiveness of the services provided to COUNTY clients at CONTRACTOR's facilities pursuant to the terms and conditions of this Agreement shall be reviewed based on performance indicators located in the California Data Collection Report. These criteria include a reduction in hospitalizations, incarcerations and homelessness, and will be measured from the date of each client's admission to CONTRACTOR's facilities until discharged.

3. REPORTING REQUIREMENTS:

CONTRACTOR hereby agrees to prepare, and submit to COUNTY, performance and psychiatric and medical admission reports in accordance with the requirements set forth herein. CONTRACTOR shall submit one (1) hard copy and one (1) electronic copy of any and all reports required hereunder in a format that complies with the Americans with Disabilities Act and any other applicable accessibility laws, regulations and standards. Any and all reports required hereunder shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California as appropriate.

- A. Performance Reports. CONTRACTOR shall provide COUNTY with monthly performance reports via invoice or supplemental report, as needed. Performance reports shall include the following information for each site or facility at which services were provided pursuant to the terms and conditions of this Agreement:
 - 1. Monthly census, including client names, dates of admission, dates of discharge and number of clients served.
 - 2. Attendance and/or participation of all programs and activities made available to COUNTY clients pursuant to the terms and conditions of this Agreement.
 - 3. Updates regarding COUNTY clients' treatment plans and activities relating to treatment plan accomplishments.

4. Notification and explanation of any and all placements accepted, denied, delayed and/or discharged by CONTRACTOR.
5. Notification of client participation in activities related to wellness recovery action plans.
6. Notification of, and documentation regarding, any and all client admissions to psychiatric and/or medical hospitals.
7. Notification of, and documentation regarding, the number of days in which COUNTY clients were placed on the most restrictive level of care.
8. Notification of any current or anticipated difficulty in providing services, or if the services do not appear to result in the anticipated benefit to the client.

- B. Submission of Performance Reports. Performance reports shall be submitted by the tenth (10th) day of the month following the month in which were provided pursuant to the terms and conditions of this Agreement. Performance reports submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY: Humboldt County DHHS – Mental Health
 Attention: Comprehensive Community Treatment Team,
 Supervising Mental Health Clinician
 720 Wood Street
 Eureka, California 95501

- C. Submission of Psychiatric and Medical Admission Reports. CONTRACTOR shall notify COUNTY within twenty-four (24) hours after the admission of a COUNTY client to a psychiatric or medical hospital. CONTRACTOR shall notify COUNTY as soon as possible when a COUNTY client experiences a change in service level that requires either enhanced services or acute psychiatric or medical hospitalization.
- D. Additional Reporting. CONTRACTOR and COUNTY understand and agree that additional reporting may be necessary on a weekly, monthly and/or quarterly basis.

4. COUNTY RESPONSIBILITIES:

- A. Facility Liaison. COUNTY shall designate a Facility Liaison who shall be responsible for consulting with COUNTY clients and CONTRACTOR's staff. The Facility Liaison shall arrange community supports deemed necessary for each COUNTY client to be discharged.
- B. Changes in Conservatorship Status. COUNTY agrees that in the event individuals placed with CONTRACTOR are no longer conserved by COUNTY, CONTRACTOR will be notified as to the change of Conservator status.
- C. Case Management. COUNTY agrees to continue case management responsibility for any client whose conservatorship terminates while at CONTRACTOR's facility. COUNTY shall make all reasonable efforts to relocate such clients to Humboldt County for placement.

EXHIBIT B
SCHEDULE OF RATES
A&A Health Services LLC
For Fiscal Years 2022-2023 through 2024-2025

CONTRACTOR shall submit requests for payment on a monthly basis for days of service provided within the A&A Health Services LLC facility, an Adult Residential Facility. COUNTY shall compensate CONTRACTOR for the transitional services provided pursuant to the terms and conditions of this Agreement based on the maximum rates set forth herein.

1. RATE OF COMPENSATION:

COUNTY and CONTRACTOR agree to the following rates as of July 1, 2022:

- Transitional Adult Residential Services – SSI: \$1,079.37* per month
- Transitional Adult Residential Services – SSI/SSA: \$1,099.37* per month
- Daily Patch Rate: \$200.00

Board and Care shall be paid from each client’s SSI or SSI/SSA benefits. If a client does not yet receive SSI or SSI/SSA benefits, or those benefits have been diminished due to back payments owed to other entities, or do not reflect standard residential care rates, COUNTY will provide payment to cover the delinquent amount owed.

2. COMPENSATION POLICIES FOR ABSENCE FROM PROGRAM:

COUNTY shall pay the daily rate for clients participating in the program when a client is absent for a period of not more than seven (7) days for non-medical leave and not more than ten (10) days for medical leave upon prior notification by CONTRACTOR.

CONTRACTOR will hold a resident’s bed for a total of ten (10) days for in-patient hospitalizations (medical and/or psychiatric) per occurrence and seven (7) days per month for overnight passes. Upon written requests, exceptions can be accepted with COUNTY approval. Hospital days and passes require payment to CONTRACTOR within the time frames indicated above, extensions may be secured with written notice to CONTRACTOR.

3. RATE ADJUSTMENTS:

CONTRACTOR may submit written requests for rate changes to COUNTY, as necessary, with a frequency of not more than one (1) time per fiscal year. Rate changes will be effective no earlier than ninety (90) days after COUNTY’s receipt of CONTRACTOR’s request. The monthly SSI and SSI/SSA rates set forth herein are subject to annual adjustments by the federal government and the State of California.

EXHIBIT C
SAMPLE INVOICE FORM
A&A Health Services LLC
For Fiscal Years 2022-2023 through 2024-2025

INVOICE

Contractor Name
Contract Reference
Contractor Street Address
City, State, Zip Code

Invoice Date
Invoice Period
Invoice Number

Contact Name
Contact Phone Number

Date of Service	Quantity	Description of Service	Rate	Total
Total Invoiced Amount:				

EXHIBIT D
COUNTY OF HUMBOLDT HIPAA BUSINESS ASSOCIATE AGREEMENT
A&A Health Services LLC
For Fiscal Years 2022-2023 through 2024-2025

RECITALS:

WHEREAS, COUNTY, as a “Covered Entity” wishes to disclose certain information to CONTRACTOR, hereafter known as “BUSINESS ASSOCIATE” pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”).

WHEREAS, COUNTY and BUSINESS ASSOCIATE intend to protect the privacy and provide for the security of PHI disclosed to BUSINESS ASSOCIATE pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information and Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws.

WHEREAS, pursuant to HIPAA Regulations, the Privacy Rule and Security Rule (defined below) COUNTY is required to enter into an Agreement containing specific requirements with BUSINESS ASSOCIATE prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(e), and 164.504(e) of the Code of Federal Regulations (“C.F.R.”) and contained in this Agreement.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DEFINITIONS:

- A. Breach.** As used herein, the term “Breach” shall have the meaning given to such term under the HITECH Act and HIPAA Regulations [42 U.S.C. Section 17921 and 45 C.F.R. Section 164.402].
- B. Breach Notification Rule.** As used herein, the term “Breach of Notification Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.
- C. Business Associate.** As used herein, the term “Business Associate” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.
- D. Covered Entity.** As used herein, the term “Covered Entity” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.
- E. Designated Record Set.** As used herein, the term “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- F. Electronic Protected Health Information.** As used herein, the term “Electronic Protected Health Information” means Protected Health Information that is maintained in or transmitted by electronic media.
- G. Electronic Health Record.** As used herein, the term “Electronic Health Record” shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

- H. **Health Care Operations.** As used herein, the term “Health Care Operations” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- I. **Privacy Rule.** As used herein, the term “Privacy Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.
- J. **Protected Health Information.** As used herein, the term “Protected Health Information” (“PHI”) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to the term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].
- K. **Protected Information.** As used herein, the term “Protected Information” shall mean PHI provided by COUNTY to BUSINESS ASSOCIATE or created, maintained, received, or transmitted by BUSINESS ASSOCIATE on COUNTY’s behalf.
- L. **Security Incident.** As used herein, the term “Security Incident” shall have the same meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. Section 164.304.
- M. **Security Rule.** As used herein, the term “Security Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
- N. **Unsecured PHI.** As used herein, the term “Unsecured PHI” shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

2. **OBLIGATIONS OF BUSINESS ASSOCIATE:**

- A. **Permitted Uses.** BUSINESS ASSOCIATE shall use Protected Information only for the purpose of performing BUSINESS ASSOCIATE’s obligations under the Agreement and as permitted or required under the Agreement, or as required by law. Further, BUSINESS ASSOCIATE shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by COUNTY. However, BUSINESS ASSOCIATE may use Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. [45 C.F.R. Sections 164.504(e)(2), 164.504(e)(4)(i)].
- B. **Permitted Disclosures.** BUSINESS ASSOCIATE shall disclose Protected Information only for the purpose of performing BUSINESS ASSOCIATE’s obligations under the Agreement and as permitted or required under the Agreement, or as required by law. BUSINESS ASSOCIATE shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by COUNTY. However, BUSINESS ASSOCIATE may disclose Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. If BUSINESS ASSOCIATE discloses Protected Information to a third-party, BUSINESS ASSOCIATE must obtain, prior to making

any such disclosure, (i) reasonable *written* assurances from such third-party that such Protected Information will be held confidential as provided pursuant to this Agreement and used or disclosed only as required by law or for the purposes for which it was disclosed to such third-party, and (ii) a written agreement from such third-party to immediately notify BUSINESS ASSOCIATE of any breaches, suspected breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2.1. of the Agreement, to the extent it has obtained knowledge of such occurrences [42 U.S.C. Section 17932; 45 C.F.R. Section 164.504(e)].

- C. **Prohibited Uses and Disclosures.** BUSINESS ASSOCIATE shall not use or disclose PHI other than as permitted or required by the Agreement, or as required by law. BUSINESS ASSOCIATE shall not use or disclose Protected Information for fundraising or marketing purposes. BUSINESS ASSOCIATE shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which PHI solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(vi)]. BUSINESS ASSOCIATE shall not directly or indirectly receive remuneration in exchange for Protected Information, except with prior written consent of COUNTY and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.502(a)(5)(ii); however this prohibition shall not affect payment by COUNTY to BUSINESS ASSOCIATE for services provided pursuant to the Agreement.

- D. **Appropriate Safeguards.** BUSINESS ASSOCIATE shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by the Agreement, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including but not limited to, 45 C.F.R. Sections 164.308, 164.310, and 164.312. [45 C.F.R. Section 164.504(e)(2)(ii)(B); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall comply with the policies, procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. [42 U.S.C. Section 17931].

- E. **Business Associate's Subcontractors and Agents.** BUSINESS ASSOCIATE shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of COUNTY, agree in writing to the same restrictions and conditions that apply to COUNTY with respect to such Protected Information and implement the safeguards required by paragraph 2(D) above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).

- F. **Access to Protected Information.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, BUSINESS ASSOCIATE shall make Protected Information maintained by BUSINESS ASSOCIATE or its agents or subcontractors in Designated Record Sets available to COUNTY for inspection and copying within five (5) days of a request by COUNTY to enable COUNTY to fulfill its obligations under California Health and Safety Code Section 123110 and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(e)]. If BUSINESS ASSOCIATE maintains Protected Information in electronic format, BUSINESS ASSOCIATE shall provide such information in electronic format as necessary to enable COUNTY to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. Section 164.524.

- G. Amendment of PHI.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, within ten (10) days of a request by COUNTY for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BUSINESS ASSOCIATE and its agents and subcontractors shall make such Protected Information available to COUNTY for amendment and incorporate any such amendment or other documentation to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected Information directly from BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE must notify COUNTY in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].
- H. Accounting of Disclosures.** Within ten (10) days of a request by COUNTY for an accounting of disclosures of Protected Information, BUSINESS ASSOCIATE and its agents and subcontractors shall make available to COUNTY the information required to provide an accounting of disclosures to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935(c), as determined by COUNTY. BUSINESS ASSOCIATE agrees to implement a process that allows for an accounting to be collected and maintained by BUSINESS ASSOCIATE and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BUSINESS ASSOCIATE maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If a patient submits a request for an accounting directly to BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE shall within five (5) days of the request forward it to COUNTY in writing.
- I. Governmental Access to Records.** BUSINESS ASSOCIATE shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to COUNTY and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BUSINESS ASSOCIATE's compliance with HIPAA [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BUSINESS ASSOCIATE shall provide COUNTY a copy of any Protected Information and other records that BUSINESS ASSOCIATE provides to the Secretary concurrently with providing such Protected Information to the Secretary.
- J. Minimum Necessary.** BUSINESS ASSOCIATES and its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)]. BUSINESS ASSOCIATE understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- K. Data Ownership.** BUSINESS ASSOCIATE understands that BUSINESS ASSOCIATE has no ownership rights with respect to the Protected Information.
- L. Notification of Possible Breach.** BUSINESS ASSOCIATE shall notify COUNTY within twenty-four (24) hours of any suspected or actual breach of Protected Information; any use or

disclosure of Protected Information not permitted by the Agreement; any security incident (i.e., any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system) related to Protected Information, and any actual or suspected use or disclosure of data in violation of any applicable federal or state laws by BUSINESS ASSOCIATE or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BUSINESS ASSOCIATE to have been accessed, acquired, used, or disclosed, as well as any other available information that COUNTY is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.1408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BUSINESS ASSOCIATE shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]. Any and all notices required pursuant to the terms and conditions of this provision shall be submitted to COUNTY at the following address:

COUNTY: Humboldt County DHHS Compliance and Quality Assurance Office
Attention: Compliance and Quality Assurance Administrator & Privacy Officer
507 F Street
Eureka, California 95501
(707) 441-5410

- M. Breach Pattern or Practice by Business Associate’s Subcontractors and Agents.** Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(ii), if BUSINESS ASSOCIATE knows of a pattern or activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent’s obligations under the Agreement or other arrangement, BUSINESS ASSOCIATE must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BUSINESS ASSOCIATE must terminate the Agreement or other arrangement if feasible. BUSINESS ASSOCIATE shall provide written notice to COUNTY of any pattern of activity or practice of a subcontractor or agent that BUSINESS ASSOCIATE believes constitutes a material breach or violation of the subcontractor or agent’s obligations under the Agreement or other arrangement within five (5) days of discovery and shall meet with COUNTY to discuss and attempt to resolve the problem as one (1) of the reasonable steps to cure the breach or end the violation.
- N. Audits, Inspection and Enforcement.** Within ten (10) days of a request by COUNTY, BUSINESS ASSOCIATE and its agents and subcontractors shall allow COUNTY or its agents or subcontractors to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Agreement for the purpose of determining whether BUSINESS ASSOCIATE has complied with this Agreement or maintains adequate security safeguards. BUSINESS ASSOCIATE shall notify COUNTY within five (5) days of learning that BUSINESS ASSOCIATE has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights or other state or federal government entity.

3. TERMINATION:

- A. Material Breach.** A breach by BUSINESS ASSOCIATE of any provision of this Agreement, as determined by COUNTY, shall constitute a material breach of the Agreement and shall

provide grounds for *immediate* termination of the Agreement, any provision in the Agreement to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii)].

B. Effect of Termination. Upon termination of the Agreement for any reason, BUSINESS ASSOCIATE shall, at the option of COUNTY, return or destroy all Protected Information that BUSINESS ASSOCIATE or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by COUNTY, BUSINESS ASSOCIATE shall continue to extend the protections of Section 2 of this Agreement to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible [45 C.F.R. Section 164.504(e)(ii)(2)(J)]. If COUNTY elects destruction of the PHI, BUSINESS ASSOCIATE shall certify in writing to COUNTY that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI.

4. INTERPRETATION:

Any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, and the HIPAA regulations.