

**PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
RESTPADD HEALTH CORPORATION  
FOR FISCAL YEARS 2017-2018 THROUGH 2018-2019**

This Agreement, entered into this 6 day of November, 2018, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Restpadd Health Corporation, a California for-profit mental health service organization, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY is required to provide specialty mental health services to eligible Humboldt County Medi-Cal Beneficiaries ("Beneficiaries") as part of COUNTY's Medi-Cal Managed Health Care Program; and

WHEREAS, COUNTY, by and through its Department of Health and Human Services – Mental Health ("DHHS – Mental Health"), desires to retain a qualified out-of-county Psychiatric Health Facility to provide psychiatric inpatient services to eligible Beneficiaries; and

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

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

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the psychiatric inpatient services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with the DHHS – Mental Health Director, or a designee thereof, hereinafter referred to as "Director."

2. TERM:

This Agreement shall begin on April 27, 2018 and shall remain in full force and effect until June 30, 2019, unless sooner terminated as provided herein.

3. TERMINATION:

- A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.

////

Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to CONTRACTOR. CONTRACTOR may terminate this Agreement without cause upon sixty (60) days advance written notice to COUNTY. Any and all notices submitted hereunder shall state the effective date of the termination.

Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

Compensation Upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

#### 4. COMPENSATION:

A. Reimbursement Requirements. COUNTY will reimburse CONTRACTOR for specialty mental health services rendered to Beneficiaries pursuant to the terms and conditions of this Agreement, if the following requirements are met:

1. The Beneficiary is enrolled in, and eligible for benefits under, the California Medi-Cal Program at the time the claimed services are rendered by CONTRACTOR.
2. The claimed services are covered under COUNTY's Medi-Cal Managed Health Care Program according to the laws and regulations in effect at that time.
3. The claimed services meet the medical necessity criteria for specialty mental health services set forth in Chapter 11 of Title 9 of the California Code of Regulations ("C.C.R.").

B. Reimbursement Rates. Psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement shall be reimbursed at the negotiated reimbursement rates set forth in Exhibit B – Schedule of Reimbursement Rates, which is attached hereto and incorporated herein by reference as if set forth in full.

C. Renegotiation of Reimbursement Rates. COUNTY hereby reserves the right to renegotiate the rates set forth in Exhibit B – Schedule of Reimbursement Rates. Any and all renegotiated reimbursement rates shall be documented in writing and made a part of this Agreement in accordance with the amendment provisions set forth herein. CONTRACTOR shall submit to COUNTY written requests for rate changes, as necessary, with a frequency of not more than one (1) time per year.

D. Maximum Amount Payable. The maximum amount payable by COUNTY for psychiatric inpatient services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is One Hundred Thousand Dollars (\$100,000.00). In no event shall the maximum amount paid under this Agreement exceed Twelve Thousand, Four Hundred Dollars (\$12,400.00) for fiscal year 2017-2018 and Eighty-Seven Thousand, Six Hundred Dollars (\$87,600.00) for fiscal year 2018-2019. CONTRACTOR agrees to perform all psychiatric inpatient services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are

reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for psychiatric inpatient services provided to Beneficiaries hereunder, or may terminate this Agreement as provided herein.

E. Services Provided Upon Admission and Discharge. COUNTY shall compensate CONTRACTOR for psychiatric inpatient services provided on a Beneficiary's first day of hospitalization. However, CONTRACTOR shall not be compensated by COUNTY for costs incurred from the provision of psychiatric inpatient services to Beneficiaries on the day of discharge.

F. Additional Services. Any additional services not otherwise provided for herein, shall not be rendered by CONTRACTOR, or compensated by COUNTY, without prior written authorization from COUNTY. CONTRACTOR is responsible for tracking the total amount of claims submitted to COUNTY for reimbursement, in order to ascertain that the total amount claimed does not exceed the maximum payable amount set forth herein. All unauthorized costs and expenses incurred by CONTRACTOR above the maximum amount payable set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

G. Year-End Settlement. Initial year-end settlement will be based on COUNTY's negotiated reimbursement rates for approved Medi-Cal units of service. Initial year-end settlement shall occur no later than ninety (90) days after COUNTY has submitted its year-end cost report to DHCS.

## 5. PAYMENT:

A. Submission and Payment of Service Claims and Invoices. CONTRACTOR shall submit to COUNTY a formal invoice, detailed census and any other additional information needed to process a claim for reimbursement of psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement. Payment for psychiatric inpatient services rendered pursuant to the terms and conditions of this Agreement shall be made within thirty (30) days of COUNTY's receipt of complete and uncontested claims submitted within the timelines set forth herein. Any and all invoices, censuses, and other additional information pertaining to the reimbursement of psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement shall be sent to COUNTY at the following address:

COUNTY: Humboldt County DHHS – Mental Health  
Attention: Claims Data Management  
507 F Street  
Eureka, California 95501

B. Effect of Payment. Payments made at COUNTY's negotiated reimbursement rates in effect for the psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement shall be considered interim payments subject to the third-party liability provisions set forth herein.

C. Effect of Non-Payment: In the event COUNTY cannot, or will not, pay for psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement, CONTRACTOR shall hold harmless all Beneficiaries and the State of California.

6. THIRD-PARTY LIABILITY:

Except as provided herein, CONTRACTOR shall look only to COUNTY for compensation for psychiatric inpatient services rendered pursuant to the terms and conditions of this Agreement, and shall at no time seek compensation, including co-payments, for such psychiatric inpatient services from Beneficiaries. However, nothing herein shall prevent CONTRACTOR from seeking the authorized share of cost payments and/or payments for services not covered under the terms and conditions of this Agreement, from Beneficiaries.

- A. Third-Party Health Insurance Coverage. CONTRACTOR shall notify COUNTY of any psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement that may be covered by private third-party health insurance or another health program. CONTRACTOR further agrees to assist COUNTY in obtaining any potential third-party insurance recoveries.
- B. Potential Tort, Casualty and Workers' Compensation Awards. CONTRACTOR shall notify COUNTY of any potential tort, casualty insurance and workers' compensation awards that may be used to reimburse CONTRACTOR for any psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement. If such an award is granted, CONTRACTOR shall reimburse COUNTY the amount of any paid claims.
- C. Beneficiary's Share of Cost. If so instructed by Director, CONTRACTOR shall determine a Beneficiary's share of the cost associated with the psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement using the State of California's Uniform Method of Determining the Ability to Pay, and notify COUNTY of such determination. Such determinations shall be made any time there is a demonstrable change in a Beneficiary's financial status, but no less than annually. CONTRACTOR agrees that a Beneficiary's inability to pay shall not be a bar to CONTRACTOR's services.

7. SETTLEMENT OF AUDIT LIABILITY:

- A. Adverse Audit Findings. In the event that any local, state or federal audit conducted pursuant to the terms and conditions of this Agreement results in the imposition of liability upon COUNTY, CONTRACTOR shall pay to COUNTY the amount of any such liability that is attributable to the psychiatric inpatient services rendered pursuant to the terms and conditions of this Agreement. COUNTY shall be responsible for any and all costs which are attributable to COUNTY.
- B. Disallowance of Services. In the event psychiatric inpatient services provided, claimed or billed pursuant to the terms and conditions of this Agreement are disallowed or denied through COUNTY's utilization review or any other local, state or federal audits, claims processes or error correction procedures, such disallowed or denied claims shall be reimbursed by CONTRACTOR through direct payment to COUNTY.

8. NOTICES:

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

////

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

CONTRACTOR: Restpadd Health Corporation  
Attention: Carl Womack, Administrator  
2750 Eureka Way  
Redding, California 96001

9. REPORTS:

- A. General Reporting. CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.
- B. Final Cost Report. CONTRACTOR shall submit an unaudited Final Cost Report summarizing all costs incurred pursuant to the terms and conditions of this Agreement, no later than ninety (90) days following the close of the fiscal year, in accordance with all applicable local, state and federal laws, regulations and guidelines.

10. AUDIT AND RETENTION OF PERFORMANCE RECORDS:

- A. Maintenance of Records. CONTRACTOR shall maintain any and all books, records, documents and other evidence of CONTRACTOR's accounting procedures and practices that are necessary to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- B. Government Access to Records and Facilities. 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 by COUNTY, the DHCS, the California Department of General Services, the Bureau of State Audits, or their designated representatives, including, without limitation, the Comptroller General of the United States, and any other duly authorized local, state or federal agencies.
- C. General Examination and Audit. CONTRACTOR agrees that COUNTY, DHCS, the California Department of General Services, the Bureau of State Audits, or their designated representatives, including the Comptroller General of the United States, and any other duly authorized local, state or federal agencies, shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. CONTRACTOR agrees to allow COUNTY, DHCS and any other duly authorized local, state or federal agencies access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related thereto.
- D. Examination and Audit by the California State Auditor. Pursuant to California Government Code Section 8546.7, CONTRACTOR shall be subject to the examination and audit of the California State Auditor for a period of three (3) years after final payment under this Agreement. CONTRACTOR shall hold COUNTY harmless for any liability resulting from said audit.

- E. Preservation of Records. CONTRACTOR shall preserve and make available its records for a period of seven (7) years after final payment hereunder, and for such longer period, if any, as required by applicable statute or any provision of this Agreement.
1. If this Agreement is completely or partially terminated, the records relating to the terminated services 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 (7) year period, the records shall be retained until completion of the action and resolution of all issues which arise there from, or until the end of the regular seven (7) year period, whichever is later.
- F. Legal Compliance. CONTRACTOR shall comply with the above-referenced requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Section 10115.10 of the California Public Contract Code, if applicable.
- G. Record Storage and Reproduction. 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 a designated representative of COUNTY, DHCS or any other duly authorized local, state or federal agencies 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.

11. INSPECTION RIGHTS:

CONTRACTOR shall allow COUNTY, DHCS, the United States Department of Health and Human Services, the Comptroller General of the United States, and any other duly authorized local, state and federal agencies, or their designated representatives, to inspect or otherwise evaluate the quality, appropriateness and timeliness of the services performed under this Agreement, and to inspect, evaluate, and audit any and all books, records and facilities maintained by CONTRACTOR, and its subcontractors hereunder, pertaining to such services at any time during normal business hours, for a period of at least three (3) years from the close of the DHCS fiscal year in which this Agreement came into effect. Books and records include, but are not limited to, all physical records originated or prepared pursuant to CONTRACTOR's performance of the obligations and duties contained in this Agreement, including working papers, reports, financial records and books of account, client records, prescription files, subcontracts and any other documentation pertaining to the services provided pursuant to the terms and conditions of this Agreement. Upon request, at any time during the above-referenced period, CONTRACTOR shall furnish any such record, or copy thereof, to COUNTY, DHCS, the United States Department of Health and Human Services, the Comptroller General of the United States, and any other duly authorized local, state and federal agencies, or their designated representatives. COUNTY and all other duly authorized local, state and federal agencies shall maintain the confidentiality of such books and records in accordance with any and all applicable local, state and federal laws, regulations and standards.

12. MONITORING:

CONTRACTOR agrees that COUNTY and any other duly authorized local, state or federal agencies, including, without limitation, DHCS, have the right to monitor all activities related to this Agreement, including the right to review and monitor CONTRACTOR's records, programs or

procedures, at any time, 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 cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY or any other duly authorized local, state or federal agencies. However, COUNTY is not responsible, and shall not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

13. CONFIDENTIAL INFORMATION:

- A. Legal Compliance. CONTRACTOR hereby agrees to protect all confidential records and Beneficiary confidentiality in conformance with any and all applicable local, state and federal laws and regulations, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health & Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology and Clinical Health Act ("HITECH Act"); the United States Health Information Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, all as may be amended from time to time.
- B. Continuing Compliance with Confidentiality Laws. COUNTY and CONTRACTOR acknowledge that local, state and federal laws, regulations, standards and contractual requirements pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations, standards or contractual requirements.

14. DISCLOSURE AND SECURITY REQUIREMENTS:

- A. Legal Compliance. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal privacy, security and confidentiality requirements, including, but not limited to, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162; 42 C.F.R. Sections 431.300, et seq.; and 45 C.F.R. Section 205.50, all as may be amended from time to time. CONTRACTOR further agrees to comply with any and all applicable privacy, security, and confidentiality requirements contained in the Mental Health Managed Care Agreement (State Standard Agreement No. 12-89364) and the Mental Health Performance Agreement (State Standard Agreement No. 17-94523) that COUNTY has with DHCS, which are incorporated herein by reference as if set forth in full.
- B. Disclosure of Confidential Information. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
  - 1. Disclosure of Identifying Information. CONTRACTOR shall protect from unauthorized disclosure the names and other "Identifying Information," including "Personal Information" and "Personally Identifiable 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.

- a. Personal Information. As used herein, the term "Personal Information" ("PI") shall include, without limitation, any information that identifies or describes an individual, including, but not limited to, his or her physical description, home address, home telephone number, education, financial matters, medical or employment history and statements made by, or attributed to, the individual.
- b. Personally Identifiable Information. As used herein, the term "Personally Identifiable Information" ("PII") shall include, without limitation, any information which can be used to distinguish or trace an individual's identity, such as their name, social security number, driver license number, identification card number, financial account number or other identifying number, symbol or particular, including, but not limited to, finger prints, voice prints and photographs.
2. Unauthorized Disclosures of Identifying Information. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the Beneficiary, any such Identifying Information to anyone other than COUNTY or DHCS without prior written authorization from COUNTY or the DHCS Program Contract Manager, except if disclosure is required by local, state or federal law.
3. Use of Identifying Information. CONTRACTOR shall not use Identifying Information for any purpose other than carrying out CONTRACTOR's obligations hereunder.
4. Notification of Requests for Identifying Information. CONTRACTOR shall promptly transmit to COUNTY all requests for disclosure of such Identifying Information not emanating from a Beneficiary or person whose name or Identifying Information becomes available to CONTRACTOR or is disclosed to CONTRACTOR as a result of services performed under this Agreement.
5. Use and Disclosure of Protected Health Information. CONTRACTOR shall not use or disclose "Protected Health Information" in any manner that would constitute a breach of this Agreement or a violation of any applicable local, state or federal laws, regulations or standards.
  - a. Protected Health Information. As used herein, the term "Protected Health Information" ("PHI") shall include, without limitation, individually identifiable health information that is transmitted by electronic media, maintained in electronic media or is transmitted or maintained in any other form or medium, as defined by the HIPAA Standards for Privacy of Individually Identifiable Health Information, as codified at 45 C.F.R. Parts 160 and 164, and the Federal Security Standards contained in 45 C.F.R. Parts 160 and 164, as may be amended from time to time.
6. Minimum Use and Disclosure of Protected Health Information. CONTRACTOR shall use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of this Agreement.
7. Legal Standards Pertaining to Protected Health Information. 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.
8. Downloading Protected Health Information. 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.

9. Maintenance and Preservation of Disclosure Records. 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.

10. Accounting Requirements. CONTRACTOR shall comply with the accounting requirements of 45 C.F.R. Section 164.528 and any associated regulations or informal guidance issued by the United States Department of Health and Human Services – Office of Civil Rights, all as may be amended from time to time.

C. Security Incidents and Suspected Breaches of Confidential Information. If CONTRACTOR has reason to believe that PHI, PI or PII transmitted hereunder may have been accessed, disclosed or acquired in breach of this Agreement, CONTRACTOR shall immediately take all actions necessary to preserve forensic evidence and to identify, mitigate and remediate the cause of the suspected breach. Such actions include, but are not limited to, the following:

1. Reporting Breaches of Confidential Information. CONTRACTOR shall notify COUNTY immediately, by telephone call and e-mail or fax, upon the discovery of a breach of PHI, PI or PII in electronic media or in any other media, if the PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person.

2. Reporting Suspected Security Incidents. CONTRACTOR shall notify COUNTY, by telephone call and e-mail or fax, within twenty-four (24) hours after discovering any other suspected security incident, intrusion, loss or unauthorized use or disclosure of PHI, PI or PII in violation of this Agreement or any applicable local, state or federal law.

a. Discovery of Breaches and Security Incidents. For purposes of this Agreement, a breach of, or security incident involving, PHI, PI or PII shall be treated as discovered by CONTRACTOR as of the first day on which such breach is known, or by exercising reasonable diligence would have been known, to CONTRACTOR or any person, other than the person committing the suspected breach, who is an employee, officer or other agent of CONTRACTOR.

3. Reporting Suspected Breaches and Security Incidents to Affected Individuals. To the extent deemed warranted, CONTRACTOR shall provide notice to any and all individuals affected by the suspected breach of, or security incident involving, PHI, PI or PII. CONTRACTOR shall pay the full costs associated with notifying such individuals, including, without limitation, the costs to retain an outside firm to undertake the notification effort. In addition, CONTRACTOR shall consult with COUNTY regarding the steps required to notify impacted individuals and any other persons, media outlets or governmental agencies, and must supply COUNTY with the following information:

a. Description of Suspected Breach or Security Incident. A brief description of the circumstances surrounding the suspected breach of, or security incident involving, PHI, PI or PII, including the date of occurrence and discovery thereof, if known.

b. Description of the Information Involved. A description of the types of unsecured PHI, PI or PII that were involved in the suspected breach or security incident, including, but not limited to, the full name, social security number, date of birth, home address, account number or disability code of all affected third parties.

- c. Description of Remedial Actions. A brief description of the actions being taken by CONTRACTOR to remediate the breach of, or security incident involving PHI, PI or PII, mitigate losses and protect against any further breaches or security incidents.
4. Investigation of Suspected Breaches and Security Incidents. CONTRACTOR shall immediately investigate any and all suspected breaches of, or security incidents involving, PHI, PI or PII. Within seventy-two (72) hours of the discovery of such suspected breach or security incident, CONTRACTOR shall submit an updated "Privacy Incident Report" containing the applicable information to the extent known at that time.
5. Remediation of Breaches and Security Incidents. Upon discovery of a breach of, or security incident involving, PHI, PI or PII, CONTRACTOR shall:
- a. Corrective Action. Take prompt corrective action to mitigate any risks or damages caused by the breach or security incident and to protect the operating environment.
  - b. Legal Compliance. Take any action pertaining to such breach or security incident required by any and all applicable local, state and federal laws and regulations.
6. Cooperation with COUNTY's Remediation Efforts. Upon discovery of a breach of, or security incident involving, PHI, PI or PII, CONTRACTOR shall give highest priority to immediately mitigating and remediating the breach or security incident, and shall devote such resources as may be required to accomplish that goal. In addition, CONTRACTOR shall cooperate with COUNTY's mitigation and remediation efforts, including, without limitation, providing any and all information necessary to enable COUNTY to fully understand the nature and scope of the breach or security incident, including, but not limited to, identification of each individual whose unsecured PHI may have been improperly accessed, acquired or disclosed. In the event that CONTRACTOR's assistance is required to reinstall software, such assistance shall be provided at no cost to COUNTY and in accordance with COUNTY's policies and standards.
7. Remediation Report. CONTRACTOR shall provide to COUNTY a written report of the investigation of a breach of, or security incident involving, PHI, PI or PII within ten (10) business days of the discovery of such breach or security incident. The report shall include, without limitation, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to remediate and/or contain the breach or security incident.
- D. Safeguarding Confidential Information. CONTRACTOR shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of all PHI, PI and PII related to the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, electronic PHI, PI and PII that CONTRACTOR creates, receives, maintains, uses or transmits on behalf of COUNTY. CONTRACTOR shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of CONTRACTOR's operations and the nature and scope of its activities, including, at a minimum, the following safeguards:
1. Personnel Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

////

- a. Employee Training. All workforce members who assist in the performance of functions or activities on behalf of CONTRACTOR, or access or disclose PHI, PI or 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 expiration or termination of this Agreement.
  - b. Employee Discipline. Appropriate sanctions must be applied against workforce members who fail to comply with the privacy policies and procedures or any of the privacy, security and confidentiality requirements contained herein, including termination of employment where appropriate.
  - c. Confidentiality Statement. All persons that will be working with PHI, PI or PII 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 gaining access to PHI, PI or PII. 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 expiration or termination of this Agreement.
  - d. Background Check. Before a member of the workforce may access PHI, PI or PII, 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 following expiration or termination of this Agreement.
2. Technical Security Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. Workstation and Laptop Encryption. All workstations and laptops that store PHI, PI or PII 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 DHCS – Information Security Office.
  - b. Server Security. Servers containing unencrypted PHI, PI or PII must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
  - c. Minimum Necessary. Only the minimum necessary amount of PHI, PI or PII required to perform necessary business functions may be copied, downloaded or exported.
  - d. Removable Media Devices. All electronic files that contain PHI, PI or PII data must be encrypted when stored on any removable media or portable device, including, without limitation, 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.

- e. Antivirus Software. All workstations, laptops and other systems that process and/or store PHI, PI or PII must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- f. Patch Management. All workstations, laptops and other systems that process and/or store PHI, PI or PII must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within thirty (30) days of vendor release. Applications and systems that cannot be patched within the required 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.
- g. User Identification and Password Controls. All users must be issued a unique user name for accessing PHI, PI or PII. Usernames must be promptly disabled, deleted or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within twenty-four (24) hours. Passwords are not to be shared. Passwords must be at least eight (8) 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 ninety (90) days, preferably every sixty (60) days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
- Upper case letters (A-Z);
  - Lower case letters (a-z);
  - Arabic numerals (0-9);
  - Non-alphanumeric characters (punctuation symbols).
- h. System Timeout. The system providing access to PHI, PI or PII must provide an automatic timeout, requiring re-authentication of the user session after no more than twenty (20) minutes of inactivity.
- i. Warning Banners. All systems providing access to PHI, PI or PII must display a warning banner stating that data is confidential, systems are logged and system use is for business purposes only by authorized users. Users must be directed to log off the system if they do not agree with these requirements.
- j. System Logging. The system must maintain an automated audit trail which can identify the user or system process which alters PHI, PI or PII. 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, PI or PII is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least three (3) years after occurrence.
- k. Access Controls. The system providing access to PHI, PI or PII must use role based access controls for all user authentications, enforcing the principle of least privilege.

////

- Page 13 of 41

- a. Supervision of Data. PHI, PI or PII 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, PI or PII in paper form shall not be left unattended in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- b. Escorting Visitors. Visitors to areas where PHI, PI or PII is contained shall be escorted, and PHI, PI or PII shall be kept out of sight while visitors are in the area.
- c. Confidential Destruction. PHI, PI or PII must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- d. Removal of Data. Only the minimum necessary amount of PHI, PI or PII may be removed from the premises of CONTRACTOR except with express written permission from COUNTY. PHI, PI or PII shall not be considered "removed from the premises," if it is only being transported from one (1) of CONTRACTOR's locations to another of CONTRACTOR's locations.
- e. Faxing. Faxes containing PHI, PI or PII shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- f. Mailings. Mailings containing PHI, PI or PII shall be sealed and secured from damage or inappropriate viewing of such PHI, PI or PII to the extent possible. Mailings which include five hundred (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.

15. HIPAA COMPLIANCE-COVERED ENTITY TO COVERED ENTITY:

Each party hereto considers and represents itself to be a "covered entity," as that term is defined by HIPAA, and agrees to use and disclose PHI, PI and PII in accordance with any and all applicable local, state and federal, laws, regulations and standards. COUNTY and CONTRACTOR acknowledge that any exchange of PHI, PI and/or PII between them shall only be for the purposes of treatment, payment and/or health care operations.

16. PREPARATION AND RETENTION OF MEDICAL RECORDS AND DOCUMENTATION:

- A. Preparation of Medical Records. CONTRACTOR shall timely prepare and maintain, for each Beneficiary who receives psychiatric inpatient services pursuant to the terms and conditions of this Agreement, a legible, accurate and complete "Medical Record" in accordance with any and all appropriate medical and professional practice requirements promulgated by the California Health and Welfare Agency. Medical records prepared and maintained pursuant to the terms and conditions of this Agreement shall contain sufficient detail to permit and facilitate effective internal review, external medical audit processes and adequate follow-up treatment.
  1. For purposes of this provision, "Medical Records" shall include, without limitation, all physical, books, records, documents and other evidence of medical treatment originated or prepared as part of CONTRACTOR's performance of the psychiatric inpatient services, and all other covered services, to be provided under this Agreement, including,

but not limited to, all treatment records, medical charts and prescription files and other documentation pertaining to services rendered to Beneficiaries.

B. Preparation of Medical Documentation. CONTRACTOR shall timely prepare and maintain all "Medical Documentation," as necessary to disclose how CONTRACTOR discharged its duties and obligations hereunder. Medical Documentation shall identify all of the following: the quantity and quality of the psychiatric inpatient services, and all other covered services, provided pursuant to the terms and conditions of this Agreement; the names of, and all other necessary identifying information pertaining to, Beneficiaries who received such services; the manner in which CONTRACTOR administered the provision of such services and the cost thereof; and the manner and amount of payment made for such services.

1. For purposes of this provision, "Medical Documentation" shall include, without limitation, all physical books, records, documents and other evidence of medical treatment originated or prepared as part of CONTRACTOR's performance of the psychiatric inpatient services, and all other covered services, to be provided hereunder, including, but not limited to, working papers, reports submitted to COUNTY or DHCS, financial records and other documentation pertaining to services provided hereunder.

C. Maintenance and Preservation of Medical Records and Documentation. CONTRACTOR shall maintain and preserve all Medical Records and Medical Documentation for a period of seven (7) years from final payment hereunder, and for such longer period, if any, as required by applicable statute or any provision of this Agreement.

1. If this Agreement is completely or partially terminated, the Medical Records and/or Medical Documentation relating to the terminated services 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 Medical Records and/or Medical Documentation has been started before the expiration of the seven (7) year period, the records shall be retained until completion of the action and resolution of all issues which arise there from, or until the end of the regular seven (7) year period, whichever is later.

D. Government Access to Medical Records and Documentation. CONTRACTOR agrees that any and all Medical Records and/or Medical Documentation prepared pursuant to the terms and conditions of this Agreement shall be subject at all reasonable times to inspection, audit and reproduction by COUNTY, DHCS, the California Department of General Services, the Bureau of State Audits, or designated representatives thereof, including, the Comptroller General of the United States, and any other duly authorized local, state or federal agencies.

## 17. ADMISSION AND DISCHARGE REQUIREMENTS:

A. Admission Policies. In order for proper reimbursement of the psychiatric inpatient services, and all other covered services, provided pursuant to the terms and conditions of this Agreement, CONTRACTOR must comply with all of the following:

1. All referrals to CONTRACTOR must be authorized by COUNTY's access clinician; however, the final admission decision shall rest with CONTRACTOR.

2. If admission is denied, Director, or a designee thereof, shall be immediately notified and informed of the reasons leading to the denial.

3. CONTRACTOR's policies and procedures for admission shall be based on this Agreement. Policies must include a provision that Beneficiaries are accepted for care without discrimination on the basis of race, color, religion, gender, national origin, age, sexual orientation or physical or mental disability.
  4. CONTRACTOR shall ensure that the Therapeutic Behavioral Services notice and general Early & Periodic Screening, Diagnosis and Treatment informational notice be given to Beneficiaries under twenty-one (21) years of age at the time of hospitalization.
  5. In recognition of the fact that DHHS – Mental Health has specific responsibilities for the long-term case coordination of Beneficiaries referred to CONTRACTOR, CONTRACTOR agrees to participate in and accept the overall care plan for such patients, including, but not limited to, discharge planning and timeliness, as a condition of acceptance of the Beneficiary for admission.
- B. Admission Priority. CONTRACTOR shall provide COUNTY with periodic reports of openings in CONTRACTOR's facility, and give priority to the admission of Beneficiaries.
- C. Discharge Requirements. CONTRACTOR shall provide COUNTY with discharge instructions on the day that each Beneficiary is discharged from CONTRACTOR's facility. In addition, CONTRACTOR must, within fourteen (14) days from the date of discharge of each Beneficiary, provide COUNTY with copies of the following medical records:
1. A Payment Authorization Request in the form of an invoice.
  2. A comprehensive psychiatric evaluation of, and treatment plan for, the Beneficiary.
  3. Any and all orders of the Beneficiary's treating physicians.
  4. Any and all progress notes relating to treatment provided to the Beneficiary pursuant to the terms and conditions of this Agreement.
  5. Any other clinical information CONTRACTOR deems appropriate.
- D. Submission of Admission and Discharge Records. Any and all admission and discharge records or instructions submitted by CONTRACTOR pursuant to the terms and conditions of this Agreement shall be sent to COUNTY at the following address:
- COUNTY: Humboldt County DHHS – Mental Health  
Attention: Medi-Cal Managed Care Unit  
720 Wood Street  
Eureka, California 95501
- E. Effect of Non-Compliance. CONTRACTOR's failure to comply with the admission and discharge requirements set forth herein may result in the disallowance of claims for psychiatric inpatient services provided to a particular Beneficiary pursuant to the terms and conditions of this Agreement.

18. HOURS OF OPERATION:

CONTRACTOR shall ensure that services are reasonably available and provided in a manner consistent with relevant law and regulation. CONTRACTOR shall offer Beneficiaries hours of

operation that are no less than the hours of operation offered to commercial enrollees. If CONTRACTOR serves only Medi-Cal Beneficiaries, CONTRACTOR shall offer hours of operation that are comparable to the hours of operation made available for Medi-Cal services that are not covered by COUNTY or another Mental Health Plan.

19. UTILIZATION MANAGEMENT AND QUALITY IMPROVEMENT:

- A. Utilization Review. COUNTY may designate appropriate DHHS – Mental Health staff to perform a utilization and/or professional standards review of all Beneficiaries for which COUNTY is expected to make reimbursement.
- B. Additional Utilization Controls. CONTRACTOR will abide by the authorization procedures set forth herein in rendering psychiatric inpatient services to Beneficiaries pursuant to the terms and conditions of this Agreement. Tracking numbers will be treated as authorization numbers for purposes of this Agreement. COUNTY shall not rescind or modify an authorization or tracking number after CONTRACTOR renders psychiatric inpatient services in reliance thereon. CONTRACTOR follows Interqual guidelines in making its case management decisions and COUNTY shall not deny psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement that meet Interqual guidelines.
- C. Medical and Clinical Justification. COUNTY shall evaluate all services for clinical justification based on medical necessity and will designate acute days. COUNTY's decisions regarding medical and clinical justification shall be made in accordance with any and all applicable local, state and federal guidelines. CONTRACTOR shall comply with all final determinations regarding medical and clinical justification rendered by COUNTY.

20. PATIENTS' RIGHTS:

- A. Legal Compliance. The parties to this Agreement shall comply with any and all applicable local, state and federal laws and regulations relating to patients' rights, including, but not limited to, California Welfare and Institutions Code Section 5325, 9 C.C.R. Sections 860 through 868 and 42 C.F.R. Section 438.100.
- B. Specific Rights. During the performance of this Agreement, the parties hereto shall comply with any and all applicable local, state and federal policies and procedures pertaining to patients' rights, and shall ensure that its staff and subcontractors take those rights into account when providing services pursuant to the terms and conditions of this Agreement, including, without limitation, the right to:
  - 1. Receive information in accordance with 42 C.F.R. Section 438.10.
  - 2. Be treated with respect and with due consideration for his or her dignity and privacy.
  - 3. Receive information on available treatment options and alternatives, presented in a manner appropriate to his or her condition and ability to understand.
  - 4. Participate in decisions regarding his or her health care, including the right to refuse treatment.
  - 5. Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation.

6. Request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 C.F.R. Sections 164.524 and 164.526.
7. Be furnished services in accordance with 42 C.F.R. Sections 438.206 through 438.210.
8. Freely exercise his or her rights, and the exercise of those rights will not adversely affect the way in which CONTRACTOR treats the patient.

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

## 21. REQUIRED DISCLOSURES:

A. Notification of Change in Ownership and Control. In the event of a change in ownership or control of CONTRACTOR's business, CONTRACTOR, shall notify COUNTY of such change in ownership or control, and provide the following disclosures as requested by COUNTY, within thirty-five (35) days after the occurrence thereof:

1. The name and address of any individual or corporation with an ownership or control interest in CONTRACTOR's business. The address for corporate entities shall include, as applicable, a primary business address, each business location and a P.O. Box address;
2. Date of birth and social security number, in the case of an individual;
3. Other tax identification number, in the case of a corporation with an ownership or control interest in CONTRACTOR's business or in the business of any subcontractor in which CONTRACTOR has a five percent (5%) or more interest;
4. Whether the individual or corporation with an ownership or control interest in CONTRACTOR's business 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 individual or corporation with an ownership or control interest in the business of any subcontractor in which CONTRACTOR has a five percent (5%) or more interest is related to another person with ownership or control interest in CONTRACTOR's business as a spouse, parent, child or sibling;
5. The name of any other disclosing entity in which CONTRACTOR has an ownership or control interest; and
6. The name, address, date of birth and social security number of any managing employee of CONTRACTOR.

B. Disclosures Related to Business Transactions. In accordance with 42 C.F.R. Sections 455.101 through 455.106, CONTRACTOR shall submit the following disclosures regarding certain business transactions within thirty-five (35) days after receiving COUNTY's request for such information:

1. The ownership of any subcontractor with whom CONTRACTOR has had business transactions totaling more than Twenty-Five Thousand Dollars (\$25,000.00) during the twelve (12) month period ending on the date of the request; and

////

2. Any significant business transactions between CONTRACTOR and any wholly owned supplier, or between CONTRACTOR and any subcontractor, during the five (5) year period ending on the date of the request.
- C. Disclosures Related to Persons Convicted of Crimes. Upon request by COUNTY, CONTRACTOR shall submit the following disclosures regarding its owners, persons with controlling interest, agents and managing employees' criminal convictions related to federal health care programs pursuant to 42 C.F.R. Section 455.106(a)(1)-(2):
1. The identity of any managing employee of CONTRACTOR who has been convicted of a crime related to federal health care programs (42 C.F.R. Section 455.106(a)(1)-(2)); and
  2. The identity of any agent of CONTRACTOR who has been convicted of a crime related to federal health care programs. (42 C.F.R. Section 455.106(a)(1)-(2).) For purposes of this provision, the word "agent" has the meaning set forth in 42 C.F.R. Section 455.101.

22. FEDERAL HEALTH CARE PROGRAM EXCLUSION:

- A. Certification of Eligibility. By executing this Agreement, CONTRACTOR certifies that neither it nor any of its current staff members are restricted or excluded from providing services under any health care program funded by the federal government, either directly or indirectly, in whole or in part.
- B. Employment of Ineligible or Excluded Individuals or Entities. CONTRACTOR shall not employ or contract with providers or other individuals and entities excluded from participation in federally funded 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 funding is not available for amounts expended for providers excluded by Medicare, Medicaid or the California Children's Insurance Program, except for emergency services.
- C. Eligibility Screening. CONTRACTOR shall screen, on a monthly basis, all staff employed or retained to provide services related to this Agreement to ensure that they are not designated as "Ineligible" or "Excluded" as defined herein. Screening shall be conducted against the California "Medi-Cal Suspended and Ineligible List," the United States Health and Human Services – Office of Inspector General "List of Excluded Individuals/Entities" and the System Award Management database or any other list pursuant to 42 C.F.R. 438.214(d). CONTRACTOR shall screen prospective staff prior to hire or engagement.
- D. Eligibility Notification. CONTRACTOR shall provide COUNTY with written attestations that CONTRACTOR and its staff are eligible to participate in federally funded health care programs on a monthly basis.
- E. Disclosure Requirements. CONTRACTOR shall immediately disclose to COUNTY any debarment, exclusion or other event that causes CONTRACTOR, or any member of its staff to be ineligible for participation in federally funded health care programs. If CONTRACTOR discovers that a staff member has become ineligible for, or excluded from, participation in federally funded health care programs, CONTRACTOR shall remove such individual from responsibility for, or involvement with, providing services under this Agreement.
- F. Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY against all loss or damage arising from any federal exclusion of CONTRACTOR or its staff members from participation in a federally funded health care program.

G. Effect of Non-Compliance. Failure by CONTRACTOR to meet the requirements of the provisions set forth herein shall constitute a material breach upon which COUNTY may immediately terminate or suspend this Agreement.

23. INTELLECTUAL PROPERTY RIGHTS:

CONTRACTOR hereby agrees to comply with any and all applicable intellectual property rights provisions contained in the Mental Health Managed Care Agreement (State Standard Agreement No. 12-89364) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full:

A. Ownership. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

1. Except where DHCS has agreed in a signed writing to accept a license, DHCS 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 DHCS and which result directly or indirectly from this Agreement.

a. For 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 come into existence hereafter, 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.

i. For 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, reference journals or independent research projects.

2. 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 DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, CONTRACTOR shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without DHCS' prior written permission. Except as otherwise set forth herein, neither CONTRACTOR nor DHCS 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 DHCS, CONTRACTOR agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.

3. CONTRACTOR agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' 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 agreements or subcontracts to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, CONTRACTOR or DHCS and which result directly or indirectly from this Agreement or any subcontract.
4. CONTRACTOR further agrees to assist and cooperate with DHCS 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 DHCS' Intellectual Property rights and interests.

B. Retained Rights and License Rights. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

1. Except for Intellectual Property made, conceived, derived from or reduced to practice by CONTRACTOR or DHCS 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 DHCS, 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.
2. 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 DHCS or any third-party, or result in a breach or default of any provisions herein or result in a breach of any provisions of law relating to confidentiality.

C. Copyright. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

1. CONTRACTOR agrees that for purposes of copyright law, all works, as defined herein, 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 an agreement with CONTRACTOR to perform the work. CONTRACTOR

shall enter into a written agreement with any such person that: (i) all work performed for CONTRACTOR shall be deemed a "work made for hire" under the Copyright Act; and (ii) such person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from or reduced to practice by CONTRACTOR or DHCS and which result directly or indirectly from this Agreement.

2. 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 DHCS and which result directly or indirectly from this Agreement, shall include DHCS' 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 this Agreement's scope of services, CONTRACTOR hereby grants to DHCS a license as described herein 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 this Agreement's scope of services, then CONTRACTOR agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS 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: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining for DHCS, without additional compensation, a license, as described herein, 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 DHCS 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 DHCS.

F. Warranties. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, represents, warrants and agrees as follows:

1. It is free to enter into and fully perform this Agreement.
2. It has secured, and will secure, any and all rights and licenses necessary for its performance hereunder.
3. 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 DHCS 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.

4. Neither CONTRACTOR's performance of this Agreement, nor any part thereof, will violate the privacy rights of, or constitute a libel or slander against, any person or entity.
5. It has secured and will secure, any and all rights and licenses necessary for Intellectual Property, including, but not limited to, consents, waivers or releases from all authors of music or performances, talent, including radio, television and motion picture talent, and owners of any interest in sites, locations, property or props that may be used or shown.
6. It has not granted and shall not grant to any person or entity any right that might derogate, encumber or interfere with any of the rights granted to DHCS hereunder.
7. It has appropriate systems and controls in place to ensure that state funds will not be used to acquire, operate or maintain computer software in violation of copyright laws.
8. It has no knowledge of any outstanding claims, licenses or other charges, liens or encumbrances that could affect in any way CONTRACTOR's performance hereunder.
9. DHCS makes no warranty that the Intellectual Property resulting from this Agreement will not infringe upon any existing or subsequent patent, trademark, copyright or the like.

G. Intellectual Property Indemnity. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

1. CONTRACTOR shall indemnify, defend and hold harmless DHCS, its licensees, assignees, officers, directors, employees, agents, representatives, successors and users of its products ("Indemnitees"), from and against all claims, actions, damages, losses or 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, whether 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: (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of CONTRACTOR pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS' 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 DHCS 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. DHCS reserves the right to participate in and/or control, at CONTRACTOR's expense, any such infringement action brought against DHCS.
2. Should any Intellectual Property licensed by CONTRACTOR to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, CONTRACTOR will exercise its authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement

at no expense to DHCS. DHCS 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 DHCS 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, DHCS 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.

3. CONTRACTOR agrees that damages alone would be inadequate to compensate DHCS for breach of any term of these Intellectual Property provisions by CONTRACTOR. CONTRACTOR acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS 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, DHCS may acquire and maintain the Intellectual Property rights, title and ownership, which results directly or indirectly therefrom; except as provided in 37 C.F.R. 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 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 or any project schedule associated therewith.

#### 24. NONDISCRIMINATION:

During the performance of this Agreement, CONTRACTOR, for itself, and its employees, assignees and successors in interest, agrees as follows:

- A. Compliance with Anti-Discrimination laws. CONTRACTOR hereby assures that it, and its subcontractors, shall comply with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, California Welfare and Institutions Code Section 10000, Division 21 of the California Department of Social Services Manual of Policies and Procedures, United States Executive Order No. 11246, as amended, the Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act and any other applicable local, state and federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing Government Code Section 12990, set forth in 2 C.C.R. Sections 8101, et seq., are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- B. Provision of Professional Services. Consistent with the requirements of any and all applicable local, state and/or federal laws and regulations, including, but not limited to, 42 C.F.R. Section 438.6(d)(3)-(4), CONTRACTOR shall not: engage in any unlawful discriminatory practices in the admission of Beneficiaries; 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 forty (40) years of age), 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 disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal ordinances, laws or regulations. CONTRACTOR shall not discriminate against Beneficiaries on the basis of health status or need for health care services, pursuant to 42 C.F.R. Section 438.6(d)(3).

C. Employment Practices. In connection with the services provided hereunder, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any employee, or applicant for employment, because of race, religion or religious creed, color, age (over forty (40) years of age), 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 disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal ordinances, laws or regulations. CONTRACTOR shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to the factors referenced above. Such actions shall include, without limitation: employment, promotion, 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. Nothing herein shall be construed to require the employment of unqualified persons.

D. Solicitations for Employment. CONTRACTOR shall, in all solicitations or advancements for employees placed by or on behalf thereof, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental disability, age or status as a disabled veteran or veteran of the Vietnam era.

E. Notification to Current and Prospective Employees. CONTRACTOR shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the federal government or DHCS, setting forth the provisions of the Equal Opportunity Clause of 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 United States Code ("U.S.C.") Section 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 disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

F. Notification to Labor Unions and/or Workers' Representatives. 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 of California, 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.

G. Compliance with Non-Discrimination Standards. CONTRACTOR shall comply with all the provisions of, and furnish all information and reports required by, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. Section 4212) and Federal Executive Order No. 11246, as amended, including by Executive Order No. 11375 – "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by 41 C.F.R. 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 disabled persons in all federally assisted programs or activities, as detailed in regulations signed by the Secretary of Health and Human Services found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.

- H. Access to Records Regarding Non-Discrimination Compliance. CONTRACTOR shall furnish all information and reports required by Federal Executive Order No. 11246, as amended, including by Executive Order No. 11375 - "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," and as supplemented by 41 C.F.R. Part 60 - "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 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 authorized representatives of the State of California and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- I. Sanctions for Non-Compliance. In the event of CONTRACTOR's non-compliance with the requirements of the provisions set forth herein, or with any federal rules, regulations or orders referenced herein, this Agreement may be cancelled, terminated or suspended in whole or in part and CONTRACTOR may be declared ineligible for further state and federal contracts in accordance with procedures authorized in Federal Executive Order No. 11246, as amended, and such other sanctions that may be imposed, and remedies invoked, as provided in Federal Executive Order No. 11246, as amended, including by Executive Order No. 11375 - "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 C.F.R. 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.
- J. Determination of Medical Necessity. Notwithstanding other provisions of this section, CONTRACTOR may require a determination of medical necessity pursuant to 9 C.C.R. Sections 1820.205, 1830.205 or 1830.210, prior to providing covered services to a Beneficiary.
- K. Incorporation of Provisions. CONTRACTOR shall include the foregoing provisions in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246, as amended, including by Executive Order No. 11375 - "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 C.F.R. Part 60 - "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. Section 4212), so that such provisions will be binding upon each subcontractor or vendor. CONTRACTOR shall take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions, including, without limitation, sanctions for non-compliance provided, however, that in the event CONTRACTOR becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, CONTRACTOR may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State of California and of the United States.

## 25. SMOKE-FREE WORKPLACE CERTIFICATION:

- A. Legal Requirements. Public Law 103-227, also known as the Pro-Children Act of 1994 ("PCA"), requires that smoking not be permitted in any portion of any indoor facility owned or

leased 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 local or state governments by federal grant, contract, loan or loan guarantee. The PCA also applies to children's services that are provided in indoor facilities that are constructed, operated or maintained with such federal funds. The PCA 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 coupons are redeemed.

- B. Certification of Compliance. By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the PCA, and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined thereby.
- C. Effect of Non-Compliance. Failure to comply with the PCA 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.
- D. Incorporation of Provisions. CONTRACTOR further agrees that it will incorporate the provisions contained herein into any subcontracts related to the services provided hereunder.

26. DRUG FREE WORKPLACE CERTIFICATION:

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

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

27. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

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

28. INDEMNIFICATION:

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

29. INSURANCE REQUIREMENTS:

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

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and 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, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
  - 2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).

3. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than 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 CONTRACTOR may be exposed to liability. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

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

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
  - a. Includes contractual liability.
  - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, commonly referred to as "XCU Hazards."
  - c. Is the primary insurance with regard to COUNTY.
  - d. Does not contain a pro-rata, excess only and/or escape clause.
  - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
5. Any failure to comply with the provisions of this Agreement shall not affect the coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.

6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
  7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.
- C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

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

CONTRACTOR: Restpadd Health Corporation  
Attention: Carl Womack, Administrator  
2750 Eureka Way  
Redding, California 96001

30. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agents, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation.

31. CONFLICT OF INTEREST:

CONTRACTOR hereby covenants that neither it nor any of its agents, officers, officials, employees or subcontractors presently has any interest, and shall not acquire any interest, either direct or indirect, which would conflict in any manner or degree with the administration of this Agreement or the performance of any services to be provided hereunder. CONTRACTOR further assures that no person having such an interest shall be employed to administer this Agreement or perform any of the services to be provided hereunder. In addition, upon the request of COUNTY, CONTRACTOR and/or its agents, officers, officials, employees and subcontractors shall complete, and submit to Director, "Statements of Economic Interest" which disclose any and all any actual and/or potential conflicts of interest.

32. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

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

- B. Humboldt County Mental Health Managed Care Agreement. CONTRACTOR agrees to comply with all provisions applicable to subcontractors in the Mental Health Managed Care Agreement (State Standard Agreement No. 12-89364) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full. The above-referenced agreement can be obtained online at the following address: [http://humboldt.granicus.com/GeneratedAgendaViewer.php?view\\_id=2&clip\\_id=707](http://humboldt.granicus.com/GeneratedAgendaViewer.php?view_id=2&clip_id=707).
- C. Humboldt County Mental Health Performance Agreement. CONTRACTOR agrees to comply with all provisions applicable to subcontractors in the Mental Health Performance Agreement (State Standard Agreement No. 17-94523) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full. The above-referenced agreement can be obtained online at the following address: <http://humboldt.legistar.com/gateway.aspx?M=F&ID=87a31d7a-71b0-419f-a235-7838571a8d61.pdf>.
- D. Licensure Requirements. CONTRACTOR agrees to comply with any and all local, state and federal licensure, certification and accreditation standards applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR agrees that all personnel rendering services pursuant to the terms and conditions of this Agreement shall be employed by CONTRACTOR, and that all such personnel shall comply with any and all applicable professional licensure requirements set forth in the California Welfare and Institutions Code and the California Business and Professions Code.
- E. Humboldt County Policies and Procedures Regarding Advance Directives. CONTRACTOR agrees to comply with COUNTY's policies and procedures pertaining to Advance Directives, which are incorporated herein by reference and made a part hereof as if set forth in full. As used herein, the term "Advance Directives" shall mean a written instruction, such as a living will or durable power of attorney for health care, recognized under the laws of the State of California, relating to the provision of health care when the individual is incapacitated as defined in 42 C.F.R. Section 489.100.
- F. Humboldt County Physician Incentive Plans. CONTRACTOR agrees to comply with COUNTY's obligations for Physician Incentive Plans, if applicable, based on the psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement. As used herein, the term "Physician Incentive Plans" shall include any compensation arrangement to pay a physician or physician group that may directly or indirectly have the effect of reducing or limiting the psychiatric inpatient services provided to any Beneficiary as set forth in 42 C.F.R. Section 422.208(a).

33. PROVISIONS REQUIRED BY LAW:

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

34. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy, procedure, standard or contractual obligation 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.

35. PROTOCOLS:

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

36. NOTIFICATION OF LITIGATION:

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

37. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS:

CONTRACTOR shall make itself, and any employees, agents or subcontractors assisting CONTRACTOR in the performance of its obligations hereunder, available to DHCS at no cost to testify as witnesses, or otherwise, in the event of any litigation or administrative proceedings being commenced against DHCS or its directors, officers or employees based upon claimed violations of HIPAA, or the regulations promulgated thereunder, which involve inactions or actions by COUNTY or CONTRACTOR, except where COUNTY or CONTRACTOR is a named adverse party.

38. SEVERABILITY:

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

39. ASSIGNMENT:

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

40. AGREEMENT SHALL BIND SUCCESSORS:

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

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

42. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar

circumstances: CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

43. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

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

44. AMENDMENT:

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

45. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and COUNTY's contractual obligations under the Mental Health Managed Care Agreement (State Standard Agreement No. 12-89364) and the Mental Health Performance Agreement (State Standard Agreement No. 17-94523) that COUNTY has with DHCS. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

46. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to Director.

47. SUBCONTRACTS:

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

48. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other

considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

49. SURVIVAL:

The duties and obligations of the parties set forth in Section 3(D) – Compensation Upon Termination, Section 10 – Audit and Retention of Performance Records, Section 11 – Inspection Rights, Section 13 – Confidential Information, Section 14 – Disclosure and Security Requirements, Section 16 – Preparation and Retention of Medical Records and Documentation, Section 23 – Intellectual Property Rights and Section 28 – Indemnification shall survive the expiration or termination of this Agreement.

50. CONFLICTING TERMS OR CONDITIONS:

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

51. INTERPRETATION:

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

52. INDEPENDENT CONSTRUCTION:

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

53. FORCE MAJEURE:

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

54. ENTIRE AGREEMENT:

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

55. COUNTERPART EXECUTION:

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. A signed copy of this Agreement, and any amendments hereto,

transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement, and any amendments hereto.

56. **AUTHORITY TO EXECUTE:**

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

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

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.

**RESTPADD HEALTH CORPORATION:**

By: \_\_\_\_\_

Carl Wornack  
Chief Financial Officer

Date: 10/18/18

By: \_\_\_\_\_

Stephanie Tollefson  
Director of Business

Date: 10/18/18

**COUNTY OF HUMBOLDT:**

By: \_\_\_\_\_

Ryan Sundberg  
Chair, Humboldt County Board of Supervisors

Date: 11/6/18

**INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:**

By: \_\_\_\_\_

Risk Management

Date: 10/24/2018

**LIST OF EXHIBITS:**

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Reimbursement Rates
- Exhibit C – Provider Problem Resolution Process

**EXHIBIT A**  
**SCOPE OF SERVICES**  
Restpadd Health Corporation  
For Fiscal Years 2017-2018 through 2018-2019

1. SERVICES:

A. Provision of Psychiatric Inpatient Services.

CONTRACTOR will provide psychiatric inpatient services to the following eligible Humboldt County Medi-Cal Beneficiary ("Beneficiary") populations:

1. Child and adolescent Beneficiaries between thirteen (13) to eighteen (18) years of age (Code: M5213).
2. Adult Beneficiaries between eighteen (18) to sixty-four (64) years of age (Code: M5113).

B. Basic Service Level. The psychiatric inpatient services set forth herein are intended to allow for the stabilization of Beneficiaries suffering from acute psychiatric conditions and to prepare such Beneficiaries for the initial transition or subsequent return to a less restrictive facility. The parties hereto agree that the minimum level of psychiatric inpatient services provided to Beneficiaries shall comply with any and all local, state and federal laws and regulations, and promote legislative purposes set forth in California Welfare and Institutions Code Section 5001. The psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement shall be comprised of medically necessary clinical, medical and ancillary services that are generally recognized and accepted for the diagnosis and treatment of behavioral disorders or psychological injuries, including, without limitation:

1. Provision of twenty-four (24) hour nursing care, including, without limitation, clinical laboratory services and administration and supervision of prescribed psychotropic medications, pharmaceuticals and biologicals;
3. Provision of dietary services, including, without limitation, the preparation of special diets as prescribed by a physician;
4. Provision of medical and psychiatric evaluations and other psychological and social assessments, as necessary;
5. Provision of crisis intervention services, including, without limitation, communication with prescribing physicians to ensure stabilization of Beneficiaries taking medication;
6. Provision of individual and group therapy, including, without limitation, art, recreational and vocational therapy;
7. Provision of social services that include access to daily rehabilitative activities which focus on the development of daily living skills;
8. Provision of psychiatric and/or psychological services that are not included in the regulatory provisions pertaining to Medi-Cal Beneficiaries; and
9. Provision of any other "Psychiatric Inpatient Hospital Services" as that term is defined in Title 9 of the California Code of Regulations Section 1810.350.

C. Enhanced Service level. Upon the written consent of both parties, CONTRACTOR may provide additional enhanced services to Beneficiaries who need augmented supervision and specialized mental health intervention due to specific behavioral problems.

D. Discharge Planning. The length of each Beneficiary's placement at CONTRACTOR's Psychiatric Health Facility shall be determined based on the medical necessity criteria for the psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR shall communicate with COUNTY to develop a discharge plan for each Beneficiary receiving psychiatric inpatient services pursuant to the terms and conditions of this Agreement.

2. ACCEPTANCE CRITERIA:

The effectiveness of the psychiatric inpatient services provided to Beneficiaries pursuant to the terms and conditions of this Agreement shall be reviewed based on accomplishment of the legislative purposes set forth in California Welfare and Institutions Code Section 5001.

3. REPORTING REQUIREMENTS:

A. Service Reports. CONTRACTOR shall provide COUNTY with reports documenting the services rendered to each Beneficiary pursuant to the terms and conditions of this Agreement on a concurrent basis.

B. Phone Reviews. CONTRACTOR shall participate in phone reviews with COUNTY's Managed Care Unit at least every other business day or more often if required by a beneficiary's acuity.

C. Additional Reporting. CONTRACTOR will notify COUNTY of any current or anticipated difficulty in providing services, or if the services do not appear to be providing the anticipated benefit to a particular Beneficiary. CONTRACTOR shall notify COUNTY within ten (10) days from the provision of emergency services to Beneficiaries. This notification shall be made via phone to COUNTY's Managed Care Line at (707) 268-2955 Option 2 or via fax at (707) 476-4096, Attention: Utilization Review.

4. PLACE OF PERFORMANCE:

CONTRACTOR will provide the psychiatric inpatient services set forth herein at its Psychiatric Health Facility located at 925 Walnut Street, Red Bluff, California 96080-3707.

**EXHIBIT B**  
**SCHEDULE OF REIMBURSEMENT RATES**  
Restpadd Health Corporation  
For Fiscal Years 2017-2018 through 2018-2019

1. CHILD AND ADOLESCENT SERVICE RATES:

CONTRACTOR will be reimbursed for medically necessary psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement to child and adolescent Beneficiaries between thirteen (13) and eighteen (18) years of age at the following all-inclusive rate of One Thousand Two Hundred Forty Dollars (\$1,240.00) per day, per Beneficiary, from April 27, 2018 to June 30, 2019.

2. ADULT SERVICE RATES:

A. Fiscal Year 2017-2018. CONTRACTOR will be reimbursed for medically necessary psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement to adult Beneficiaries between eighteen (18) and sixty-four (64) years of age at the all-inclusive rate of Eight Hundred Eighty Dollars (\$880.00) per day, per Beneficiary, from April 27, 2018 to June 30, 2018, excluding the day of discharge.

B. Fiscal Year 2018-2019. CONTRACTOR will be reimbursed for medically necessary psychiatric inpatient services provided pursuant to the terms and conditions of this Agreement to adult Beneficiaries between eighteen (18) and sixty-four (64) years of age at the all-inclusive rate of Nine Hundred Dollars (\$900.00) per day, per Beneficiary, from July 1, 2018 to June 30, 2019, excluding the day of discharge.

**EXHIBIT C**  
**PROVIDER PROBLEM RESOLUTION PROCESS**  
Restpadd Health Corporation  
For Fiscal Years 2017-2018 through 2018-2019

Good relations between Humboldt County Mental Health Plan ("MHP") and CONTRACTOR are essential to the effective delivery of mental health services. The following outlines the mechanism by which CONTRACTOR may address concerns to Humboldt County MHP on any issue including payment for services, service authorization and processing delays.

Grievances and Appeals must be in writing and submitted to:

Quality Improvement Coordinator  
Humboldt County Mental Health  
720 Wood Street  
Eureka, California 95501  
Phone: (707) 268-2955  
Fax: (707) 476-4096

CONTRACTOR may use the Provider Problem Resolution Form attached to this exhibit.

The Humboldt County Mental Health Plan Provider Problem Resolution Process provides for two types of problem resolution:

**Grievance** – an expression of dissatisfaction with Humboldt County MHP regarding contract interpretation, policies, authorization process, timeliness of payment, or any situation believed to be unjust or inequitable in the relations between CONTRACTOR and the MHP.

**Appeal** – an appeal of denial or modification of an authorization request, or denial of payment for services by Humboldt County MHP.

### **GRIEVANCE PROCEDURE**

There shall be a sixty (60) working day resolution period during which time the responsible MHP staff shall review the grievance issue(s) and make a decision regarding resolution. The decision will be communicated in writing to CONTRACTOR within the sixty day timeframe.

If no satisfactory resolution is proposed, CONTRACTOR may request review of the grievance by the Mental Health Director, whose decision shall be final.

### **APPEAL PROCEDURE**

CONTRACTOR may appeal a denied or modified request for treatment authorization or a denial of payment of a claim within ninety (90) calendar days of CONTRACTOR's receipt of the decision. The appeal must be in writing and include supporting documentation. Supporting documentation shall include, but is not limited to:

- A copy of the original decision received from Humboldt County MHP.
- Any documentation supporting allegations related to timeliness, if at issue, including copies of fax records, phone records or memos.

- Clinical records supporting the existence of medical necessity, if at issue.
- A summary of reasons why the MHP should have approved treatment authorization or a more intensive level of treatment.
- A contact person(s) name, address and phone number.

There shall be a sixty (60) working day resolution period during which time MHP staff shall review the appeal and make a decision regarding resolution. The decision will be communicated in writing within the sixty day timeframe, and will address each issue raised by CONTRACTOR, and any action required by CONTRACTOR to implement the decision.

If the appeal concerns the denial or modification of a payment authorization request due to lack of medical necessity, Humboldt County MHP shall utilize personnel not involved in the initial denial or modification decision to determine the appeal decision.

If the Appeal is granted, CONTRACTOR has thirty (30) calendar days from the date of receipt of Humboldt County's decision to submit a revised request for payment authorization.

If Humboldt County MHP does not respond within sixty (60) calendar days to the appeal, the appeal shall be considered denied.

**Hospital Providers:** If payment authorization for emergency services is denied for lack of timely notification or submission of the payment request or for lack of medical necessity, CONTRACTOR has the right to appeal through the California Department of Health Care Services. If CONTRACTOR chooses to do so, the appeal shall be submitted in writing, along with supporting documentation, within thirty (30) calendar days of the date of receipt of the non-approval of payment or within thirty (30) calendar days of Humboldt County MHP's failure to act on the request. Supporting documentation shall include, but not be limited to:

- Any documentation supporting allegations of timeliness, if at issue, including fax records, phone records or memos.
- Clinical records supporting the existence of medical necessity if at issue.
- A Summary of reasons why Humboldt County MHP should have approved the payment authorization.
- A contact person(s) name, address and phone number.
- Copies of the above will also be sent to Humboldt County MHP's Quality Improvement Coordinator at the above address.

**Exception to this Appeals Process:** CONTRACTORS who receive payment from the State's fiscal intermediary, currently Xerox State Healthcare, LLC, may file appeals concerning the processing or payment of those claims directly to the fiscal intermediary.

**Reference:**

9 CCR Sections 1850.305, 1850.310, 1850.320, 1850.325 and 1850.350  
 28 CCR Section 1300.70  
 9 CCR 1810.440 (a)(5)  
 42 CFR Section 438.416



## MENTAL HEALTH QI-85 PROVIDER PROBLEM RESOLUTION REQUEST

(Please check one) ☐ Grievance ☐ Appeal

Provider Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Name and Title of Person Filing Grievance / Appeal: \_\_\_\_\_

Phone #: \_\_\_\_\_

Is this an appeal of a denied or modified request for services? Yes ☐ No ☐

Is this a dispute concerning the processing or payment of a claim? Yes ☐ No ☐

Description of issue: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Provider Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(Attach documentation for request for authorization or denied / disputed claims)

Mail form to: DHHS Mental Health  
Quality Improvement Coordinator  
720 Wood Street  
Eureka, CA 95501

FOR ANY QUESTIONS CALL (707) 268-2955, option 1

### DHHS-MH INTERNAL USE ONLY:

Resolution/Action Taken: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Manager \_\_\_\_\_ Date: \_\_\_\_\_