



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-7

For the meeting of: July 1st, 2014

Date: June 10, 2014

To: Board of Supervisors

From: Phillip R. Crandall, Director *ALC for PC*
Department of Health and Human Services
Mental Health

Subject: Agreement between Humboldt County and Willow Glen Care Center for Fiscal Years 2014-2015 and 2015-2016

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the Agreement between Humboldt County and Willow Glen Care Center for fiscal years 2014-2015 and 2015-2016;
2. Authorize the Chair of the Board to execute three (3) copies of the Agreement effective July 1, 2014; and
3. Direct the Clerk of the Board to return two (2) executed copies of the Agreement to the Department of Health and Human Services - Contract Unit for forwarding to DHHS - Mental Health.

SOURCE OF FUNDING:

Mental Health Fund

Prepared by Joseph Demlow, Administrative Analyst

CAO Approval Amy Olsen

REVIEW: Auditor MBH County Counsel KR Human Resources U Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Lovace Seconded by Supervisor Bass
Ayes Sundberg, Lovelace, Bohn, Fennell, Bass
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:

Board Order No. C-19; C-9

Meeting of: 6-22-2010, 6-26-2012

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: July 1, 2014
By: Kathy Hayes
Kathy Hayes, Clerk of the Board

DISCUSSION:

Humboldt County Department of Health and Human Services (DHHS)-Mental Health, in coordination with the Public Guardian's Office, utilizes a variety of placement options to provide supportive living and care to chronically mentally ill clients who require assistance. The Willow Glen Care Center is located in Yuba City, California, and is licensed to provide services to mentally ill clients in a residential setting. The Willow Glen Care Center has provided DHHS-Mental Health residential care beds and services for many years, and the current agreement will expire June 30, 2014.

This facility is a good option for dually diagnosed clients who have substance abuse issues and their local contacts are contraindicated to recovery.

Therefore, the DHHS-Mental Health recommends that the Board approve and authorize the Chair to sign Agreement with Willow Glen Care Center for the fiscal years 2014-2015 and 2015-2016

FINANCIAL IMPACT:

The maximum value of this Agreement is not to exceed One Hundred Forty Seven Thousand, Seven Hundred Fifty-Two Dollars (\$147,752) per fiscal year. Projected expenditure for FY 2013-14 for Willow Glen Care Center placements is \$128,677. This expenditure for residential placement has been included in the approved budget for Fiscal Year 2014-15, DHHS-Mental Health Adult Services budget unit 1170-496. Funding for this contract is available through Mental Health Services Act (MHSA) and Realignment revenues. There is no impact to the County General Fund.

If State, Federal, or County funding, including MHSA is reduced or deleted, maximum reimbursement may be reduced or eliminated.

This Agreement will support the Board's Strategic Framework by protecting vulnerable populations, supporting self reliance of citizens, and improving the safety and health of our communities

OTHER AGENCY INVOLVEMENT:

Public Guardian

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board can choose not to approve this Agreement; however DHHS-Mental Health does not recommend this alternative. Other alternatives would include retaining clients at the inpatient level, at Sempervirens or at a State Hospital; these options are much more costly and will not be appropriate for the clients' treatment.

ATTACHMENTS:

1. Agreement with Willow Glen Care Center for Fiscal Years 2014-2015 and 2015-2016, three (3) copies

**AGREEMENT
BY AND BETWEEN
HUMBOLDT COUNTY
AND
WILLOW GLEN CARE CENTER
FOR FISCAL YEARS 2014-2015 AND 2015-2016**

This Agreement, made and entered into this 1 day of July, 2014, at Eureka, California, by and between Humboldt County, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and Willow Glen Care Center, a California Corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY through its Department of Health and Human Services (DHHS)-Mental Health desires to provide the services of a long-term treatment program for adults with chronic mental illnesses, and who otherwise would be placed in the State Hospital or higher levels of care; and

WHEREAS, CONTRACTOR offers these services; and

WHEREAS, COUNTY wishes to obtain services from CONTRACTOR on behalf of itself and/or its clients.

NOW THEREFORE BE IT AGREED:

1. DESCRIPTION OF SERVICES:

As set forth in Exhibit A, attached hereto and incorporated by references.

2. NO TERMS NOT INCLUDED:

This Agreement contains all 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 its entirety any and all prior agreements of the parties.

3. TERM:

The term of this Agreement shall be from July 1, 2014 and shall continue through June 30, 2016, unless sooner terminated as provided herein.

4. TERMINATION:

A. Breach of Contract -- COUNTY may immediately suspend or terminate this Agreement in whole or in part, where in its sole discretion, the determination is made that there is:

- i. An illegal or improper use of funds;
- ii. A failure to comply with any term of this Agreement;
- iii. A substantially incorrect or incomplete report submitted;
- iv. Loss of licensure;
- v. Charges to Medi-Cal Beneficiaries other than any authorized share of cost payments;
- vi. Failure to comply with COUNTY's Utilization Review procedures;
- vii. Failure to abide by applicable Grievance and/or Quality Improvement Committee decisions;
- viii. Failure to maintain adequate levels of insurance as specified in Section 23-INSURANCE REQUIREMENTS;
- ix. Failure to comply with State or Federal law;
- x. Where termination is recommended by the Peer Review Sub-committee;
- xi. Filing of a bankruptcy petition;
- xii. Practice or Business closure; and
Improperly performed service

B. Without Cause -- This Agreement may be terminated by either party without cause as follows:

- i. If terminated by CONTRACTOR, termination shall require sixty (60) days advance written notice of such intent to terminate. The notice shall state the effective date of the termination.
- ii. COUNTY may terminate this Agreement without cause upon thirty (30) days written notice; except that COUNTY shall take into consideration the welfare of COUNTY's clients and make allowance for the treatment needs of its clients.

5. NOTICES:

Any and all notice(s) required to be given pursuant to the terms of this Agreement may be given personally or by registered mail addressed to either COUNTY or CONTRACTOR at the following addresses:

COUNTY: DHHS-Mental Health
Attention: Mental Health Director
720 Wood Street
Eureka, California 95501

CONTRACTOR: Willow Glen Care Center
1547 Plumas Court
Yuba City, CA 95991

6. ATTORNEY FEE ON BREACH:

CONTRACTOR and COUNTY each agree that in the event any action, suit or proceeding be commenced to complete the performance of this Agreement or to seek damages for breach thereof, it will pay reasonable attorney's fees (including reasonable value of services rendered by County Counsel) to the prevailing party, to be awarded and fixed by the court, and to be taxed as cost and to be included in the judgment thereon rendered.

7. PAYMENT:

COUNTY will reimburse CONTRACTOR for services pursuant to this Agreement not to exceed the maximum amount of One Hundred Forty Seven Thousand, Seven Hundred Fifty-Two Dollars (\$147,752.00) per Fiscal Year. All costs incurred above the maximum amount will be the responsibility of the CONTRACTOR. It shall be the responsibility of CONTRACTOR to notify COUNTY in writing, at least six weeks prior to the date upon which CONTRACTOR estimates that the maximum amount will

be reached. Specific payment terms and conditions are set forth in Exhibit B, attached hereto and incorporated herein by reference.

If State, Federal or County funding are reduced or deleted, the maximum reimbursement shall be reduced or deleted.

CONTRACTOR shall hold harmless the State of California, and Medi-Cal Beneficiaries in the event COUNTY cannot or will not pay for services rendered by CONTRACTOR pursuant to the terms of this Agreement.

8. NO WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement 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 or any default which may then exist on the part of the CONTRACTOR. Neither 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 of the CONTRACTOR the repayment of any funds disbursed to the CONTRACTOR under this Agreement, which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand.

9. AUDIT AND RECORD RETENTION:

A. CONTRACTOR shall be subject to the examination and audit of the State Auditor General for a period of three (3) years after final payment under this Agreement pursuant to Government Code Section 8546.7. CONTRACTOR

shall hold COUNTY harmless for any liability resulting from said audit.

- B. CONTRACTOR shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- C. CONTRACTOR's facility or office or such part thereof as may be engaged in the performance of this Agreement and its records shall be subject at all reasonable times to inspection, audit, and reproduction.
- D. CONTRACTOR agrees that the State Department of Health Care Services, the State Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement.

CONTRACTOR agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.
- E. CONTRACTOR shall preserve and make available his/her records (1) for a period of seven (7) years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement or by subparagraphs (1) or (2) below.

(1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of seven (7) years from the date of any resulting final settlement.

(2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the seven-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular seven (7)-year period, whichever is later.

F. CONTRACTOR shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code section 10115.10, if applicable.

G. CONTRACTOR may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium.

Upon request by an authorized representative to inspect, audit or obtain copies of said records, CONTRACTOR must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records.

Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

10. INSPECTION RIGHTS

CONTRACTOR shall make all books and records pertaining to the goods and services furnished under the terms of this Agreement available for inspection, examination, or copying: fiscal audits, program compliance, review of client complaints, or copying:

By COUNTY, the State Department of Health Care Services, the United States Department of Health and Human Services, the Comptroller General of the United States, and other authorized federal and state agencies, or their duly authorized representatives.

At all reasonable times at CONTRACTOR's normal place of business or at such other mutually-agreeable location in California.

In a form maintained in accordance with the general standards and COUNTY standards applicable to such book or record keeping.

For a term of at least seven (7) years from the close of the State Department of Health Care Services fiscal year in which this Agreement was in effect.

Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Agreement including working papers, reports, financial records and books of account, client records, prescription files, subcontracts, and any other documentation pertaining to covered services and other related services for clients.

11. REPORTING:

CONTRACTOR agrees to provide COUNTY with any reports that may be required by County, State or Federal agencies for compliance with this Agreement.

12. MONITORING:

CONTRACTOR agrees to extend to the DHHS-Mental Health Director, the State Department of Health Care Services or their designees, the right to review and monitor records, programs or procedures, at any time, in regards to clients, as well as the overall operation of CONTRACTOR'S programs in order to ensure compliance with the terms

and conditions of this Agreement.

CONTRACTOR will allow COUNTY to monitor the services provided under this Agreement and cooperate with a corrective action plan if deficiencies are identified

13. ASSIGNMENT:

Neither party shall assign its obligations under this Agreement without the prior written consent of the other party. Any assignment by CONTRACTOR in violation of this provision shall be void and shall be cause for immediate termination of this Agreement.

14. SUBCONTRACTING:

CONTRACTOR shall not subcontract services without prior written permission by COUNTY and such assignment or delegation of this Agreement shall be void. In the event that CONTRACTOR sees the need to subcontract services and COUNTY grants written permission to CONTRACTOR to proceed with such undertaking, CONTRACTOR shall ascertain that all subcontractors possess and maintain the necessary licensing or certification. CONTRACTOR shall ensure that all subcontractors are subject to the applicable terms and conditions of this Agreement including, but not limited to, the privacy, security, and confidentiality requirements.

15. RELATIONSHIP OF PARTIES:

It is understood that this is an Agreement by and between two independent contractors 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 but not limited to overtime, retirement benefits, worker's compensation and injury leave or other leave benefits.

16. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that CONTRACTOR 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 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 becomes a Nuclear Weapons Contractor.

17. COMPLIANCE WITH LAWS:

CONTRACTOR agrees to comply with all applicable local, State and Federal laws and regulations, including but not limited to the Americans with Disabilities Act. Compliance with the Americans with Disabilities Act, includes, but is not limited to, the following areas:

- A. Whatever written information is provided regarding its programs will also be provided in alternate formats, including Braille, large print audio recording, and electronic formats, upon request.
- B. Enter into contracts or make other arrangements with qualified sign language and oral interpreters to ensure their availability when required for effective communication with persons who are deaf or hard of hearing. The type of aid that will be required for effective communication will depend on the individual's

usual method of communication, and the nature, importance, and duration of the communication at issue. In many circumstances, oral communication supplemented by gestures and visual aids, an exchange of written notes, use of a computer or typewriter, or use of an assistive listening device may be effective. In other circumstances, qualified sign language or oral interpreters are needed to communicate effectively with persons who are deaf or hard of hearing. The more lengthy, complex, and important the communication, the more likely it is that a qualified interpreter will be required for effective communication with a person whose primary means of communication is sign language or speech reading.

- C. If CONTRACTOR operates a hotline to take telephone calls of an emergency nature, the Contractor shall ensure that it provides equivalent service for persons who use TTY's including providing direct-connection service for TTY users with hotline operators, without requiring TTY users to call through a third party operator, such as through the State or local Telecommunication Relay procedures, and provide the training necessary to ensure effective communication by Hotline
- D. staff with direct-connection callers using TTY's, as well as the training necessary to respond to callers who use the Telecommunication Relay Services.
- E. Survey facilities used as shelters or designated as potential shelters – or for counseling, job training, education, clothing or household provisioning, or other aspects of programs- to ensure that adequate arrangements are available for potential clients and family members with disabilities, including adults and children who have mobility impairments, who are blind or have low vision, and who are deaf or hard of hearing.

- F. Have written procedures and modify, as appropriate, eligibility criteria, to ensure that no person with a disability is turned away from a shelter or otherwise denied the opportunity to benefit from the services of CONTRACTOR'S program on the basis of disability.
- G. Have written procedures to ensure that persons with disabilities who use service animals are not denied or discouraged from participating in CONTRACTOR'S program, are able to be housed and served in an integrated environment, and are not separated from their service animals while participating in the program even if pets are normally not permitted in the facilities where such programs are conducted. The procedures will not unnecessarily segregate persons who use service animals from others but may take into account the potential presence of persons who, for safety or health reasons, should not be in contact with certain types of animals.
- H. Have written procedures to ensure that reasonable modifications are made to the CONTRACTOR'S program when necessary for a client or family member with a disability to participate in such programs, unless doing so would fundamentally alter the nature of the program.
- I. Have written policies to ensure that despite any "drug-free" policy of the CONTRACTOR'S program, persons with disabilities who use medication prescribed for their use are able to continue using such medication while participating in such Programs or being housed in a shelter.

CONTRACTOR agrees that all professional level persons employed by CONTRACTOR have met applicable professional licensure requirements

pursuant to the Welfare and Institutions and Business and Professions Codes and will provide copies of licensure to COUNTY upon request. CONTRACTOR further agrees to comply with any applicable Federal, State or local licensing standards, any applicable accrediting standards and any other applicable standards or criteria established locally or by the State or Federal governments.

CONTRACTOR agrees to comply with applicable provisions of any Mental Health Plan contract between the Department of Health Care Services and COUNTY.

18. VENUE AND APPLICABLE LAW:

This Agreement shall be construed in accordance with the laws of the State of California and COUNTY's contractual obligations under any Mental Health Managed Care contract COUNTY has with the State Department of Health Care Services. Any dispute arising hereunder or relating to this Agreement shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure Sections 394 and 395.

19. REFERENCE TO LAWS AND RULES:

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

20. NONDISCRIMINATION:

A. Consistent with the requirements of applicable federal or state law, such as but not limited to Title 42, Code of Federal Regulations, section 38.6(d)(3) and (4), CONTRACTOR shall not engage in any unlawful discriminatory

practices in the admission of clients, assignments of accommodations, treatment, evaluation, employment or personnel, or in any other respect on the basis of race, religion or religious creed, color, age (over 40), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics) mental or physical handicap or disability (including HIV status and AIDS), military service, or any other classifications protected by federal, state, or local laws or ordinances. CONTRACTOR shall not discriminate against clients on the basis of health status or need for health care services, pursuant to Title 42, Code of Federal Regulations, section 438.6(d)(3).

- B. During the performance of this Agreement, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religion or religious creed, color, age (over 40), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics) mental or physical handicap or disability (including HIV status and AIDS), military service, or any other classifications protected by federal, state, or local laws or ordinances. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training,

including apprenticeship. CONTRACTOR shall comply with the Disabilities Act of 1990, the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285 et seq.). CONTRACTOR shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5, Division 4 of Title 2, California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as it set forth in full. CONTRACTOR shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- C. CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or the State Department of Health Care Services, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state CONTRACTOR's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

- D. CONTRACTOR shall, in all solicitations or advancements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- E. CONTRACTOR shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of CONTRACTOR's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- F. CONTRACTOR shall comply with all the provisions of and furnish all information and reports required by Section 5043 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity, and as supplemented by regulation at 41 Code of Federal Regulations part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, and of the rules, regulations, and relevant orders of the Secretary of Labor, pertaining to the prohibition of discrimination against qualified handicapped persons in all federally assisted programs or activities, as detailed in regulations

signed by the Secretary of Health and Human Services, effective June 2, 1977, and found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.

- G. CONTRACTOR shall furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 Code of Federal Regulations part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- H. In the event of CONTRACTOR's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and CONTRACTOR may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 Code of Federal Regulations part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of

Labor,” or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- I. Notwithstanding other provisions of this section, CONTRACTOR may require a determination of medical necessity pursuant to Title 9, California Code of Regulations, section 1820.205, Section 1830.205 or Section 1830.210, prior to providing covered services to a client.

21. MEDICAL RECORD:

- A. CONTRACTOR shall maintain for each client who has received services, a legible medical record, kept in detail consistent with appropriate medical and professional practice and requirements of the State Health and Welfare Agency, which permits effective internal professional review, external medical audit process, and which facilitates an adequate system for follow-up treatment. CONTRACTOR agrees to maintain and preserve, until seven (7) years after termination of this Agreement and final payment, to permit the State Department of Health Care Services or COUNTY or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this Agreement and to allow interviews of any employees who might reasonably have information related to such records.
- B. CONTRACTOR shall maintain such books and records as are necessary to disclose how CONTRACTOR discharged its obligations under this Agreement. These books and records shall identify the quantity of covered services provided under this Agreement, the quality of those services, the manner and amount of payment made for those services, the clients who received services, the manner in

which the CONTRACTOR administered the provision of specialty mental health services and the cost thereof.

- C. Such books and records shall include, but are not limited to, all physical records originated or prepared pursuant to performance under this Agreement including: working papers, reports submitted to COUNTY or the State Department of Health Care Services, financial records, all medical and treatment records, medical charts and prescription files, and other documentation pertaining to services rendered to clients. These books and records shall be maintained for a minimum of seven (7) years after the final payment is made and all pending matters closed, or, in the event CONTRACTOR has been notified that the COUNTY, State Department of Health Care Services, United States Department of Health and Human Services, or the Comptroller General of the United States or their duly authorized representatives, have commenced an audit or investigation of the contract, until such time as the matter under audit or investigation has been resolved, including the exhaustion of all legal remedies, whichever is later.

22. CONFIDENTIALITY OF RECORDS:

CONFIDENTIALITY - CONTRACTOR shall protect the confidentiality of all clients and shall comply with applicable laws and regulations, including, but not limited to, Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health & Safety Code sections 1280.15 and 130203 as applicable; the California Information Practices Act as applicable; Title 42 Section 431.300 et seq. and Title 45 Section 205.50 of the Code of Federal Regulations; the United States Health Information

Portability and Accountability Act of 1996 (“HIPAA”); the United States and the Health Information Technology and Clinical Health Act (HITECH).

COUNTY and CONTRACTOR acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. CONTRACTOR agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations.

CONTRACTOR shall further comply with the applicable privacy, security, and confidentiality requirements under any Mental Health Managed Care contract COUNTY has with the State Department of Health Care Services.

CONTRACTOR shall protect from unauthorized disclosure the names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available to CONTRACTOR or are disclosed to CONTRACTOR as a result of services performed under this Agreement, except for statistical information not identifying any such person. For purposes of these subsections, identifying information shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print, or a photograph. Such identifying information shall not be used for any purpose other than carrying out CONTRACTOR’s duties and obligations hereunder.

CONTRACTOR shall promptly transmit to COUNTY all requests for disclosure

of such identifying information not emanating from a client/patient or person whose name or identifying information become available to CONTRACTOR or is disclosed to CONTRACTOR as a result of services performed under this Agreement.

CONTRACTOR shall use or disclose only the minimum amount of Protected Health Information "PHI" necessary to accomplish the intended purpose of this Agreement. CONTRACTOR shall not use or disclose PHI in any manner that would constitute a breach of this Agreement or a violation of local, state or federal law.

CONTRACTOR shall comply with the accounting requirements of 45 Code of Federal Regulations section 164.528 and any associated regulations or informal guidance Issued by the U.S. Department of Health and Human Services, Office of Civil Rights, all as may be amended or changed from time to time.

CONTRACTOR shall only use, store, disclose, or access PHI in compliance with this Agreement and all applicable local, state and federal laws, regulations, rules and standards.

CONTRACTOR shall not download PHI to any personal device, including, but not limited to, flash drives, cell phones, iPads, or tablets without the prior written approval of COUNTY.

If CONTRACTOR has reason to believe that PHI transmitted pursuant to this Agreement may have been accessed, disclosed, or acquired in breach of the terms and conditions herein, CONTRACTOR shall immediately take all actions necessary to preserve forensic evidence and to identify, mitigate and remediate the cause of the suspected breach. CONTRACTOR shall give highest priority to immediately mitigating and remediating the suspected breach, 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 providing any and all information necessary to enable COUNTY to fully understand the nature and scope of the suspected breach, 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 no cost to COUNTY and in accordance with COUNTY's policies and standards.

CONTRACTOR shall notify COUNTY, by telephone call and/or e-mail, immediately after discovering a suspected breach of PHI in computerized form, if the PHI was, or is reasonably believed to have been acquired by an unauthorized person.

CONTRACTOR shall notify COUNTY, by telephone call or e-mail, within twenty four (24) hours after discovering any other suspected security incident, intrusion, loss or unauthorized use or disclosure of PHI in violation of this Agreement or any applicable local, state or federal law. A breach shall be treated as discovered by CONTRACTOR as of the first day on which such breach is known thereto (including any employee, officer, or other agent thereof) or reasonably should have been known thereby.

To the extent deemed warranted, the CONTRACTOR shall provide notice to any or all individuals affected by the suspected breach. CONTRACTOR shall pay the full costs associated with notifying the impacted individuals, which may include, but are not limited to, the costs to retain an outside consulting 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 brief description of the circumstances surrounding the suspected breach, including the date of occurrence and discovery thereof, if known.

A description of the types of unsecured PHI that were involved in the suspected breach (such as the full name, Social Security number, date of birth, home address, account number, or disability code of all affected third parties).

A brief description of what CONTRACTOR is doing to remediate the breach, mitigate losses and protect against any further breaches.

CONTRACTOR 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 seven (7) 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 there from.

CONTRACTOR shall make itself available to the State Department of Health Care Services at no cost to testify as witnesses, or otherwise, in the event of any litigation or administrative proceedings being commenced against the State Department of Health Care Services, its directors, officers or employees based upon claimed violations of HIPAA, or the HIPAA regulations, which involves inactions or actions by COUNTY, except where COUNTY or CONTRACTOR is a named adverse party.

All workforce members who assist in the performance of functions or activities on behalf of CONTRACTOR, or access or disclose Personal Health Information "PHI," Personal Information "PI," or Personal Identifying Information "PII," must complete information privacy and security training, at least annually, at their own expense. Each workforce member who receives information

privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following termination of this Agreement.

Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.

All persons that will be working with PHI, PII, or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to PHI, PII, or PI. The statement must be renewed annually. CONTRACTOR shall retain each person's written confidentiality statement for inspection for a period of six (6) years following termination of this Agreement.

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

All workstations and laptops that store PHI, PII, or PI either directly 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 California Department of Health Care Services

Information Security Office.

COMPUTER SECURITY REQUIREMENTS - Servers containing unencrypted PHI, PII, or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

Only the minimum necessary amount of PHI, PII, or PI required to perform necessary business functions may be copied, downloaded, or exported.

All electronic files that contain PHI, PII, or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

All workstations, laptops and other systems that process and/or store PHI, PII, or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

All workstations, laptops and other systems that process and/or store PHI, PII, or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release. Applications and systems that cannot be patched within this time frame due to significant operational reasons must have compensatory controls implemented to minimize risk until the patches can be installed. Applications and systems that cannot be patched must have compensatory controls implemented to minimize risk, where possible.

All users must be issued a unique user name for accessing PHI, PII, or PI.

Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed at least every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:

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

When no longer needed, all PHI, PII, or PI must be wiped using the Gutmann or US Department of Defense (DoD) 5220.22-M (7 Pass) standard, or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission of the California Information Security Office.

The system providing access to PHI, PII, or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

All systems providing access to PHI, PII, or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

The system must maintain an automated audit trail which can identify the user or

system process which alters PHI, PII, or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If PHI, PII, or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.

The system providing access to PHI, PII, or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

All data transmissions of PHI, PII, or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI, PII, or PI in motion such as website access, file transfer, and E-Mail.

All systems involved in accessing, holding, transporting, and protecting PHI, PII, or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

CONTRACTOR must ensure audit control mechanisms that record and examine system activity are in place. All systems processing and/or storing PHI, PII, or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

All systems processing and/or storing PHI, PII, or PI must have a routine procedure in place to review system logs for unauthorized access.

All systems processing and/or storing PHI, PII, or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

CONTRACTOR must establish a documented plan to enable continuation of critical business processes and protection of the security of PHI, PII, or PI held in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

CONTRACTOR must have established documented procedures to backup PHI to maintain retrievable exact copies of PHI, PII, or PI. The plan 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 PHI, PII, or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of data.

PHI, PII, or PI 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. PHI, PII, or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

Visitors to areas where PHI, PII, or PI is contained shall be escorted and PHI, PII, or PI shall be kept out of sight while visitors are in the area.

PHI, PII, or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

Only the minimum necessary PHI, PII, or PI may be removed from the premises of CONTRACTOR except with express written permission. PHI, PII, or PI shall not be considered "removed from the premises" if it is only being transported from one of CONTRACTOR's locations to another of CONTRACTOR's locations.

Faxes containing PHI, PII, or PI 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.

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

23. INSURANCE REQUIREMENTS:

- A. THIS CONTRACT SHALL NOT BE EXECUTED BY COUNTY and the CONTRACTOR is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the following provisions have been complied with, and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.
- B. Without limiting CONTRACTOR'S indemnification obligations provided for herein, CONTRACTOR shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than

A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of CONTRACTOR, 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 One Million Dollars (\$1,000,000.00) per occurrence for any one (1) incident, including, personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.
2. Automobile/Motor liability insurance with a limit of liability of 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 or coverage for "any auto".
3. Workers Compensation and Employer's Liability Insurance providing worker's compensation benefits as required by the Labor Code of the State of California. Said policy shall contain or be endorsed to contain a waiver of subrogation against COUNTY, its officers, agents, and employees. In all cases, the above insurance shall include Employers Liability coverage with limits of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and disease.

4. Professional liability insurance/errors and omission coverage in an amount no less than One Million Dollars (\$1,000,000.00) for each occurrence (Three Million Dollars [\$3,000,000.00]) general aggregate). Said insurance shall be maintained for the statutory period during which the professional may be exposed to liability. CONTRACTOR shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services.

5. Insurance notices sent to:

County of Humboldt
Attn: Risk Management
825 5th Street, Room 131
Eureka, CA 95501

C. **Special Insurance Requirements.** Said policies shall unless otherwise specified herein be endorsed with, the following provisions:

(1) The Comprehensive General Liability Policy shall provide that the COUNTY, its 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 the COUNTY, its 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 loss or damage to property caused by explosion or resulting from collapse of buildings or

structures or damage to property underground, commonly referred to "XCU Hazards".

- c. Is primary insurance as regards to County of Humboldt.
 - 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 policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY and in accordance with the Notice provisions set forth under Section 5. It is further understood that CONTRACTOR shall not terminate such coverage until it provides COUNTY with proof satisfactory to COUNTY that equal or better insurance has been secured and is in place.
- (3) The inclusion of more than one insured shall not operate to impair the rights of one 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 insured shall not operate to increase the limits of the insurer's liability.
- (4) For claims related to this project, the CONTRACTOR'S insurance is primary coverage to the COUNTY, and any insurance or self-insurance programs maintained by the COUNTY are excess to CONTRACTOR'S insurance and will not be called upon to contribute with it.

- (5) Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to COUNTY, its 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 by COUNTY. The endorsements shall be on forms as approved by the COUNTY's Risk Manager or COUNTY Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000) 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 other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost of said insurance. COUNTY is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to CONTRACTOR under this Contract.
- (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 aggregate limits set forth above.

24. HOLD HARMLESS/INDEMNIFICATION AGREEMENT:

- A. CONTRACTOR shall indemnify, defend and hold harmless COUNTY and its officers, officials, employees and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorney's fees,

which are caused by any negligent or willful acts of misconduct or omissions (either directly or through or by its officers, agents or employees) in connection with CONTRACTOR'S duties and obligations under this Agreement and any amendments hereto.

B. COUNTY shall indemnify, defend and hold harmless CONTRACTOR and its officers, officials, employees and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorney's fees, which are caused by any negligent or willful acts of misconduct or omissions (either directly or through or by its officers, agents or employees) in connection with COUNTY's duties and obligations under this Agreement and any amendments hereto.

C. Notwithstanding paragraphs A and B, in the event that CONTRACTOR and COUNTY are both held to be negligently or willfully responsible, CONTRACTOR and COUNTY will bear their proportionate share of liability as determined in any such proceeding. Each side will bear their own costs and attorney's fees.

D. Acceptance of insurance, if required by this Agreement, does not relieve CONTRACTOR from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by CONTRACTOR's operations regardless if any insurance is applicable or not.

25. MEDIA RELEASE:

All press releases and informational material related to this Agreement shall receive approval from COUNTY prior to being released to the media (television, radio,

newspapers, Internet). In addition, CONTRACTOR shall inform COUNTY of requests for interviews by media related to this Agreement prior to such interviews taking place.

COUNTY reserves the right to have a representative present at such interviews. All notices required by this provision shall be given to the Director of the Humboldt County Department of Health and Human Services or his designee.

26. PROTOCOLS:

Both parties recognize that a number of protocols must be negotiated to make this Agreement specific. In regard to all such protocols, they shall be agreed to by COUNTY and the DHHS-Mental Health Director and CONTRACTOR.

27. DRUG FREE WORKPLACE CERTIFICATION:

By signing this Agreement, CONTRACTOR hereby certifies that CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a)(1).
- B. Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. CONTRACTOR's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees for drug abuse violations.

C. Provide as required by Government Code Section 8355(a)(3) that every employee who works on the Agreement:

- i. Will receive a copy of CONTRACTOR's drug-free policy statement, and
- ii. Will agree to abide by the terms of CONTRACTOR's statement as a condition of employment on the Agreement or grant.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and CONTRACTOR may be ineligible for award of future State contracts if the Department determines that any of the following has occurred: (1) CONTRACTOR has made a false certification or, (2) violates the certification by failing to carry out the requirements as noted above.

28. PATIENTS' RIGHTS:

The parties to this Agreement shall comply with applicable laws, regulations and State policies relating to patients' rights.

29. CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE:

Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated or maintained with such Federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of

applicable Federal funds is Medicare or Medicaid; or facilities where Women, Infants and Children Program (WIC) coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to One Thousand Dollars (\$1,000.00) for each violation and/or the imposition of an administrative compliance order on the responsible entity.

By signing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

30. UTILIZATION REVIEW:

COUNTY, through its DHHS-Mental Health Director, may designate a person(s) to perform a utilization and/or professional standards review of all patients for which it is expected to make reimbursement.

31. ADMISSION PRIORITY:

CONTRACTOR shall provide COUNTY with periodic reports of openings in CONTRACTOR's facility and agrees to be ready, willing and able to give priority to the admission of COUNTY-linked patients.

32. COST REPORT:

CONTRACTOR shall submit an unaudited end of the fiscal year final cost report summarizing all costs incurred providing services for COUNTY-linked patients during the fiscal year. This will occur no later than ninety (90) days following the close of the fiscal year. Final Cost Report shall meet the specifications of the mandated cost reporting requirements of COUNTY, pertaining to that fiscal year.

////

33. DETERMINATION OF ABILITY TO PAY:

If so directed by the DHHS-Mental Health Director, CONTRACTOR shall, determine client's share of cost using the State's Uniform Method of Determining the Ability to Pay, relaying to COUNTY the results of such determination. This shall be done any time there is a demonstrable change in client's financial status but no less than annually. CONTRACTOR avers that inability to pay shall be no bar to CONTRACTOR's services. However, CONTRACTOR further agrees that unwillingness to pay may bar services (except in emergencies) following consultation with COUNTY. COUNTY agrees to provide training in the determination of ability to pay.

34. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the written mutual consent of both parties.

35. ADMISSION POLICIES:

The patient population to be served is adults with mental illness in need of long-term treatment. In order for proper reimbursement:

- A. All referrals to CONTRACTOR must be authorized by the DHHS-Mental Health Director or designee.
- B. The final admission decision shall rest with CONTRACTOR.
- C. If admission is denied, the DHHS-Mental Health Director or designee shall be immediately notified and shall be informed of the reasons leading to the denial.
- D. Policies and procedures for admission shall be written by CONTRACTOR based on this Agreement. Policies include a provision that patients are accepted for care without discrimination on the basis of race, color, religion, gender, national

origin, age, sexual orientation, or physical or mental disability.

- E. In recognition of the fact that clients are referred by DHHS- Mental Health and that DHHS-Mental Health has specific responsibilities for long-term case coordination, CONTRACTOR agrees to participate in and accept the overall care plan for patients, including but not limited to discharge planning and timeliness for discharges as a condition of acceptance of the client for admission.

36. HOURS OF OPERATION

CONTRACTOR shall offer to Humboldt County Medi-Cal Beneficiaries hours of operation that are no less than the hours of operation offered to commercial enrollees, if CONTRACTOR also serves enrollees of a commercial health plan, or that are comparable to the hours CONTRACTOR makes available for Medi-Cal services that are not covered by COUNTY or another Mental Health Plan, if CONTRACTOR serves only Medi-Cal clients.

37. NOTIFICATION IN CHANGE IN OWNERSHIP AND CONTROL

In the event of a change in CONTRACTOR's ownership or control, within thirty five (35) days, or upon request of COUNTY, CONTRACTOR, shall notify COUNTY of any change in ownership or control and provide information as requested by COUNTY.

The disclosures to be provided shall include, but not be limited to:

- i. The name and address of any person (individual or corporation) with an ownership or control interest in CONTRACTOR. The address for corporate entities shall include, as applicable, a primary business address, every business location, and a P.O. Box address;
 - a. Date of birth and Social Security Number (in the case of an individual);

- b. Other tax identification number (in the case of a corporation with an ownership or control interest in CONTRACTOR or in any subcontractor in which CONTRACTOR has a 5 percent or more interest);
- c. Whether the person (individual or corporation) with an ownership or control interest in CONTRACTOR is related to another person with ownership or control interest in the same or any other COUNTY contractor as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which CONTRACTOR has a 5 percent or more interest is related to another person with ownership or control interest in CONTRACTOR as a spouse, parent, child, or sibling;
- d. The name of any other disclosing entity in which CONTRACTOR has an ownership or control interest; and
- e. The name, address, date of birth, and Social Security Number of any managing employee of CONTRACTOR.

38. DISCLOSURES RELATED TO BUSINESS TRANSACTIONS

Within thirty five (35) days, upon request by COUNTY, in accordance with 42 Code of Federal Regulations sections 455.101 through 455.106, CONTRACTOR shall submit disclosures regarding certain business transactions. The following information must be disclosed:

- i. The ownership of any subcontractor with whom CONTRACTOR has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and

- ii. Any significant business transactions between CONTRACTOR and any wholly owned supplier, or between CONTRACTOR and any subcontractor, during the 5-year period ending on the date of the request.

39. DISCLOSURES RELATED TO PERSONS CONVICTED OF CRIMES

Upon request by COUNTY, CONTRACTOR shall submit disclosures regarding its owners, persons with controlling interest, agents, and managing employees' criminal convictions related to federal health care programs pursuant to 42 Code of Federal Regulations section 455.106(a)(1) and (2). CONTRACTOR shall submit the following disclosures:

- i. The identity of any person who is a managing employee of CONTRACTOR who has been convicted of a crime related to federal health care programs (42 Code of Federal Regulations section 455.106(a)(1), (2)); and
- ii. The identity of any person who is an agent of CONTRACTOR who has been convicted of a crime related to federal health care programs. (42 Code of Federal Regulations section 455.106(a)(1), (2)). For this purpose, the word "agent" has the meaning described in 42 Code of Federal Regulations section 455.101.

40. FEDERAL HEALTH CARE PROGRAM EXCLUSION

CONTRACTOR shall not employ or contract with providers or other individuals and entities excluded from participation in federal health care programs (as defined in section 1128B(F) of the Social Security Act) under either Section 1128, 1128A, or 1156 of the Social Security Act. Federal financial participation is not available for amounts expended for providers excluded by Medicare, Medicaid or the State Children's Insurance Program, except for emergency services.

41. NOTIFICATION OF LITIGATION

COUNTY shall be informed by CONTRACTOR within forty-eight (48) hours of notification of professional litigation

42. CLEAN AIR / POLLUTION

For Contracts of amounts in excess of \$100,000 (unless exempt under 40 Code of Federal Regulations section 15.5): CONTRACTOR agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)) section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 Code of Federal Regulations part 15). Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 USC 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

43. INTELLECTUAL PROPERTY RIGHTS

CONTRACTOR shall comply with all applicable Intellectual Property Rights Provisions in any Mental Health Managed Care contract COUNTY has with the State Department of Health Care Services as follows:

A. Ownership

- i. Except where the State Department of Health Care Services has agreed in a signed writing to accept a license, the State Department of Health Care Services shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are

made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement.

ii. For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.

a. For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created,

produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.

- iii. In the performance of this Agreement, CONTRACTOR will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, CONTRACTOR may access and utilize certain of the State Department of Health Care Services' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, CONTRACTOR shall not use any of the State Department of Health Care Services' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of the State Department of Health Care Services. Except as otherwise set forth herein, neither CONTRACTOR nor the State Department of Health Care Services shall give any ownership interest in or rights to its Intellectual Property to the other Party. If during the term of this Agreement, CONTRACTOR accesses any third-party Intellectual Property that is licensed to the State Department of Health Care Services, CONTRACTOR agrees to abide by all license and confidentiality restrictions applicable to the State Department of Health Care Services in the third-party's license agreement.
- iv. CONTRACTOR agrees to cooperate with the State Department of Health Care Services in establishing or maintaining the State Department of Health Care

Services' exclusive rights in the Intellectual Property, and in assuring the State Department of Health Care Services' sole rights against third parties with respect to the Intellectual Property. If CONTRACTOR enters into any agreements or subcontracts with other parties in order to perform this Agreement, CONTRACTOR shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to the State Department of Health Care Services all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, CONTRACTOR, or the State Department of Health Care Services and which result directly or indirectly from this Agreement or any subcontract.

- v. CONTRACTOR further agrees to assist and cooperate with the State Department of Health Care Services in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce the State Department of Health Care Services' Intellectual Property rights and interests.

B. Retained Rights / License Rights

- i. Except for Intellectual Property made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement, CONTRACTOR shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. CONTRACTOR hereby grants to the State

Department of Health Care Services, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose CONTRACTOR's Intellectual Property resulting from this Agreement, unless CONTRACTOR assigns all rights, title and interest in the Intellectual Property as set forth herein.

- ii. Nothing in this provision shall restrict, limit, or otherwise prevent CONTRACTOR from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that CONTRACTOR's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of the State Department of Health Care Services or third party, or result in a breach or default of any provisions of this Section or result in a breach of any provisions of law relating to confidentiality.

C. Copyright

- i. CONTRACTOR agrees that for purposes of copyright law, all works [as defined above] of authorship made by or on behalf of CONTRACTOR in connection with CONTRACTOR's performance of this Agreement shall be deemed "works made for hire". CONTRACTOR further agrees that the work of each person utilized by CONTRACTOR in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of CONTRACTOR or that person has

entered into a written agreement with any such person that: (1) all work performed for CONTRACTOR shall be deemed a “work made for hire” under the Copyright Act and (2) that person shall assign all right, title, and interest to the State Department of Health Care Services to any work product made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement.

- ii. All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement, shall include the State Department of Health Care Services’ notice of copyright, which shall read in 3mm or larger typeface: “© [*Enter Current Year e.g., 2010, etc.*], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services.” This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

D. Patent Rights

With respect to inventions made by CONTRACTOR in the performance of this Agreement, which did not result from research and development specifically

included in the Agreement's scope of work, CONTRACTOR hereby grants to the State Department of Health Care Services a license as described under Section B. of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then CONTRACTOR agrees to assign to the State Department of Health Care Services, without additional compensation, all its right, title and interest in and to such inventions and to assist the State Department of Health Care Services in securing United States and foreign patents with respect thereto.

E. Third-Party Intellectual Property

Except as provided herein, CONTRACTOR agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of CONTRACTOR or third party without first: (1) obtaining the State Department of Health Care Services' prior written approval; and (2) granting to or obtaining for the State Department of Health Care Services, without additional compensation, a license, as described in Section B of this provision, for any of CONTRACTOR's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and the State Department of Health Care Services determines that Intellectual property should be included in or is required for CONTRACTOR's performance of this Agreement, CONTRACTOR shall obtain a license under terms acceptable to the State Department of Health Care Services.

/// /

F. Warranties

- i. CONTRACTOR represents and warrants that:
 - a. It is free to enter into and fully perform this Agreement.
 - b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
 - c. Neither CONTRACTOR's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by CONTRACTOR.
 - d. Neither CONTRACTOR's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.

- e. It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
 - f. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to the State Department of Health Care Services in this Agreement.
 - g. It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - h. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way CONTRACTOR's performance of this Agreement.
- ii. The State Department of Health Care Services makes no warranty that the Intellectual Property resulting from this Agreement does not infringe upon any patent, trademark, copyright or the like, now existing or subsequently issued.

////

G. Intellectual Property Indemnity

- i. CONTRACTOR shall indemnify, defend and hold harmless the State Department of Health Care Services and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, (“Indemnitees”) from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney’s fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not CONTRACTOR is a party to any pending or threatened litigation, which arise out of or are related to (1) the incorrectness or breach of any of the representations, warranties, covenants or agreements of CONTRACTOR pertaining to Intellectual Property; or (2) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of the State Department of Health Care Services’ use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by CONTRACTOR or the State Department of Health Care Services and which result directly or indirectly from this Agreement. This indemnity obligation shall apply

irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. The State Department of Health Care Services reserves the right to participate in and/or control, at CONTRACTOR's expense, any such infringement action brought against the State Department of Health Care Services.

- ii. Should any Intellectual Property licensed by CONTRACTOR to the State Department of Health Care Services under this Agreement become the subject of an Intellectual Property infringement claim, CONTRACTOR will exercise its authority reasonably and in good faith to preserve the State Department of Health Care Services' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to the State Department of Health Care Services. The State Department of Health Care Services shall have the right to monitor and appear through its own counsel (at CONTRACTOR's expense) in any such claim or action. In the defense or settlement of the claim, CONTRACTOR may obtain the right for the State Department of Health Care Services to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, the State Department of Health Care Services shall be entitled to a refund of all monies paid under

this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

- iii. CONTRACTOR agrees that damages alone would be inadequate to compensate the State Department of Health Care Services for breach of any term of these Intellectual Property provisions by CONTRACTOR. CONTRACTOR acknowledges the State Department of Health Care Services would suffer irreparable harm in the event of such breach and agrees the State Department of Health Care Services shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

H. Federal Funding

In any agreement funded in whole or in part by the federal government, the State Department of Health Care Services may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

I. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement.

44. HIPAA COMPLIANCE-COVERED ENTITY TO COVERED ENTITY

COUNTY and CONTRACTOR each consider and represent themselves as covered entities as defined by the U.S. Health Insurance Portability and Accountability Act and agree to use and disclose protected health information as required by law.

COUNTY and CONTRACTOR acknowledge that the exchange of protected health information between them is only for treatment, payment, and health care operations.

////

////

////

////

////

////

////

////

////

////

////

////

////

////

////

////

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

ATTEST:

KATHY HAYES

Clerk of the Board of Supervisors of the County of Humboldt, State of California

By: Tracy Dennis

APPROVED AS TO LEGAL FORM:

By Karen Hoeberle
County Counsel

APPROVED AS TO INSURANCE:

David J. Feltz
Risk Manager

COUNTY OF HUMBOLDT:

Rep Boh
Chair, of the Board of Supervisors

CONTRACTOR:

Thomas L. Carter
Name

Executive Director
Title

Agan
Name

Chief Operation Officer
Title

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

EXHIBIT A

SCOPE OF SERVICES FOR FISCAL YEARS 2014-2015 AND 2015-2016

1. Service Location

Facility Name: Willow Glen Care Center
Street Address: 1547 Plumas Court
City and Zip Code: Yuba City, CA 95991

2. Contract Monitor

Title: Mental Health Sr. Program Manager
Organization: Department of Health and Human Services,
County of Humboldt
Street Address: 720 Wood St.
City and Zip Code: Eureka, CA 95501

The COUNTY Adult Outpatient Services Program has a mission to ensure that clients with severe mental illness who are placed in board and care facilities receive quality care and levels of service, respect consumer dignity, respond to cultural differences, utilize evidenced-based practices, support the recovery and wellness process, aid improvements to functionality and continually evaluate for the effectiveness of the services. CONTRACTOR has demonstrated expertise and competence in services that further this mission. Specifically:

Residential Services

CONTRACTOR shall provide to clients referred by COUNTY, residential care for the mentally ill pursuant to the laws and regulations of the State of California which govern such programs. These services shall be provided at the CONTRACTOR'S facility known as Willow Glen Care Center located at 1547 Plumas Court, Yuba City, CA 95991. Services shall be provided at the same levels of care to all parties, including Medi-Cal beneficiaries, regardless of their payor.

CONTRACTOR shall provide staffing at Willow Glen Care Center 24 hours per day, seven days a week. Staffing will include all legally required care for clients. The services provided shall include, upon authorization, full-day rehabilitation day treatment and medication support.

CONTRACTOR shall offer the following service to COUNTY clients, as appropriate:

- Lodging
- Food Service-Three nutritional meals daily and between meal nourishment or snacks. Special diets prepared as prescribed by physician.
- Laundry Facilities
- Assistance in cleaning personal living quarters
- Assistance, if needed, in planning, arranging and/or providing transportation to medical, clinical and dental appointments
- A Client Plan that will include utilization of community resources
- Notification, as needed/required, to appropriate persons/agencies regarding client needs

- Assistance in meal planning and preparation
- Continuous observation, assessment and supervision
- Assistance, when needed, with taking prescribed medication
- Client Advocacy
- Case Management Services
- CONTRACTOR agrees to facilitate access to and utilization of Health Insurance Portability and Accountability Act (HIPAA) compatible web conferencing, video conferencing or telemedicine equipment to enable COUNTY to have a minimum of monthly joint conferences with client, COUNTY and CONTRACTOR'S clinicians, and/or client's significant others in order to facilitate discharge planning processes. CONTRACTOR will be responsible to obtain informed consent(s) for telemedicine.

CONTRACTOR shall offer the above described services to the following client population(s) only:

Humboldt County residents, receiving services from Humboldt County Department of Health and Human Services-Mental Health, ages 18 and older, ambulatory and suffering from a major mental illness.

These services are expected to benefit beneficiaries in the following way(s):
Provide the client with the greatest degree of independent living possible, while maintaining stability through a sufficient, comprehensive network of support and community resources.

In addition, CONTRACTOR shall adhere to COUNTY'S individualized plans of care to reduce the lengths of stay and to transition clients to less restrictive levels of care in a timely manner, as appropriate.

Reporting Requirements

CONTRACTOR shall provide COUNTY with monthly report containing the following information in regard to the prior month. The following data may be reported via invoice or supplemental report, as needed.

Documentation of Services Rendered shall include:

- Monthly census that includes client names and number of clients served.
- Dates of Admission/Discharge
- The identity and reason of any placements accepted, denied, and/or discharged by the CONTRACTOR.
- Documentation of Services provided and location of services.
- (i.e. Mental Health Services, Case Management, Enhanced Services, Increased Supervision, Independent Living Skills, Rehabilitation, Community Involvement, Medication Management, Vocational Counseling, etc.)
- Program attendance/participation and report of client activities.
- Identify if client has participated in Wellness Recovery Action Plans (WRAP)-related activities.

- Identify any clients who were admitted to a psychiatric hospital during the previous 30 days
- Identify and document the number of days any clients were placed on the most restrictive level of care

Reports shall be submitted by the 10th day of the month following the month in which service were rendered.

CONTRACTOR shall notify COUNTY within 24 hours when a client is admitted to a psychiatric or medical hospital.

CONTRACTOR shall notify COUNTY within 24 hours when a client has left the facility without authorization.

CONTRACTOR shall provide COUNTY with yearly, or upon request, current client treatment plans. Plans will be updated on an as needed basis when change in client functioning.

CONTRACTOR and COUNTY understand that additional reporting may be necessary on a weekly, monthly and quarterly basis.

CONTRACTOR will notify COUNTY of any current or anticipated difficulty in providing service, or if the services do not appear to result in the anticipated benefit to the client.

CONTRACTOR shall maintain current licenses and/or certifications, as follows:

- Community Care licensure and Certificates of Insurance to be submitted to COUNTY.

Reports of Services rendered shall be submitted to:

Humboldt County Department of Health and Human Services
 Mental Health - Comprehensive Community Treatment
 Supervising Mental Health Clinician
 720 Wood St.
 Eureka, CA 95501

Cost Report:

CONTRACTOR shall submit an unaudited end of the fiscal year final cost report summarizing all costs incurred providing services for COUNTY-linked patients during the fiscal year. This will occur no later than ninety (90) days following the close of the fiscal year.

Cost report shall be submitted to:

Humboldt County Department of Health and Human Services
 DHHS-Contract Unit, 4th Floor
 507 F Street
 Eureka, CA 95501

EXHIBIT B

PAYMENT AGREEMENT FOR FISCAL YEARS 2014-2015 AND 2015-2016

COUNTY will reimburse CONTRACTOR for services pursuant to this Agreement not to exceed the maximum amount of One Hundred Forty Seven Thousand, Seven Hundred Fifty-Two Dollars (\$147,752.00) per Fiscal Year.

All costs incurred above the maximum amount will be the responsibility of the CONTRACTOR. It shall be the responsibility of CONTRACTOR to notify COUNTY in writing, at least six weeks prior to the date upon which CONTRACTOR estimates that the maximum amount will be reached.

If State, Federal or County funding are reduced or deleted, the maximum reimbursement shall be reduced or deleted.

CONTRACTOR shall hold harmless the State of California, and Medi-Cal Beneficiaries in the event COUNTY cannot or will not pay for services rendered by CONTRACTOR pursuant to the terms of this Agreement.

COUNTY'S fiscal year runs July 1st through June 30th.

CONTRACTOR shall furnish a rate schedule to COUNTY for Residential Services, as described in Exhibit A of this Agreement, no later than July 31st of each fiscal year for the current year.

No Cap increases will be granted during the term of this Agreement unless mutually agreed upon in writing pursuant to Section 34.