

**NARCOTIC REPLACEMENT THERAPY SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
AEGIS TREATMENT CENTERS, LLC  
FOR FISCAL YEARS 2016-2017 THROUGH 2019-2020**

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AEGIS TREATMENT CENTERS, LLC  
FOR FISCAL YEARS 2018-2019 THROUGH 2019-2020**

This Narcotic Replacement Therapy Services Agreement (“Agreement”) entered into this \_\_\_\_ day of \_\_\_\_\_ 2020, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and Aegis Treatment Centers, LLC, a Delaware limited liability company, hereinafter referred to as “PROVIDER,” is made upon the following considerations:

WHEREAS, COUNTY, by and through its Department of Health and Human Services – Mental Health (“DHHS – Mental Health”), desires to provide Narcotic Replacement Therapy Services to eligible Drug Medi-Cal Beneficiaries residing in Humboldt County as part of a structured Narcotic Treatment Program; and

WHEREAS, COUNTY may arrange for the provision of such Narcotic Replacement Therapy Services through written agreements with licensed substance abuse treatment providers that are certified by the State of California as meeting applicable standards for participation in the Drug Medi-Cal Program; and

WHEREAS, PROVIDER is duly licensed and certified by the State of California to provide Narcotic Replacement Therapy Services under the Drug Medi-Cal Program; and

WHEREAS, PROVIDER represents that it is adequately trained, skilled, experienced and qualified to perform the Narcotic Replacement Therapy Services required by COUNTY.

NOW THEREFORE, in consideration of the foregoing recitals and in consideration of the covenants, conditions and promises set forth herein, the parties hereto mutually agree as follows:

**1.0 DEFINITIONS:**

**1.1 Terms:**

- A. Beneficiary.** As used herein the term “Beneficiary” means an individual who has been determined to be eligible to receive Drug Medi-Cal benefits, and is not prohibited from any such benefits under any applicable local, state or federal laws, regulations or standards.
- B. Clinical Records.** As used herein, the term “Clinical Records” means any and all physical books, records, documents and other evidence relating to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, including, without limitation, any and all treatment records, prescription files, working papers, reports and other documentation pertaining to the Narcotic Replacement Therapy Services provided hereunder.
- C. Exempt Information.** As used herein, the term “Exempt Information” means any information that is exempt from disclosure under the provisions of the California Public Records Act (California Government Code Sections 6250, *et seq.*) or any other applicable local, state or federal laws, regulations or standards.
- D. Final Settlement.** As used herein, the term “Final Settlement” means the permanent settlement based on verification of approved Units of Service at the lower of the per capita Uniform Statewide Daily Reimbursement Rate or PROVIDER’s usual and customary charge to non-Drug Medi-Cal patients for the same or similar services.

- E. Intellectual Property.** As used herein, the term “Intellectual Property” means recognized protectable rights and interests 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, rights of publicity, author’s rights, contract and licensing rights, 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.
- F. Limited Scope Audits.** As used herein, the term “Limited Scope Audits” means agreed-upon engagements that are conducted in accordance with either the American Institute of Certified Public Accountants’ generally accepted auditing or attestation standards, paid for and arranged by pass-through entities and address one (1) or more of the following types of compliance requirements: activities allowed or disallowed; allowable costs and/or cost principles; eligibility; cost matching, level of effort and earmarking; and reporting.
- G. Narcotic Replacement Therapy Services.** As used herein, the term “Narcotic Replacement Therapy Services” means comprehensive treatment with synthetic opiates approved by the United States Food and Drug Administration for opiate-addicted patients.
- H. Narcotic Treatment Program.** As used herein, the term “Narcotic Treatment Program” means, as defined by Section 51341.1(b)(14) of Title 22 of the California Code of Regulations (“C.C.R.”), an outpatient service program licensed by the California Department of Health Care Services (“DHCS”) to provide replacement narcotic therapy using methadone directed at stabilization and rehabilitation of opiate addicted persons who have a substance abuse diagnosis.
- I. Personal Information.** As used herein, the term “Personal Information” means any information that identifies or describes an individual, including, without limitation, their name, physical description, home address, home telephone number, education, financial matters and medical or employment history.
- J. Personally Identifiable Information.** As used herein, the term “Personally Identifiable Information” means 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, without limitation, finger prints, voice prints and photographs (California Civil Code Sections 1798.29 and 1798.82).
- K. Provider Revenues.** As used herein, the term “Provider Revenues” means any and all receipts or reductions in expenditures or costs which operate to offset or reduce expense or cost items that are allocable to PROVIDER’s compensation for the provision of Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement, including, without limitation, purchase discounts, rebates or allowances, insurance refunds and adjustments, overpayments or other erroneous charges.
- L. Protected Health Information.** As used herein, the term “Protected Health Information” means any individually identifiable health information that is transmitted by, or maintained in, electronic media or any other medium, as defined by the Standards for Privacy of Individually Identifiable Health Information, as codified in Parts 160 and 164 of Title 45 of the Code of Federal Regulations (“C.F.R.”), and the Federal Security Standards contained in 45 C.F.R. Parts 160 and 164, all as may be amended from time to time.

- M. Public Information.** As used herein, the term “Public Information” means any information that is not exempt from disclosure under the provisions of the California Public Records Act (California Government Code Sections 6250, *et seq.*) or any other applicable local, state or federal laws or regulations.
- N. Revenue.** As used herein, the term “Revenue” means income received by PROVIDER from sources other than DHCS allocations made available pursuant to the terms and conditions of this Agreement.
- O. Service Element.** As used herein, the term “Service Element” means the specific type of service performed within the more general Service Modalities. A list of Service Elements and Service Element codes is set forth in the State Documents Reference Manual.
- P. Service Modalities.** As used herein, the term “Service Modalities” means any and all necessary general service activities provided in connection with alcohol and/or drug prevention or treatment that conform to the services described in Division 10.5 of the California Health and Safety Code.
- Q. Sensitive Information.** As used herein, the term “Sensitive Information” means any information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss or deletion. Sensitive Information may be either Public Information or Exempt Information that requires a higher than normal assurance of accuracy and completeness. Thus, the key factor for Sensitive Information is that of integrity. Typically, Sensitive Information includes records of an agency’s financial transactions and regulatory actions.
- R. Uniform Statewide Daily Reimbursement Rate.** As used herein, the term “Uniform Statewide Daily Reimbursement Rate” means a Unit of Service that is a daily treatment service provided pursuant to 22 C.C.R. Sections 51341.1 and 51516.1 and 9 C.C.R. Sections 10000, *et seq.* The rates covered under this Agreement include rates for group and individual counseling for ten (10) minute increments. While such rates are approved by DHCS, they are subject to change.
- S. Unit of Service.** As used herein, the term “Unit of Service” means the type of unit used to quantify Service Modalities and/or Service Elements. Only one (1) face-to-face service contact per day is covered by the Drug Medi-Cal Program, except in emergency situations in which additional face-to-face contact may be covered for intake crisis intervention or collateral service. To count as a Unit of Service, the second (2<sup>nd</sup>) contact shall not duplicate the services provided on the first (1<sup>st</sup>) contact, and each contact shall be clearly documented in the Beneficiary’s record.
- T. Utilization.** As used herein, the term “Utilization” means the total Units of Service received by Beneficiaries pursuant to the terms and conditions of this Agreement.
- U. Works.** As used herein, the term “Works” means all literary works, writings and printed matter, including, without limitation, 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, but not limited to, 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. The term “Works” includes preliminary and final products and any materials and information developed for the purposes of producing those final products. The term “Works” does not include articles submitted to peer review or reference journals or independent research projects.

## 1.2 **Abbreviations:**

- A. **Administrator.** As used herein, the abbreviation “Administrator” refers to the Humboldt County Alcohol and Drug Administrator or a designee thereof.
- B. **AES.** As used herein, the Abbreviation “AES” refers to the Advanced Encryption Standard, as may be amended from time to time.
- C. **Agreement.** As used herein, the abbreviation “Agreement” refers to this Narcotic Replacement Therapy Services Agreement by and between COUNTY and PROVIDER.
- D. **CalOMS.** As used herein, the abbreviation “CalOMS” refers to the California Outcome Measurement System.
- E. **C.C.R.** As used herein, the abbreviation “C.C.R” refers to the California Code of Regulations, as may be amended from time to time.
- F. **C.F.R.** As used herein, the abbreviation “C.F.R.” refers to the Code of Federal Regulations, as may be amended from time to time.
- G. **CMIA.** As used herein, the abbreviation “CMIA” refers to the California Confidentiality of Medical Information Act, as may be amended from time to time.
- H. **COUNTY.** As used herein, the abbreviation “COUNTY” refers to the County of Humboldt acting through its Department of Health and Human Services – Mental Health.
- I. **DHCS.** As used herein, the abbreviation “DHCS” refers to the California Department of Health Care Services.
- J. **DHHS – Mental Health.** As used herein, the abbreviation “DHHS – Mental Health” refers to the Humboldt County Department of Health and Human Services – Mental Health.
- K. **HIPAA.** As used herein, the abbreviation “HIPAA” refers to the United States Health Information Portability and Accountability Act of 1996, as may be amended from time to time.
- L. **HITECH Act.** As used herein, the abbreviation “HITECH Act” refers to the United States Health Information Technology and Clinical Health Act, as may be amended from time to time.
- M. **Indemnitees.** As used herein, the abbreviation “Indemnitees” refers to DHCS, its licensees, assignees, officers, directors, employees, agents, representatives, successors and users of its products.
- N. **OMB.** As used herein, the abbreviation “OMB” refers to the United States Office of Management and Budget.
- O. **PCA.** As used herein, the abbreviation “PCA” refers to the United States Pro-Children Act of 1994, as may be amended from time to time.
- P. **PHI.** As used herein, the abbreviation “PHI” refers to Protected Health Information as defined pursuant to the terms and conditions of this Agreement.

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- Q. **PI.** As used herein, the abbreviation “PI” refers to Personal Information as defined pursuant to the terms and conditions of this Agreement.
- R. **PII.** As used herein, the abbreviation “PII” refers to Personally Identifiable Information as defined pursuant to the terms and conditions of this Agreement.
- S. **PSEI.** As used herein, the abbreviation “PSEI” collectively refers to Personal Information, Personally Identifiable Information, Sensitive Information and Exempt Information as defined pursuant to the terms and conditions of this Agreement.
- T. **PROVIDER.** As used herein, the abbreviation “PROVIDER” refers to Aegis Treatment Centers, LLC.
- U. **U.S.C.** As used herein, the abbreviation “U.S.C.” refers to the United States Code, as may be amended from time to time.
- V. **Year-End Expenditure Report.** As used herein, the abbreviation “Year-End Expenditure Report” refers to the Annual Drug Medi-Cal Fiscal Detail Year-End Expenditure Report that is required to be submitted by PROVIDER pursuant to the terms and conditions of this Agreement.

## 2.0 **RIGHTS AND RESPONSIBILITIES OF PROVIDER:**

### 2.1 **Provision of Narcotic Replacement Therapy Services:**

- A. **Description of Services.** PROVIDER hereby agrees to provide the Narcotic Replacement Therapy Services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference as if set forth in full, to eligible Beneficiaries residing in Humboldt County as part of a structured Narcotic Treatment Program. In providing the Narcotic Replacement Therapy Services required hereunder, PROVIDER agrees to fully cooperate with the Humboldt County Alcohol and Drug Administrator, or a designee thereof, hereinafter referred to as “Administrator,” who is hereby authorized and assigned to represent the interests of COUNTY and determine if the terms and conditions of this Agreement are carried out. In the event there is any need to modify the Narcotic Replacement Therapy Services being provided pursuant to the terms and conditions of this Agreement, PROVIDER shall submit a written request to amend the provisions of Exhibit A – Scope of Services to Administrator prior to making any such modifications.
- B. **Availability of Services.** PROVIDER shall make the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement available to eligible Beneficiaries residing in Humboldt County within two (2) weeks of the applicable referral date, regardless of the Beneficiary’s ability to pay, or the source of payment, for such Narcotic Replacement Therapy Services. PROVIDER shall, at the time of referral and on a quarterly basis thereafter, verify the Drug Medi-Cal eligibility of, and collect proof of Humboldt County residency from, each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement.
- C. **Amount, Duration and Scope of Services.** PROVIDER shall ensure that the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement are appropriately accessible and sufficient in amount, duration and scope to reasonably achieve the purpose for which such services are provided. PROVIDER shall assure that in planning for the provision of the Narcotic Replacement Therapy Services required hereunder, the following barriers to accessible services are considered and addressed: lack of educational materials or



other resources; geographic isolation and transportation needs of Beneficiaries seeking services; institutional or cultural barriers; language differences; lack of service advocates; and failure to survey or otherwise identify the barriers to service accessibility.

- D. Reduction of Services.** PROVIDER shall not arbitrarily reduce the amount, duration or scope of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement without COUNTY's prior written consent. In the event the number of referrals made by COUNTY exceeds the number of Beneficiaries which PROVIDER can reasonably serve, PROVIDER shall submit a written request to amend the applicable terms and conditions of this Agreement within ten (10) business days of making such determination. PROVIDER certifies that it can adequately provide the Narcotic Replacement Therapy Services required hereunder in accordance with the terms and conditions of this Agreement.
- E. Location of Services.** The provision of any and all Narcotic Replacement Therapy Services required pursuant to the terms and conditions of this Agreement shall take place at PROVIDER's Drug Medi-Cal certified facilities throughout the State of California, with the primary out-of-county treatment sites being located in Butte and Shasta Counties. In the event PROVIDER receives the authorizations necessary to operate a Drug Medi-Cal facility in Humboldt County, PROVIDER shall notify COUNTY of such developments at least thirty (30) calendar days prior to utilizing such facility to provide the Narcotic Replacement Therapy Services required hereunder. PROVIDER shall not provide any Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement at any location other than those locations it uses as of the effective date of this Agreement without COUNTY's prior written consent. PROVIDER hereby agrees to furnish all space, equipment and supplies necessary to ensure the efficient and effective provision of the Narcotic Replacement Therapy Services required hereunder.

## **2.2 Program Operation and Administration:**

- A. Program Management.** The administration of this Agreement shall be based on verification of approved Units of Service at the lower of PROVIDER's usual and customary rate of compensation for the Narcotic Replacement Therapy Services provided hereunder or the per capita Uniform Statewide Daily Reimbursement Rate for such services. The projected Units of Service shall be based on historical data and PROVIDER's current capacity to provide the Narcotic Replacement Therapy Services required pursuant to the terms and conditions of this Agreement. PROVIDER shall designate, in writing, a Contract Manager who shall be responsible for working with COUNTY regarding PROVIDER's performance hereunder.
- B. Program Staffing.** PROVIDER shall, in accordance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation, the applicable provisions of Title 9 of the California Code of Regulations, employ an adequate number of qualified professional staff to ensure the efficient and effective provision of the Narcotic Replacement Therapy Services required pursuant to the terms and conditions of this Agreement. Any and all staff responsible for providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement shall possess any and all appropriate licenses and/or certifications in accordance with any and all applicable local, state, and/or federal laws, regulations and standards. PROVIDER shall promptly notify COUNTY, in writing, of any vacancies in its staff that would reduce PROVIDER's ability to provide any of the Narcotic Replacement Therapy Services required hereunder. PROVIDER shall, upon request, provide COUNTY with a list of the names, titles, professional degrees and experience of any and all staff members who are responsible for providing any of the Narcotic Replacement Therapy Services required hereunder.

- C. Personnel Training and Supervision.** PROVIDER shall maintain appropriate supervision of any and all personnel responsible for providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement with particular emphasis on the supervision of para-professionals, interns, students and volunteers. PROVIDER shall also be responsible for training any and all personnel responsible for providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement in accordance with any and all applicable requirements of the California Drug and Alcohol and Narcotic Treatment Program Fiscal Reporting System and any other applicable local, state and federal laws, regulations and standards. PROVIDER shall submit to COUNTY, on an annual basis, proof that any and all personnel responsible for providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement have been trained in accordance with any and all applicable local, state and federal laws, regulations and standards.
- D. Counselor Certification.** PROVIDER shall ensure that any and all counselors responsible for providing Narcotic Replacement Therapy Services, including, without limitation, intake, need assessments, treatment or recovery planning and/or individual or group counseling, to Beneficiaries pursuant to the terms and conditions of this Agreement are certified as defined in 9 C.C.R. Sections 13000, *et seq.* or registered with a DHCS approved counselor certification agency prior to initial date of hire, and will obtain their certifications within the timelines required by 9 C.C.R. Section 13035(f)(1).
- E. Cultural and Linguistic Proficiency Policies.** In order to ensure equal access to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement by diverse populations, PROVIDER shall develop, implement and maintain comprehensive policies, procedures and strategies that are designed to accomplish, without limitation, all of the following goals and objectives:
1. Promotion of the attitudes, behaviors, knowledge and skills necessary for staff to work respectfully and effectively with Beneficiaries and each other in a culturally diverse work environment, including, without limitation, recruiting, retaining and promoting qualified, diverse and culturally competent administrative, clinical and support staff that are trained to address the needs of the racial and ethnic communities being served thereby.
  2. Promotion and provision of culturally and linguistically appropriate services that can be provided to Beneficiaries with limited English proficiency, including, without limitation, providing access to bilingual staff and interpretation services, providing oral and written notices, signage, educational materials and other commonly used materials to Beneficiaries in their primary language, informing Beneficiaries of the right to receive no-cost interpreter services and ensuring that each Beneficiary's primary language and self-identified race and ethnicity are included in PROVIDER's records and information management system.
  3. Promotion and provision of ongoing education and training that is designed to ensure that administrative, clinical and support staff remain adequately qualified to deliver culturally and linguistically appropriate services to members of the predominant cultural and language groups in the service area.
  4. Promotion and provision of ongoing education and training that is designed to ensure that interpreters and bilingual staff maintain adequate bilingual proficiency with regard to the skills, ethics and knowledge relevant to clinical and non-clinical encounters.
- F. Intravenous Drug Use Treatment Policies.** PROVIDER shall develop, implement and maintain comprehensive policies, procedures and strategies that are designed to ensure that

individuals in need of intravenous drug use treatment are encouraged to undergo such treatment in accordance with any and all applicable local, state and federal laws, regulations and standards.

- G. Tuberculosis Treatment Policies.** PROVIDER shall develop, implement and maintain comprehensive policies, procedures and strategies that are designed to ensure that the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement are made available to Beneficiaries with Tuberculosis. Such policies, procedures and strategies shall also be designed to reduce any and all barriers that may prevent Beneficiaries with Tuberculosis from receiving the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, and improve follow-up monitoring, particularly after treatment has ended, through the dissemination of educational bulletins and other materials.

### **2.3 Subcontracts:**

- A. Requests to Subcontract.** No performance of this Agreement, or any portion thereof, shall be subcontracted by PROVIDER without the prior written consent of COUNTY. If PROVIDER desires to subcontract any portion of the Narcotic Replacement Services to be provided pursuant to the terms and conditions of this Agreement, PROVIDER shall provide COUNTY with a written request to enter into the particular subcontract, which shall include, without limitation, all of the following:
1. A detailed explanation of the reasons why the particular Narcotic Replacement Therapy Services required to be provided hereunder must be provided by a third-party pursuant to the terms and conditions of the requested subcontract.
  2. A detailed description of any and all Narcotic Replacement Therapy Services required to be provided hereunder that will be provided by a third-party pursuant to the terms and conditions of the requested subcontract.
  3. Identification of the subcontractor that will provide the particular Narcotic Replacement Therapy Services required to be provided hereunder pursuant to the terms and conditions of the requested subcontract.
  4. A detailed explanation of why the subcontractor that will providing the particular Narcotic Replacement Therapy Services required to be provided hereunder pursuant to the terms and conditions of the requested subcontract was selected, including, without limitation, any all qualifications, licenses and certifications possessed by the proposed subcontractor.
  5. A detailed description of the process by which the subcontractor that will providing the particular Narcotic Replacement Therapy Services required to be provided hereunder pursuant to the terms and conditions of the requested subcontract was selected, including, without limitation, the degree of competition involved.
  6. A detailed description of the amount, and manner of payment, of any and all compensation that will be received by the subcontractor for the particular Narcotic Replacement Therapy Services required to be provided hereunder that will be provided pursuant to the terms and conditions of the requested subcontract.
  7. A detailed description of the process and/or cost or price analysis that was used to determine the amount of compensation that will be received by the subcontractor for the particular Narcotic Replacement Therapy Services required to be provided hereunder that will be provided pursuant to the terms and conditions of the requested subcontract.

8. A copy of the requested subcontract under which the proposed subcontractor will be providing the Narcotic Replacement Therapy Services required to be provided hereunder.
- B. Approval of Subcontracts.** COUNTY shall review any and all requests to subcontract any of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement submitted by PROVIDER, and shall determine, in its sole discretion, whether to approve such requests on a case-by-case basis. In the event COUNTY approves any subcontract related to the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement, such consent shall apply to each particular subcontract only and shall not be construed to be a blanket consent to any further subcontracts. COUNTY approval of any subcontracts related to the Narcotic Replacement Therapy Services required to be provided hereunder shall not be construed to constitute a determination of the appropriateness of any cost claimed to have been incurred pursuant to the terms and conditions of this Agreement, nor shall such approval limit any of COUNTY's rights or remedies hereunder.
- C. Legal Responsibility for Performance of Subcontracts.** Any and all subcontracts related to the Narcotic Replacement Therapy Services required to be provided hereunder shall be subject to any and all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, record retention and inspection, privacy, security and confidentiality requirements set forth herein. PROVIDER shall remain legally responsible for the performance of the terms and conditions of this Agreement, including, without limitation, the provision of any and all Narcotic Replacement Therapy Services rendered by a third-party pursuant to the terms and conditions of a subcontract, regardless of whether or not such subcontract was approved by COUNTY. COUNTY shall not be bound by any subcontract related to the provision of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement.
- D. Legal Responsibility for Payment of Subcontracts.** PROVIDER shall be solely liable and responsible for any and all payments and/or other compensation to any and all subcontractors, and their agents, officers, officials and employees, responsible for providing the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement. COUNTY shall not be liable or responsible for paying or otherwise compensating any subcontractors, or their agents, officers, officials or employees, responsible for providing the Narcotic Replacement Therapy Services required to be provided hereunder.
- E. Termination of Subcontracts.** COUNTY shall have the right to terminate, in whole or in part, any subcontract related to the provision of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement, at any time, upon thirty (30) calendar days advance written notice to PROVIDER. COUNTY shall not be liable or responsible for any liability, damages, costs or expenses arising out of, or in connection with, COUNTY's termination of any subcontract related to the provision of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement.
- F. Delivery of Executed Subcontracts.** PROVIDER shall deliver a fully executed copy of each subcontract related to the provision of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement to COUNTY on, or immediately after, the effective date of the subcontract. In no event shall fully executed copies of any subcontracts related to the provision of the Narcotic Replacement Therapy Services required to be provided hereunder be delivered to COUNTY after the date upon which any such Narcotic Replacement Therapy Services are performed pursuant to the terms and conditions of the subcontract.

- G. **Defense and Indemnification.** PROVIDER 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, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, any subcontractors' 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.
- H. **Effect of Non-Compliance.** Any attempt by PROVIDER to enter into any subcontract related to the provision of the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement without the prior written consent of COUNTY shall constitute a material breach of this Agreement, and may result in the suspension of payments due hereunder and/or termination of this Agreement as set forth herein.

### 3.0 **TERM AND TERMINATION:**

#### 3.1 **Term:**

Upon signature, this Agreement shall retroactively begin upon February 1, 2017 by both parties and shall remain in full force and effect until June 30, 2020, unless sooner terminated as provided herein.

#### 3.2 **Termination:**

- A. **Termination for Cause.** COUNTY may, in its sole discretion, immediately terminate this Agreement, if PROVIDER fails to adequately perform the Narcotic Replacement Therapy Services required hereunder within the time limits specified herein, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal law, regulation or standard applicable to its performance hereunder.
- B. **Termination Without Cause.** COUNTY may terminate this Agreement without cause upon thirty (30) calendar days advance written notice which states the effective date of the termination.
- C. **Termination for Insolvency.** COUNTY may terminate this Agreement upon receiving written notice of the institution of bankruptcy, receivership, insolvency, reorganization or other similar proceedings by or against PROVIDER under any applicable laws or regulations of the United States, including, without limitation, any section or chapter of the United States Bankruptcy Code, as amended. PROVIDER shall maintain adequate protections against the risk of insolvency throughout the term of this Agreement.
- D. **Termination due to Withdrawal from Practice.** COUNTY may terminate this Agreement immediately upon receiving written notice of PROVIDER's withdrawal from practice.
- E. **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 PROVIDER seven (7) calendar days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- F. **Continuity of Care.** In the event this Agreement is terminated, PROVIDER shall promptly provide COUNTY with any and all finished and unfinished reports, data, studies, photographs, charts and other documents prepared by PROVIDER pursuant to the terms and conditions of this

Agreement, and make immediate and appropriate plans to transfer or refer all Beneficiaries receiving Narcotic Replacement Therapy Services hereunder to other agencies for continuing such services in accordance with the Beneficiary's needs. In the event COUNTY terminates this Agreement for cause as provided herein, COUNTY may procure Narcotic Replacement Therapy Services similar to those provided pursuant to the terms and conditions of this Agreement, upon such terms and in such manner as COUNTY may deem appropriate, and PROVIDER shall be liable to COUNTY for any reasonable costs incurred by COUNTY for such services.

- G. Compensation upon Termination.** In the event this Agreement is terminated, PROVIDER shall be entitled to compensation for any and all Narcotic Replacement Services satisfactorily provided pursuant to the terms and conditions of this Agreement 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 PROVIDER.

#### **4.0 COMPENSATION AND RECOVERIES:**

##### **4.1 Compensation:**

- A. Maximum Amount Payable.** The maximum amount payable for the Narcotic Replacement Therapy Services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Forty-Four Thousand Eight Hundred Twenty-Six Dollars (\$44,826.00). PROVIDER agrees to perform all of the Narcotic Replacement Therapy Services required by this Agreement for an amount not to exceed such maximum amount payable. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by a mutually agreed upon amendment, reduce the maximum amount payable hereunder or terminate this Agreement as provided herein.
- B. Rate of Compensation.** COUNTY will compensate PROVIDER for the Narcotic Replacement Therapy Services provided to Beneficiaries pursuant to the terms and conditions of this Agreement in accordance with the rates set forth in Exhibit B – Schedule of Rates, which is attached hereto and incorporated herein by reference as if set forth in full.
- C. Provisional Treatment Rate.** In the event PROVIDER's annual Drug Medi-Cal Fiscal Detail Year-End Expenditure Report prepared pursuant to the terms and conditions of this Agreement fails to justify or support the established rates of compensation set forth in Exhibit B – Schedule of Rates, COUNTY reserves the right to negotiate a provisional treatment rate with PROVIDER which reflects PROVIDER's actual program costs.
- D. Shift of Funds.** Upon COUNTY's prior written approval, PROVIDER may, by amendment, shift funds allocated for the Narcotic Replacement Services provided pursuant to the terms and conditions of this Agreement on a dollar for dollar basis from one (1) Service Element to another Service Element identified in Exhibit B – Schedule of Rates within the applicable fiscal year. COUNTY shall approve or deny a request to shift funds, in writing, within ten (10) business days after receiving PROVIDER's written request. During the Final Settlement process, COUNTY may, in its sole discretion, shift funds between Service Elements.
- E. Additional Services.** Any additional services not otherwise provided for herein, shall not be rendered by PROVIDER, or compensated by COUNTY, without COUNTY's prior written authorization. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of PROVIDER. PROVIDER shall notify COUNTY in writing, at least six (6) weeks prior to the date upon which PROVIDER estimates that the maximum payable amount will be reached.

- F. **Accrual of Interest.** PROVIDER shall not retain more than One Hundred Dollars (\$100.00) per year in interest earned on federal funds received pursuant to the terms and conditions of this Agreement as required by 45 C.F.R. Section 92.21(i). Any and all interest earned in excess of this amount shall be used for administrative expenses incurred by PROVIDER, or returned to COUNTY, as appropriate.

#### 4.2 **Submission and Processing of Service Claims:**

- A. **Submission of Service Claims.** PROVIDER shall submit to COUNTY monthly service claims itemizing all Narcotic Replacement Therapy Services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement by the tenth (10<sup>th</sup>) calendar day of each month following the month in which such Narcotic Replacement Therapy services were provided. PROVIDER shall submit a final service claim for payment within thirty (30) calendar days following the expiration or termination date of this Agreement. Service claims shall be in a format approved by Administrator, and shall include the date that each Service Element was provided, the total Units of Service that were provided per day, the total cost per day and the total cost for the month. PROVIDER shall submit with each service claim a Drug Medi-Cal Claim Submission Certification Form (DHCS 100186), which is attached hereto as Exhibit C – Claim Certification Form and incorporated herein by reference as if set forth in full, certifying that all Units of Service claimed by PROVIDER are true and accurate claims for reimbursement. All service claims submitted 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. **Accuracy and Timeliness of Service Claims.** PROVIDER shall be solely responsible for the accuracy and timeliness of any and all data and information submitted by PROVIDER to COUNTY and/or DHCS in support of service claims for the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. COUNTY shall have no liability for PROVIDER's failure to comply with any applicable local, state or federal timeframes or accuracy requirements.
- C. **Modifications to the Claims Processing System.** COUNTY may modify the policies and procedures regarding the submission and processing of service claims, at any time, in order to comply with changes in, or interpretations of, any and all applicable local, state or federal laws, regulations or standards. COUNTY shall notify PROVIDER in writing of any modifications of its policies and/or procedures regarding the submission and processing of service claims within thirty (30) calendar days after receiving notification of any modifications to applicable local, state or federal laws, regulations or standards. PROVIDER shall comply with any and all written instructions from COUNTY regarding compliance with any policies and procedures regarding the submission and processing of service claims.

#### 4.3 **Reimbursement of Service Claims:**

- A. **Provisional Reimbursement.** COUNTY shall provisionally reimburse PROVIDER for the Narcotic Replacement Therapy Services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement based on the rates set forth in Exhibit B – Schedule of Rates within thirty (30) calendar days after the receipt of approved service claims. If a service claim is not submitted in accordance with the terms and conditions of this Agreement, COUNTY

may withhold any and all payments required hereunder until COUNTY is in receipt of a complete and correct service claim.

- B. Final Reimbursement.** Final reimbursement to PROVIDER shall be based upon the Units of Service approved by the State of California, the Drug Medi-Cal Fiscal Detail Year-End Expenditure Report for the approved Units of Service and/or Uniform Statewide Daily Reimbursement Rates for the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. PROVIDER shall only be reimbursed for Narcotic Replacement Therapy Services provided during the period of time PROVIDER is licensed and/or certified as a Narcotic Treatment Program Provider by the California Department of Drug and Alcohol Programs, and only to the extent required by any and all applicable local, state and federal laws, regulations and standards.
- C. Suspension of Payments.** COUNTY, in its sole discretion, may suspend any and all payments relating to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement for good cause. Notice of suspension of payments, which includes, without limitation, a statement of the reasons for such suspension, shall be provided to PROVIDER. PROVIDER may, within fifteen (15) calendar days after receipt of notice, request reconsideration of COUNTY's decision to suspend payment. In the event COUNTY suspends or withholds payment to PROVIDER pending receipt of required data or documentation, PROVIDER shall hold COUNTY harmless for any and all service claims not submitted within any applicable local, state or federal timeframes.
- D. Payment Appeal Process.** PROVIDER may appeal the Final Settlement, and/or any denied or modified request for payment hereunder, by submitting a written appeal request in accordance with COUNTY's Provider Appeal Process established pursuant to California Welfare and Institutions Code Section 14680. Written appeals shall be submitted within thirty (30) calendar days after receiving notice of the Final Settlement or non-approval of any payment hereunder, or within thirty (30) calendar days after COUNTY's failure to act on a request for reconsideration, in accordance with the timeframes set forth in COUNTY's Provider Appeal Process.
- E. Effect of Non-Payment.** In the event COUNTY cannot, or will not, pay for the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, PROVIDER shall hold harmless all Beneficiaries receiving such services and the State of California.

#### **4.4 Recovery of Overpayments:**

- A. Recovery of local, State and Federal Overpayments.** Any and all amounts paid to PROVIDER for the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement which are found to be un-reimbursable by any local, state or federal governmental agency shall be repaid to COUNTY in accordance with any and all applicable local, state and federal laws, regulations and standards. PROVIDER may appeal a determination of overpayment by submitting a written appeal request in accordance with COUNTY's Provider Appeal Process or any other applicable local, state or federal appeal process pertaining to the recovery of overpayments.
- B. Payment of Amounts Due to COUNTY.** Any and all payments due to the COUNTY pursuant to the terms and conditions of this Agreement shall be: paid in one (1) cash payment; offset against prior liabilities; deducted from future claims over a period not to exceed three (3) months; deducted from any amounts owed to PROVIDER, whether under this Agreement or otherwise; paid by cash payments over a period not to exceed three (3) months; or a combination of any or



all of the above. PROVIDER shall notify COUNTY as to which of the above-referenced payment options PROVIDER requests be used as the method to recover the amount owed to COUNTY within ten (10) calendar days after receiving written notice of such amount. Regardless of PROVIDER's preferred payment option, final determination of the method of payment shall be at COUNTY's sole discretion. In the event this Agreement is terminated for cause, COUNTY may, in its sole discretion, immediately withhold any amount owed to COUNTY from future claims.

- C. **Interest Charges on Delinquent Payments Due to COUNTY.** If PROVIDER, without good cause as determined in the sole judgment of Administrator, fails to pay COUNTY any amount owed to COUNTY pursuant to the terms and conditions of this Agreement within sixty (60) calendar days after the due date, COUNTY may, after providing written notice to PROVIDER, assess daily interest charges at a rate equal to COUNTY's General Fund Rate, as determined by the Humboldt County Auditor-Controller. Interest charges shall be paid, at the sole discretion of Administrator, by cash payment upon demand and/or deducted from any amounts due by COUNTY to PROVIDER whether under this Agreement or otherwise. PROVIDER shall have sixty (60) calendar days from the date that any payment owed to COUNTY is due to present to Administrator a good cause justification for PROVIDER's failure to pay COUNTY.

#### 4.5 **Third-Party Revenue:**

- A. **Determination of Beneficiaries' Ability to Pay.** PROVIDER shall determine the ability of each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to pay for such services in accordance with 9 C.C.R. Section 9532. PROVIDER shall be solely responsible for the billing and collection of such fees.
- B. **Revenue Collection.** PROVIDER shall comply with any and all applicable Revenue collection requirements set forth in California Health and Safety Code Section 11841.
- C. **Provider Revenues.** To the extent that any and all applicable Provider Revenues, accruing or received by PROVIDER relate to reimbursable costs incurred pursuant to the terms and conditions of this Agreement, such Provider Revenues shall be credited to COUNTY either as a reduction of the costs incurred hereunder or a cash refund, as appropriate.

#### 5.0 **REPORTS, RECORDS AND AUDITS:**

##### 5.1 **Reporting Requirements:**

- A. **General Reporting Requirements.** PROVIDER shall submit, in accordance with California Health and Safety Code Section 11758.12(d), any and all reports that may be required by any local, state and/or federal agencies for compliance with this Agreement, including, without limitation, prevention activities data forms, Utilization reports, compliance reports, financial reports, treatment and prevention services reports, demographic characteristics of Beneficiaries receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement and any other reports that may be required by COUNTY. PROVIDER shall be required to submit data electronically as required by COUNTY or any other local, state and/or federal agencies, including, without limitation, submission of electronic California Outcome Measurement System ("CalOMS") data. By executing this Agreement, PROVIDER agrees to submit any and all data requested pursuant to the terms and conditions of this Agreement in a format approved by COUNTY within any and all applicable timeframes.

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- B. Financial Reporting Requirements.** PROVIDER shall collect, maintain and submit any and all financial data, documentation and information that may be required by any and all local, state and/or federal agencies for compliance with this Agreement, including, without limitation, all of the following:
1. Financial information and/or records pertaining to PROVIDER's business operations, including, without limitation:
    - a. Audited financial statements from audits prepared by a qualified Certified Accountant in accordance with the requirements of United States Office of Management and Budget ("OMB") Circular A-133. Audited financial statements shall be submitted to COUNTY annually within thirty (30) calendar days after PROVIDER's receipt thereof.
    - b. Internal Revenue Service Form 990 and all supporting schedules required to be submitted therewith. The above-referenced Internal Revenue Service forms shall be submitted within thirty (30) calendar days after PROVIDER's filing thereof.
    - c. Notices of any and all tax delinquencies, including property, sales, income and payroll taxes. Notices of tax delinquency shall be submitted to COUNTY within ten (10) calendar days after PROVIDER becomes aware of the delinquency.
  2. Fiscal information, in a format substantially similar to Exhibit B – Schedule of Rates, pertaining to COUNTY's substance abuse disorder fiscal reporting system requirements. Any and all fiscal information pertaining to COUNTY's substance abuse disorder fiscal reporting system requirements shall be submitted with each amendment to this Agreement.
  3. Fiscal and billing information pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, including, without limitation:
    - a. Service claims reflecting the number and type of Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, multiplied by the rates of compensation set forth in Exhibit B – Schedule of Rates. Service claims shall be submitted to COUNTY within ten (10) calendar days after each month in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.
    - b. Client rosters indicating each Beneficiary's receipt of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement in a format substantially similar to Exhibit D – Dosing Record, which is attached hereto and incorporated herein by reference. Client rosters must be submitted to COUNTY within ten (10) calendar days after each month in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.
    - c. CalOMS Participant Records, including, without limitation, any and all admission, registration and discharge information, and treatment data in a form substantially similar to the format set forth in the CalOMS Data Collection Guide. CalOMS participant records and treatment data must be submitted to DHCS within forty-five (45) calendar days after each month in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.

- d. Drug and Alcohol Treatment Access Reports pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. Drug and Alcohol Treatment Access Reports must be submitted to DHCS within ten (10) calendar days after each month in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.
- e. Drug Medi-Cal Service Administration Reports pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement which set forth any and all Units of Service delivered hereunder. Service Administration Reports shall be submitted to COUNTY within ten (10) calendar days after each quarter in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.
- f. Drug Medi-Cal Performance Reports pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement in a form substantially similar to the format required by DHCS. Drug Medi-Cal Performance Reports shall be submitted to COUNTY within sixty (60) calendar days after the end of each fiscal year in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement.
- g. National Survey of Substance Abuse Treatment Services forms pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. National Survey of Substance Abuse Treatment Services forms must be submitted to the State of California on an annual basis in accordance with any and all applicable state timelines.

C. **Annual Drug Medi-Cal Fiscal Detail Year-End Expenditure Report.** PROVIDER shall provide COUNTY with an accurate and complete Annual Drug Medi-Cal Fiscal Detail Year-End Expenditure Report (“Year-End Expenditure Report”), along with a statement of expenses and Revenue, within sixty (60) calendar days after the end of each fiscal year in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement. PROVIDER shall also submit a final Year-End Expenditure Report within sixty (60) calendar days after the expiration or termination date of this Agreement. Year-End Expenditure Reports shall be separated into the respective Service Elements identified in Exhibit B – Schedule of Rates in accordance with any and all applicable local, state and federal fiscal reporting requirements, as well as any and all written instructions and/or guidelines provided by COUNTY. In the event that PROVIDER is unable to complete the Year-End Expenditure Report by the date specified herein, PROVIDER may submit a written extension request which includes a good cause justification and a revised completion date, to COUNTY. COUNTY shall review each request for an extension of the period in which a Year-End Expenditure Report must be submitted and prepare a written response thereto. COUNTY may suspend any payments due hereunder until past due Year-End Expenditure Reports are received. If an accurate and complete Year-End Expenditure Report is not submitted within one hundred (100) calendar days after the end of any fiscal year in which Narcotic Replacement Therapy Services are provided pursuant to the terms and conditions of this Agreement, any and all amounts covered by the outstanding Year-End Expenditure Report shall be repaid to COUNTY as set forth herein.

D. **Adjustment and Finalization of Year-End Expenditure Reports.** Year-End Expenditure Reports shall be considered “PROVIDER certified,” as to expenses and Units of Service, once submitted with a signed letter of certification. COUNTY may modify certain aspects of Year-End Expenditure Reports as allowed and/or required by any and all local, state and/or federal laws, regulations, standards or contractual requirements. Such modifications may include,

without limitation, Units of Service, funding sources and usual and customary charges. COUNTY shall not change expenses or total Units of Service unless instructed to do so by PROVIDER. Upon COUNTY approval, Year-End Expenditure Reports shall be deemed final and not subject to change except by audit exception, which may include Units of Service disallowed as the result of any duly authorized local, state and/or federal audits. PROVIDER shall provide COUNTY with written notice of any and all errors or inconsistencies contained in any Year-End Expenditure Reports submitted pursuant to the terms and conditions of this Agreement, immediately upon becoming aware of such errors or inconsistencies.

## **5.2 Record Preparation, Retention and Inspection Requirements:**

- A. Preparation of Clinical Records.** PROVIDER shall timely prepare and maintain, in accordance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation, Title 9 and Title 22 of the California Code of Regulations, Clinical Records pertaining to any and all direct and indirect Narcotic Replacement Therapy Services provided to each Beneficiary pursuant to the terms and conditions of this Agreement. Any and all Clinical Records prepared and maintained pursuant to the terms and conditions of this Agreement shall contain sufficient detail to permit and facilitate effective internal professional review, external evaluation or audit and adequate follow-up treatment. In the event any Clinical Records related to the Narcotic Replacement Therapy Services provided hereunder are located outside of Humboldt County, PROVIDER shall pay COUNTY for all travel, per diem and other costs associated with the inspection, review or audit of such records. The Clinical Records required to be prepared and maintained by PROVIDER pursuant to the terms and conditions of this Agreement shall include, without limitation, all of the following:
1. Registration and financial information for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement.
  2. A consent for treatment form for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement.
  3. A release of information form for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement.
  4. An initial assessment of each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to be completed within seven (7) calendar days from the date upon which Beneficiary enters PROVIDER's program.
  5. An episode opening report for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to be completed as soon as feasible, but no later than the end of the month in which the Beneficiary enters PROVIDER's program.
  6. A comprehensive treatment plan for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to be completed within seven (7) calendar days from the date upon which the Beneficiary enters PROVIDER's program and updated every six (6) weeks thereafter.
  7. Completed treatment worksheets, which identify Beneficiary participation, integration and principals learned, for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement.

8. A discharge assessment for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to be completed immediately upon discharge, but no later than seven (7) calendar days from the date upon which the Beneficiary is discharged from PROVIDER's program.
  9. An episode closing report for each Beneficiary receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement to be completed as soon as feasible, but no later than the end of the month in which the Beneficiary is discharged from PROVIDER's program.
- B. Preparation of Financial Records.** PROVIDER shall timely prepare and maintain, in accordance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation, 9 C.C.R. Section 9535(e) and 45 C.F.R. Section 96.30, as well as any and all applicable requirements set forth in the California State Administrative Manual, sufficient financial records, including, but not limited to, ledgers, books, vouchers, time sheets, appointment schedules, statistical data and other evidence, necessary to determine the reasonableness, adequacy and allocation of any and all direct and indirect costs claimed to have been incurred in the performance of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. Any and all financial records prepared and maintained pursuant to the terms and conditions of this Agreement shall contain sufficient detail to clearly reflect the source of funding for each type of Narcotic Replacement Therapy Service for which reimbursement is claimed, and be capable of verification by qualified auditors.
- C. Preparation of Audit Files.** PROVIDER shall timely prepare and maintain, in accordance with any and all applicable local, state and federal laws, regulations and standards, an audit file containing any all audit records and reports documenting the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, including, without limitation, time studies, service logs and/or activity rosters. Any and all audit files prepared and maintained pursuant to the terms and conditions of this Agreement shall contain sufficient detail to clearly reflect the type and quantity of Narcotic Replacement Therapy Services provided hereunder.
- D. Record Preservation.** PROVIDER shall preserve, in accordance with any and all applicable local, state and federal laws, regulations and standards, any and all records and files prepared and maintained pursuant to the terms and conditions of this Agreement for a minimum of ten (10) years after the expiration or termination of this Agreement. However, if any litigation, claim, negotiation audit or other action related to the Narcotic Replacement Therapy Services provided hereunder is initiated prior to the expiration of the above-referenced ten (10) year period, any and all records and files prepared pursuant to the terms and conditions of this Agreement shall be retained until completion of the action and final resolution of any and all issues arising therefrom.
- E. Record Inspection.** PROVIDER shall make, in accordance with any and all applicable local, state and federal laws, regulations and standards, any and all records and files prepared and maintained pursuant to the terms and conditions of this Agreement immediately available, during normal business hours, for inspection, audit and reproduction by COUNTY, and any other duly authorized local, state and/or federal agencies, for a minimum of ten (10) years after the expiration or termination of this Agreement. PROVIDER shall also allow interviews of any of its employees who might reasonably have information related to any records and/or files prepared and maintained pursuant to the terms and conditions of this Agreement by COUNTY and any other duly authorized local, state and/or federal agencies. In the event any records and/or files prepared pursuant to the terms and conditions of this Agreement are located outside of

Humboldt County, PROVIDER shall pay COUNTY for any and all travel, per diem and other costs associated with the inspection, review or audit of such records.

- F. Record Storage and Reproduction.** PROVIDER may, following the receipt of final payment under this Agreement, reduce the records and/or files prepared and maintained pursuant to the terms and conditions of this Agreement to any readable electronic data storage medium. PROVIDER shall provide COUNTY, and any other duly authorized local, state and or federal agencies, with readable copies of any and all records and/or files reduced to any electronic data storage medium as may be necessary to ensure the efficient delivery and monitoring of the Narcotic Replacement Therapy Services provided hereunder.
- G. Incorporation of Provisions.** PROVIDER shall incorporate the provisions contained herein, without substantial modification, into any subcontracts related to the Narcotic Replacement Therapy Services required to be provided pursuant to the terms and conditions of this Agreement. In the event PROVIDER discontinues its contractual relationship with any of its subcontractors hereunder, PROVIDER shall be responsible for preserving, during the entirety of the required retention period, any and all records and/or files pertaining to the subcontractor's provision of the Narcotic Replacement Therapy Services required hereunder. If PROVIDER contracts with an independent external audit firm, PROVIDER shall include a provision in the contract therewith, which permits COUNTY, and any other duly authorized local, state and/or federal agencies, to access the working papers of such audit firm, as is reasonable and necessary to ensure the efficient delivery and monitoring of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement.
- H. Effect of Non-Compliance.** PROVIDER's failure to comply with the requirements set forth herein shall constitute a material breach of this Agreement, and may result in the immediate suspension of payments due hereunder and/or termination of this Agreement as set forth herein.

### **5.3 Audit and Examination Requirements:**

- A. General Audit and Examination Requirements.** In accordance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation, California Government Code Section 8546.7, any and all activities, records, reports, working papers and supporting documentation pertaining to the performance of this Agreement, and any subcontracts related hereto, shall be subject to examination and audit by COUNTY and any other duly authorized local, state and/or federal agencies, including, but not limited to, the California State Auditor and the Comptroller General of the United States. PROVIDER agrees to allow COUNTY, and any other duly authorized local, state and/or federal agencies, access to such activities, records, reports, working papers and supporting documentation for a period of ten (10) years after the expiration or termination of this Agreement, or until final resolution of any audit or examination that is not resolved within the above-referenced ten (10) year period.
- B. Independent External Audits.** Pursuant to OMB Circular A-133, PROVIDER shall have annual independent external single or program-specific audits performed in accordance with the most recent versions of the OMB Uniform Administrative Requirements, the Government Auditing Standards issued by the Comptroller General of the United States and any other generally accepted auditing standards. PROVIDER shall submit copies of the annual independent external audits performed pursuant to the terms and conditions of this Agreement to COUNTY within fifteen (15) calendar days after completion thereof, but no later than nine (9) months following the end of each fiscal year in which Narcotic Replacement Therapy Services are provided hereunder. Where apportionment of the audit cost is necessary, such apportionment shall be made in accordance with generally accepted accounting principles, but

shall not exceed the proportionate amount of PROVIDER's total Revenue that the federal award funding represents. PROVIDER shall be responsible for developing, in coordination with COUNTY, a corrective action plan and following-up on any material audit findings contained in the independent external audit report.

- C. **Local, State and Federal Financial Audits.** In accordance with applicable local, state and federal laws, regulations and standards, including, without limitation, 9 C.C.R. Section 9545, any and all expenditures of state and federal funds related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement shall be subject to audit by COUNTY and any other duly authorized local, state and/or federal agencies. Any and all local, state and/or federal audits shall be conducted to establish whether PROVIDER expended state and federal funds in accordance with any and all applicable local, state and federal laws, regulations, standards and contractual obligations set forth in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS. Such local, state and federal audits shall consider and build upon the independent external audits performed pursuant to the terms and conditions of this Agreement in order to accomplish, without limitation, all of the following objectives:
1. Determining whether Units of Service claimed and/or reported pursuant to the terms and conditions of this Agreement are properly documented by service records and accurately accumulated for claiming and/or reporting purposes.
  2. Determining the cost of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement and the net total of related patient and participant fees, third-party payments and other related Revenues and funds received.
  3. Determining whether the expenditures of state and/or federal funds related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement were made in accordance with any and all applicable local, state and federal laws, regulations, standards and contractual obligations set forth in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS.
  4. Determining whether there are any facts, in relation to analysis of any and all data, complaints or allegations pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, which may be indicative of fraud, abuse, willful misrepresentation or failure to achieve the objectives of this Agreement and COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS.
  5. Validating data reported pursuant to the terms and conditions of this Agreement for use during prospective contract negotiations.
  6. Providing technical assistance in addressing current year activities and recommendations on internal controls, accounting procedures, financial records and compliance with laws, regulations and standards applicable to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement.
- D. **Local, State and Federal Audit Reports.** Any and all audit reports prepared by COUNTY, or any other duly authorized local, state and/or federal agencies, pursuant to the terms and conditions of this Agreement shall reflect all findings, recommendations, adjustments and corrective actions related to any audit exception or exceptions set forth therein. COUNTY shall

provide copies of any such local, state and federal audit reports within fifteen (15) calendar days after completion or receipt thereof. PROVIDER agrees to develop and implement, in coordination with COUNTY, and any other duly authorized local, state and/or federal agencies, any and all corrective action plans necessary to correct any deficiencies, and/or comply with any recommendations, contained in the audit report. Such corrective action plans shall include time-specific objectives to allow for the measurement of progress toward the correction of specified deficiencies, and shall be subject to verification by the COUNTY within one (1) year from the date that such corrective action plans are finalized.

- E. Disallowances.** PROVIDER shall be responsible for any and all disallowances taken by COUNTY, and/or any other duly authorized local, state and/or federal agencies, as a result of any audit exception or exceptions related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. PROVIDER shall not use funds administered by COUNTY pursuant to the terms and conditions of this Agreement to repay one (1) federal funding source with funds provided by another federal funding source, to repay federal funds with state funds or to repay state funds with federal funds.
- F. Post-Contract Audit Settlement.** In the event that a post-contract audit conducted by COUNTY or any other duly authorized local, state and/or federal agency determines that the amounts paid by COUNTY for any Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement are more than the amounts allowable hereunder, PROVIDER shall be responsible for repaying the difference to COUNTY as set forth herein. However, if a post-contract audit conducted by COUNTY, or any other duly authorized local, state and/or federal agency, determines that the amounts paid by COUNTY for any cost reimbursed Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement are less than the amounts allowable hereunder, COUNTY shall be responsible for paying the difference to PROVIDER as set forth herein.
- G. Audit Appeal Process.** PROVIDER may appeal any audit exception or settlement related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement by submitting a written appeal request in accordance with COUNTY's Provider Appeal Process or any other applicable local, state or federal appeal process. Written appeals shall be submitted within thirty (30) calendar days after PROVIDER's receipt of the audit report containing the disputed audit exception or settlement. The appeal of any audit exception or exceptions shall not prevent post-contract audit settlement.
- H. Incorporation of Provisions.** PROVIDER shall incorporate the provisions contained herein, without substantial modification, into any subcontracts related to the provision of the Narcotic Replacement Therapy Services required hereunder.
- I. Effect of Non-Compliance.** PROVIDER's failure to comply with the requirements set forth herein shall constitute a material breach of this Agreement, and may result in termination of this Agreement and/or the imposition of sanctions pursuant to any and all applicable provisions of the OMB Uniform Administrative Requirements.

## **6.0 LEGAL, REGULATORY AND CONTRACTUAL COMPLIANCE:**

### **6.1 Compliance with Applicable Laws, Regulations and Standards:**

- A. General Legal Compliance.** PROVIDER agrees to comply with any and all local, state and federal laws, regulations, policies, procedures, guidelines and standards applicable to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this



Agreement. Any and all legal provisions required to be included in this Agreement are hereby incorporated herein by reference (9 C.C.R. Section 1810.436(a)(5). PROVIDER shall maintain in effect an active legal compliance program in accordance with the recommendations set forth by the Department of Health and Human Services' Office of the Inspector General.

- B. Licensure Requirements.** PROVIDER agrees to comply with any and all local, state and federal licensure, certification and accreditation standards applicable to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. PROVIDER shall provide COUNTY with any and all licenses, permits, registrations, accreditations and certificates, including, without limitation, certification as a Drug Medi-Cal Provider, as required by any and all applicable local, state and federal laws, regulations and standards.
- C. Accessibility Requirements.** PROVIDER agrees to comply with any and all applicable provisions of the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 1135 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time. Compliance with the accessibility requirements applicable to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement shall include, without limitation, all of the following:
1. PROVIDER shall ensure that any and all written information that is provided regarding PROVIDER's programs shall also be provided in alternate formats, including braille, large print, audio recording and electronic formats, upon request.
  2. PROVIDER shall enter into contracts or make other arrangements with qualified sign language and oral interpreters to ensure their availability when required for effective communication with persons who are deaf or hearing impaired. The type of aid that will be required for effective communication will depend on the individual's usual method of communication and the nature, importance and duration of the communication at issue. In many circumstances, oral communication supplemented by gestures and visual aids, an exchange of written notes or use of a computer, typewriter or assistive listening device may be effective. In other circumstances, qualified sign language or oral interpreters are needed to communicate effectively with persons who are deaf or hearing impaired. The more lengthy, complex and important the communication, the more likely it is that a qualified interpreter will be required for effective communication with a person whose primary means of communication is sign language or speech reading.
  3. If PROVIDER operates a hotline to take telephone calls of an emergency nature, PROVIDER shall ensure that it provides equivalent service for persons who use teletypewriters, including, without limitation, providing direct-connection service for teletypewriter users with hotline operators, without requiring teletypewriter users to call through a third-party operator, such as through the state or local Telecommunication Relay Procedures, and provide the training necessary to ensure effective communication by hotline staff with direct-connection callers using teletypewriters, as well as the training necessary to respond to callers who use the Telecommunication Relay Services.
  4. PROVIDER shall survey facilities used as shelters, or designated as potential shelters, or for counseling, job training, education, clothing or household provisioning or other aspects of programs, to ensure that adequate arrangements are available for

Beneficiaries and family members with disabilities, including, without limitation adults and children who have mobility impairments, are blind or vision impaired and are deaf or hearing impaired.

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

**D. Conflict of Interest Requirements.** PROVIDER agrees to comply with any and all applicable provisions of the California Political Reform Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time. Compliance with the California Political Reform Act shall include, without limitation, all of the following:

1. PROVIDER shall not employ any COUNTY employee, or the spouse or economic dependent thereof, whose position enables such employee to influence the award or administration of this Agreement or any competing agreement.
2. PROVIDER shall not allow any officer or employee thereof who may financially benefit from the provision of the Narcotic Replacement Therapy Services required pursuant to the terms and conditions of this Agreement to participate in the approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such services.
3. PROVIDER shall disclose any facts, which might reasonably be expected to create an actual or potential conflict of interest, immediately upon becoming aware of such facts.

**E. Program Control Requirements.** PROVIDER agrees to comply with any and all applicable local, state and federal accounting procedures, requirements and standards pertaining to the provision of Narcotic Replacement Therapy Services, including, without limitation: California Health and Safety Code Sections 11760, *et seq.*; California Government Code

Sections 16367.8 and 53130, *et seq.*; 9 C.C.R. Sections 9000, *et seq.*; Title 42 of the United States Code (“U.S.C.”) Sections 300x-21 through 300x-35; 31 U.S.C. Sections 7501 through 7507 and OMB Circular A-133; 45 C.F.R. Sections 96.30 through 96.33 and Sections 96.120 through 96.137; 42 C.F.R. Sections 8.1 through 8.34; and 21 C.F.R. Sections 1301.01 through 1301.93, all as may be amended from time to time.

- F. Solicitation Requirements.** PROVIDER agrees to comply, and require that all of its employees agree, in writing, to comply, with any and all applicable requirements regarding the unlawful solicitation of attorneys set forth in Sections 6150, *et seq.* of the California Business and Professions Code.
- G. Fair Labor Requirements.** PROVIDER agrees to comply with any and all applicable provisions of the Federal Fair Labor Standards Act, and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, all as may be amended from time to time.
- H. Human Trafficking Requirements.** PROVIDER agrees to comply with any and all applicable requirements set forth in Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended by 22 U.S.C. Section 7104 and 2 C.F.R. Part 175, and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, all as may be amended from time to time.
- I. Child Support Requirements.** PROVIDER agrees to comply with any and all applicable local, state and federal laws, regulations and standards relating to child and family support enforcement, including, without limitation, disclosure of information and compliance with earnings assignment orders, as set forth in California Family Code Sections 5200, *et seq.* PROVIDER hereby certifies that, to the best of its knowledge, it is currently complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- J. Employment Eligibility Requirements.** PROVIDER agrees to comply with any and all local, state and federal laws, regulations and standards regarding employment of immigrants, including, without limitation, ensuring that all of its employees providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement meet any and all applicable citizenship and/or immigrant status requirements. PROVIDER hereby certifies that it will obtain, from any and all employees providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement, documentation of employment eligibility required by any and all applicable local, state and federal laws, regulations and standards, all as may be amended from time to time.
- K. Humboldt County Substance Use Disorder Agreements.** PROVIDER agrees to comply with any and all applicable provisions of the Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full. In the event, of any conflict in the terms and conditions set forth in COUNTY’s Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS and the terms and conditions set forth in this Agreement, the terms and conditions set forth in COUNTY’s Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS shall have priority. COUNTY’s Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS can be obtained online at the following address: [www.humboldtgov.org](http://www.humboldtgov.org).

- L. **Humboldt County Mental Health Managed Care Agreement.** PROVIDER agrees to comply with any and all applicable provisions of the Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) that COUNTY has with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full. In the event, of any conflict in the terms and conditions set forth in COUNTY's Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) with DHCS and the terms and conditions set forth in this Agreement, the terms and conditions set forth in COUNTY's Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) with DHCS shall have priority. COUNTY's Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) with DHCS can be obtained online at the following address: [www.humboldtgov.org](http://www.humboldtgov.org).
- M. **Humboldt County Mental Health Performance Agreement.** PROVIDER agrees to comply with any and all applicable provisions of 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. In the event, of any conflict in the terms and conditions set forth in COUNTY's Mental Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS and the terms and conditions set forth in this Agreement, the terms and conditions set forth in COUNTY's Mental Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS shall have priority. COUNTY's Mental Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS can be obtained online at the following address: [www.humboldtgov.org](http://www.humboldtgov.org).
- N. **Defense and Indemnification.** PROVIDER shall hold harmless, defend and indemnify COUNTY from and against any and all liability arising from any violation of any local, state or federal laws, regulations, standards or contractual requirements applicable to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement.

## 6.2 **Confidential Information:**

- A. **General Legal Compliance.** PROVIDER hereby agrees to protect all confidential records and Beneficiary confidentiality in conformance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15, 1280.18, 11812, 11845.5, 123100 and 123149.5; California Department of General Services State Administrative Manual Sections 1600 through 1695; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); 22 C.C.R. Section 51009; the United States Health Information Technology and Clinical Health Act ("HITECH Act"); the United States Health Information Portability and Accountability Act of 1996 ("HIPAA") 42 U.S.C. Sections 290 dd-2, 1320(a) and 1320d through 1320d-8; and any current and future implementing regulations promulgated thereunder, all as may be amended from time to time. PROVIDER shall require all of its agents, officers, officials and employees who are responsible for providing Narcotic Replacement Services pursuant to the terms and conditions of this Agreement to acknowledge, in writing, understanding of, and agreement to fully comply with, any and all local, state and federal laws, regulations, standards and contractual requirements pertaining to confidentiality, electronic data security and privacy.
- B. **State Contractual Requirements.** PROVIDER hereby agrees to comply with any and all applicable confidentiality requirements contained in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129), the Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) and the Mental

Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full.

- C. **HIPAA Business Associate Requirements.** PROVIDER hereby agrees to adhere to the terms and conditions set forth in Exhibit D – County of Humboldt HIPAA Business Associate Agreement, which is attached hereto and incorporated herein by reference as if set forth in full.
- D. **Assistance in Litigation and Administrative Proceedings.** PROVIDER shall make itself, and any agents, officers, directors, employees or subcontractors assisting PROVIDER in the performance of its duties and obligations hereunder, available to DHCS, at PROVIDER's expense, to testify as witnesses or otherwise, in the event of any litigation or administrative proceedings being commenced against DHCS, or its agents, officers, directors or employees, based upon claimed violations of HIPAA, or any regulations promulgated thereunder, which involve inactions or actions by COUNTY or PROVIDER, except where COUNTY or PROVIDER is a named adverse party.
- E. **Continuing Compliance with Confidentiality Requirements.** COUNTY and PROVIDER 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 requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations, standards or contractual requirements.
- F. **Defense and Indemnification.** PROVIDER shall hold harmless, defend and indemnify COUNTY against any and all liability or damage arising from any disclosure of confidential information by PROVIDER in violation of the terms and conditions of this Agreement.

### 6.3 **Privacy and Data Security Requirements:**

- A. **General Legal Compliance.** PROVIDER hereby agrees to comply with any and all applicable local, state and federal privacy and data security requirements, including, without limitation, the Federal Privacy Regulations contained in 45 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. Part 2; and 45 C.F.R. Sections 96.132(e) and 205.50, all as may be amended from time to time.
- B. **State Contractual Requirements.** PROVIDER hereby agrees to comply with any and all applicable privacy and data security requirements contained in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129), the Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) and the Mental Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS, which are incorporated herein by reference and made a part hereof as if set forth in full.
- C. **Nondisclosure of Identifying Information.** In connection with the execution of this Agreement, PROVIDER shall protect from unauthorized disclosure the names and other identifying information, including Personal Information ("PI"), Personally Identifiable Information ("PII"), Sensitive Information and Exempt Information (referred to collectively as "PSEI"), concerning Beneficiaries receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement or other persons whose PSEI becomes available, or is disclosed, to PROVIDER as a result of the Narcotic Replacement Therapy

Services provided pursuant to the terms and conditions of this Agreement, except for statistical information not identifying any such persons.

1. **Unauthorized Disclosures of Identifying Information.** PROVIDER shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the Beneficiary, any PSEI to anyone other than COUNTY or DHCS without prior written authorization from COUNTY or DHCS, unless disclosure is required by any applicable local, state or federal laws, regulations or standards.
2. **Use of Identifying Information.** PROVIDER shall not use any PSEI for any purpose other than carrying out its duties and obligations under this Agreement.
3. **Notification of Requests for Identifying Information.** PROVIDER shall promptly transmit to COUNTY all requests for disclosure of any PSEI not emanating from a Beneficiary, or other person, whose PSEI becomes available, or is disclosed, to PROVIDER as a result of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement.

**D. Nondisclosure of Protected Health Information.** In connection with the execution of this Agreement, PROVIDER shall protect from unauthorized disclosure any and all Protected Health Information (“PHI”) concerning Beneficiaries receiving Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement or other persons whose PHI becomes available, or is disclosed, to PROVIDER as a result of the Narcotic Replacement Therapy Services provided hereunder.

1. **Use and Disclosure of Protected Health Information.** PROVIDER shall not use or disclose PHI in any manner that would constitute a breach of this Agreement or a violation of any applicable local, state or federal laws, regulations or standards.
2. **Minimum Use and Disclosure of Protected Health Information.** PROVIDER shall use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of this Agreement.
3. **Legal Standards Pertaining to Protected Health Information.** PROVIDER shall only use, store, disclose or access PHI in compliance with the terms and conditions of this Agreement and any and all applicable local, state and federal laws, regulations and standards.
4. **Downloading Protected Health Information.** PROVIDER shall not download PHI to any personal device, including, without limitation, flash drives, cell phones, iPads or tablets without COUNTY’s prior written approval.
5. **Maintenance and Preservation of Disclosure Records.** PROVIDER agrees to timely prepare accurate and complete performance records relating to the use and disclosure of PHI transmitted pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for at least ten (10) years from the date of expiration or termination of this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom.
6. **Accounting Requirements.** PROVIDER shall comply with the accounting requirements set forth in 45 C.F.R. Section 164.528 and any associated regulations or

informal guidance issued by the United States Department of Health and Human Services – Office of Civil Rights, all as may be amended from time to time.

- E. Security Incidents and Suspected Breaches of Confidential Information.** If PROVIDER has reason to believe that PSEI or PHI transmitted hereunder may have been accessed, disclosed or acquired in breach of this Agreement, PROVIDER 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, without limitation, all of the following:
- 1. Reporting Breaches of Confidential Information.** PROVIDER shall notify COUNTY immediately, by telephone and e-mail or fax, upon the discovery of a breach of PSEI or PHI in electronic media or any other medium, if the PSEI or PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person.
  - 2. Reporting Suspected Security Incidents.** PROVIDER shall notify COUNTY, by telephone 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 PSEI or PHI in violation of this Agreement or any applicable local, state or federal laws, regulations or standards.
    - a. Discovery of Breaches and Security Incidents.** For purposes of this Agreement, a breach of, or security incident involving, PSEI or PHI shall be treated as discovered by PROVIDER as of the first (1<sup>st</sup>) day on which such breach is known, or by exercising reasonable diligence would have been known, to PROVIDER or any person, other than the person committing the suspected breach, who is an employee, officer or other agent of PROVIDER.
  - 3. Reporting Breaches and Security Incidents to Affected Individuals.** To the extent deemed warranted, PROVIDER shall provide notice to any and all individuals affected by the suspected breach of, or security incident involving, PSEI or PHI. PROVIDER shall pay the full costs associated with notifying such individuals, which may include, without limitation, the costs to retain an outside firm to undertake the notification effort. In addition, PROVIDER 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 suspected breach of, or security incident involving, PSEI or PHI, including, without limitation, the date of occurrence and discovery thereof, if known.
    - b. Description of the Information Involved.** A description of the types of unsecured PSEI or PHI that were involved in the suspected breach or security incident, including, without limitation, the names, social security numbers, birth dates, addresses, account numbers or disability codes of all affected third-parties.
    - c. Description of Remedial Actions.** A brief description of the actions being taken by PROVIDER to remediate the breach of, or security incident involving, PSEI or PHI, mitigate losses and prevent further breaches or security incidents.
  - 4. Investigation of Suspected Breaches and Security Incidents.** PROVIDER shall immediately investigate all suspected breaches of, or security incidents involving, PSEI or PHI. Within seventy-two (72) hours after the discovery of such suspected breach or

security incident, PROVIDER shall submit an updated “Privacy Incident Report” containing the applicable information to the extent known at that time.

5. **Remediation of Breaches and Security Incidents.** Upon discovery of a breach of, or security incident involving, PSEI or PHI, PROVIDER shall:
    - a. **Corrective Action.** Take prompt corrective actions necessary to mitigate any risks or damages resulting from the breach or security incident.
    - b. **Legal Compliance.** Take any action pertaining to such breach or security incident required by any and all applicable local, state and federal laws, regulations and standards.
  6. **Cooperation with COUNTY’s Remediation Efforts.** Upon discovery of a breach of, or security incident involving, PSEI or PHI, PROVIDER 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, PROVIDER 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 PROVIDER’s assistance is required to reinstall software, such assistance shall be provided, at PROVIDER’s expense, in accordance with COUNTY’s policies and standards.
  7. **Remediation Report.** PROVIDER shall provide to COUNTY a written report of the investigation of a breach of, or security incident involving, PSEI or PHI within ten (10) business days after 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, but not limited to, information regarding the measures that were taken to remediate and/or contain the breach or security incident.
- F. **Safeguarding Confidential Information.** PROVIDER shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of all PSEI and PHI related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, including, without limitation, electronic PSEI and PHI that PROVIDER creates, receives, maintains, uses or transmits on behalf of COUNTY. PROVIDER 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 PROVIDER’s operations and the nature and scope of its activities, including, at a minimum, all of the following safeguards:
1. **Personnel Controls.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
    - a. **Employee Training.** Any and all employees who assist in the performance of PROVIDER’s duties and obligations hereunder, or access or disclose PSEI or PHI, must complete, at a minimum, annual confidentiality, data security and privacy training at their own expense. Each employee who receives confidentiality, data security and privacy training pursuant to the terms and conditions of this Agreement must sign a certification indicating the employee’s name and the date on which the



training was completed. Such certifications must be retained for a period of ten (10) years following the expiration or termination of this Agreement.

- b. **Employee Discipline.** Appropriate sanctions must be applied against any and all employees who fail to comply with any of the confidentiality, data security or privacy requirements contained herein, including, without limitation, termination of employment where appropriate.
  - c. **Confidentiality Statement.** Any and all employees that will be accessing PSEI or PHI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use and Enforcement Policies, prior to gaining access to any such PSEI or PHI and on an annual basis thereafter. PROVIDER shall retain each employee's written confidentiality statement for a period of ten (10) years following the expiration or termination of this Agreement.
  - d. **Background Check.** A background screening of each employee that will be accessing PSEI or PHI must be conducted before access to any PSEI or PHI is granted, in order to assure that there is no indication that the employee may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. Background screenings should be commensurate with the risk and magnitude of harm that each employee could cause, with more thorough screening being done for those employees who are authorized to bypass significant technical and operational security controls. PROVIDER shall retain each employee's background check documentation for a period of ten (10) years following the expiration or termination of this Agreement.
2. **Technical Security Controls.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
- a. **Workstation and Laptop Encryption.** Any and all workstations and laptops that store PSEI or PHI either directly, indirectly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard ("AES"). The encryption solution must be full disk unless approved by the DHCS – Information Security Office.
  - b. **Server Security.** Any and all servers containing unencrypted PSEI or PHI must have sufficient administrative, physical and technical controls in place to protect such data, based upon a risk assessment or system security review.
  - c. **Minimum Necessary.** Only the minimum amount of PSEI or PHI required to perform necessary business functions may be copied, downloaded or exported.
  - d. **Removable Media Devices.** Any and all electronic files that contain PSEI or PHI must be encrypted when stored on any removable media or portable device, including, without limitation, USB drives, CD, DVD, and backup tapes. Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.
  - e. **Antivirus Software.** Any and all workstations, laptops and systems that process and/or store PSEI or PHI must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.

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- f. **Patch Management.** Any and all workstations, laptops and systems that process and/or store PSEI or PHI must have critical security patches applied, with system reboot capabilities, if necessary. There must be a documented patch management process which determines installation timeframes based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within thirty (30) days after vendor release. Applications and systems that cannot be patched within the required timeframe due to significant operational reasons must have compensatory controls implemented to minimize risk until the patches can be installed. Any and all applications and systems that cannot be patched must have compensatory controls implemented to minimize risk, where possible.
- g. **User Identification and Password Controls.** Any and all users of any system providing access to PSEI or PHI must be issued a unique user name and password. Usernames must be promptly disabled, deleted or have the password associated therewith changed within twenty-four (24) hours after the transfer or termination of an employee with knowledge of the password. Passwords must be a non-dictionary word that has at least eight (8) characters, and must not be shared or stored in readable format on any computer. Passwords must be changed at least every ninety (90) days, preferably every sixty (60) days. Passwords must be immediately changed if revealed or compromised. Passwords must be composed of characters from at least three (3) of the following four (4) groups from the standard keyboard:
- Upper case letters (A-Z);
  - Lower case letters (a-z);
  - Arabic numerals (0-9);
  - Non-alphanumeric characters (punctuation symbols).
- h. **System Timeout.** Any and all systems providing access to PSEI or PHI must have an automatic timeout feature which requires re-authentication of the user session after no more than twenty (20) minutes of inactivity.
- i. **Warning Banners.** Any and all systems providing access to PSEI or PHI must display a warning banner which states that data contained therein is confidential and that system use is restricted to authorized users for business purposes and will be logged. Users must be directed to log off if they disagree with such requirements.
- j. **System Logging.** Any and all systems providing access to PSEI or PHI must maintain an automated audit trail that can be used to identify any user or process which alters PSEI or PHI. The audit trail must be date and time stamped, log both successful and failed accesses, be read only and restricted to authorized users. If PSEI or PHI is stored in a database, logging functionality must be enabled. Audit trail data must be archived for at least ten (10) years after occurrence.
- k. **Access Controls.** Any and all systems providing access to PSEI or PHI must use role-based user authentication controls that enforce the principle of least privilege.
- l. **Transmission Encryption.** Any and all transmissions of PSEI or PHI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement applies to any type of PSEI or PHI in motion such as website access and e-mail.

- m. **Intrusion Detection.** Any and all systems involved in accessing, holding, transporting or protecting PSEI or PHI that are accessible via the internet must be protected by a comprehensive intrusion detection and prevention solution.
  - n. **Data Destruction.** When no longer needed, all PSEI or PHI must be wiped using the Gutmann or United States Department of Defense 5220.22-M (7 Pass) standard or by degaussing. Media may also be physically destroyed in accordance with National Institute of Standards and Technology Special Publication 800-88. The use of any other data destruction methods shall require prior written permission of the DHCS – Information Security Office.
3. **Audit Controls.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
- a. **System Security Review.** PROVIDER must ensure audit control mechanisms which record and examine system activity are in place. Any and all systems processing and/or storing PSEI or PHI must have at least an annual system risk assessment or security review, including, without limitation, vulnerability scanning, which provides assurance that administrative, physical and technical controls are functioning effectively and providing adequate levels of protection.
  - b. **Log Reviews.** Any and all systems processing and/or storing PSEI or PHI must have a routine procedure in place to review system logs for unauthorized access.
  - c. **Change Control.** Any and all systems processing and/or storing PSEI or PHI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.
4. **Business Continuity and Disaster Recovery Controls.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
- a. **Emergency Mode Operation Plan.** PROVIDER must establish a documented plan to enable continuation of critical business processes and protection of the security of PSEI or PHI held in an electronic format in the event of an emergency. For purposes of this provision, “emergency” means any circumstance or situation that causes normal computer operations to become unavailable for performing the work required under this Agreement for more than twenty-four (24) hours.
  - b. **Data Backup Plan.** PROVIDER must have documented procedures to backup PSEI or PHI which allows retrievable exact copies of PSEI or PHI to be maintained. Such procedures must include a regular schedule for making backups, storing backups offsite, an inventory of backup media and an estimate of the amount of time needed to restore lost PSEI or PHI. At a minimum, the schedule must include weekly data backup and monthly offsite storage.
5. **Paper Document Controls.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
- a. **Supervision of Data.** PSEI or PHI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the

information. PSEI or PHI in paper form shall not be left unattended in vehicles or airplanes and shall not be checked in baggage on commercial airplanes.

- b. **Escorting Visitors.** Visitors to areas where PSEI or PHI is contained shall be escorted and PSEI or PHI shall be kept out of sight while visitors are in the area.
- c. **Confidential Destruction.** PSEI or PHI must be disposed of through confidential means, including, without limitation, cross cut shredding and pulverizing.
- d. **Removal of Data.** PSEI or PHI may not be removed from the premises of PROVIDER, unless expressly permitted by COUNTY in writing. PSEI or PHI shall not be considered “removed from the premises,” if it is transported from one (1) of PROVIDER’s locations to another of PROVIDER’s locations.
- e. **Faxing.** Faxes containing PSEI or PHI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- f. **Mailings.** Mailings containing PSEI or PHI shall be sealed and secured from damage or inappropriate viewing to the extent possible. Mailings which include five hundred (500) or more records containing individually identifiable PSEI or PHI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless prior written permission to use another method is obtained.

#### 6.4 **Patients’ Rights:**

- A. **Legal Compliance.** Each party hereto shall comply with any and all applicable local, state and federal laws, regulations and standards relating to patients’ rights, including, without limitation, California Welfare and Institutions Code Section 5325, 9 C.C.R. Sections 862 through 868 and 42 C.F.R. Section 438.100.
- B. **Specific Rights.** During the performance of this Agreement, each party hereto shall comply with any and all applicable local, state and federal policies and procedures pertaining to patients’ rights, and shall ensure that its staff and subcontractors that are responsible for providing the Narcotic Replacement Therapy Services required hereunder, take those rights into account when providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement, including, without limitation, the right to:
  - 1. Receive information in accordance with 42 C.F.R. Section 438.10.
  - 2. Be treated with respect and with due consideration for his or her dignity and privacy.
  - 3. Receive information on available treatment options and alternatives, presented in a manner appropriate to his or her condition and ability to understand.
  - 4. Participate in decisions regarding his or her health care, including, without limitation, the right to refuse treatment.
  - 5. Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation.

6. Request and receive a copy of his or her medical records, and to request that they be amended or corrected, as specified in 45 C.F.R. Sections 164.524 and 164.526.
  7. Be furnished services in accordance with 42 C.F.R. Sections 438.206 through 438.210.
  8. Freely exercise his or her rights, and the exercise of those rights will not adversely affect the way in which PROVIDER treats the Beneficiary.
- 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 and any other applicable local, state and federal laws, regulations and standards.

## 6.5 **Abuse Reporting Requirements:**

- A. **Elder Abuse.** PROVIDER, and all persons employed or subcontracted thereby, shall report all known or suspected instances of physical abuse of elders and dependent adults under the care of PROVIDER either to an appropriate adult protective services or law enforcement agency, as mandated by California Welfare and Institutions Code Sections 15630, *et seq.*
- B. **Child Abuse.** PROVIDER, and all persons employed or subcontracted thereby, shall report all known or suspected instances of child abuse to an appropriate child protective agency, as mandated by California Penal Code Sections 11164, *et seq.*
- C. **Personnel Requirements.** For the Safety and welfare of elders, dependent adults and minor children, PROVIDER shall take any and all appropriate measures to ensure that its staff and subcontractors comply with the abuse reporting requirements set forth herein, including, without limitation:
1. Requiring that all persons employed or subcontracted thereby sign a statement which acknowledges that such person has knowledge of, and will comply with, any and all applicable reporting requirements pertaining to the abuse of elders, dependent adults and minor children.
  2. Directing any and all clerical and other non-treatment staff employed thereby, who are not legally required to directly report suspected cases of abuse, to consult with mandated reporters upon suspecting any abuse of elders, dependent adults or minor children.
  3. Ascertaining, to the maximum extent permitted by law, arrest and conviction records for all current and prospective employees.
  4. Terminating the employment of, or refusing to employ, any person convicted of any crime involving any harm to elders, dependent adults or minor children or any other person whom PROVIDER knows, or reasonably suspects, has committed any acts which are inimical to the health, morals, welfare or safety thereof.

## 6.6 **Intellectual Property Rights:**

PROVIDER hereby agrees to comply with any and all applicable Intellectual Property rights provisions contained in the Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) and the Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) 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, PROVIDER, for itself, and its principals, 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 PROVIDER or DHCS as a direct or indirect result of this Agreement.
2. In the performance of this Agreement, PROVIDER will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, PROVIDER 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, PROVIDER shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purpose without DHCS' prior written permission. Except as otherwise set forth herein, neither PROVIDER 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, PROVIDER accesses any third-party Intellectual Property that is licensed to DHCS, PROVIDER agrees to abide by any and all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
3. PROVIDER 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 PROVIDER enters into any agreements or subcontracts with other parties in order to perform its duties and obligations hereunder, PROVIDER shall require the terms of such agreements or subcontracts to include all of the Intellectual Property provisions set forth herein. Such terms must include, without limitation, 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, PROVIDER or DHCS as a direct or indirect result of this Agreement or any subcontract related hereto.
4. PROVIDER further agrees to assist and cooperate with DHCS in all reasonable respects, execute all documents, give testimony, subject to reasonable availability, and take all further acts reasonably necessary to acquire, transfer, maintain and enforce DHCS' Intellectual Property rights and interests.

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

1. Except for Intellectual Property made, conceived, derived from or reduced to practice by PROVIDER or DHCS as a direct or indirect result of this Agreement, PROVIDER 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. PROVIDER 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 or perform, distribute and dispose PROVIDER's Intellectual Property resulting from this Agreement, unless PROVIDER assigns all rights, title and interest in the Intellectual Property as set forth herein.

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2. Nothing in this provision shall restrict, limit or otherwise prevent PROVIDER from using any ideas, concepts, know-how, methodology or techniques related to the performance of its duties and obligations hereunder, provided that PROVIDER's use does not infringe the patent, copyright, trademark, license or other Intellectual Property rights of DHCS or any third-party, or result in a breach of this Agreement or violation of any local, state or federal laws, regulations or standards relating to confidentiality.
- C. **Copyright.** By executing this Agreement, PROVIDER, for itself, and its principals, assignees and successors in interest, agrees as follows:
1. PROVIDER agrees that for purposes of copyright law, all works, as defined herein, of authorship made by or on behalf of PROVIDER in connection with the performance of its duties and obligations hereunder shall be deemed "works made for hire." PROVIDER further agrees that the work of each person utilized by PROVIDER in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of PROVIDER or has entered into an agreement with PROVIDER to perform the work. PROVIDER shall enter into a written agreement with any such person which provides that: all work performed for PROVIDER shall be deemed a "work made for hire" under the Copyright Act; and such person shall assign all right, title and interest to DHCS to any work product made, conceived, derived from or reduced to practice by PROVIDER or DHCS as a direct or indirect result of this Agreement.
  2. Any and all materials, including, without limitation, visual works or text, reproduced or distributed pursuant to the terms and conditions of this Agreement that include Intellectual Property made, conceived, derived from or reduced to practice by PROVIDER or DHCS as a direct or indirect result of this Agreement, shall include DHCS' notice of copyright, which shall read in three (3) millimeter 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 PROVIDER in the performance of its duties and obligations hereunder, which did not result from research and development specifically included in Exhibit A – Scope of Services, PROVIDER hereby grants to DHCS a license for any and all devices or materials incorporating, or made through the use of, such inventions. If such inventions result from research and development work specifically included within Exhibit A – Scope of Services, PROVIDER 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 set forth herein, PROVIDER agrees that the performance of its duties and obligations hereunder shall not be dependent upon or include any Intellectual Property of PROVIDER or third-party without first: obtaining DHCS' prior written approval; and granting to or obtaining for DHCS, without additional compensation, a license, as described herein, for any of PROVIDER'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 PROVIDER's performance of this Agreement, PROVIDER shall obtain a license under terms acceptable to DHCS.

**F. Warranties.** By executing this Agreement, PROVIDER, for itself, and its principals, 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 the performance of its duties and obligations hereunder.
3. Neither PROVIDER'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 or performance, distribution and disposition of the Intellectual Property made, conceived, derived from or reduced to practice by PROVIDER or DHCS as a direct or indirect result of 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 PROVIDER.
4. Neither PROVIDER's performance of its duties and obligations hereunder, 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 the use of Intellectual Property, including, without limitation, 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, 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 in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. It has no knowledge of any outstanding claims, licenses or other charges, liens or encumbrances of any kind or nature that could affect in any way PROVIDER's performance of its duties and obligations hereunder.
9. DHCS makes no warranty that the Intellectual Property resulting from this Agreement will not infringe upon any existing or subsequent patent, trademark or copyright.

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

1. PROVIDER shall indemnify, defend and hold harmless DHCS, and 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, whether or not rightful, arising from any and all actions or claims by any third-party or expenses related thereto, including, without limitation, 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, regardless of whether or not PROVIDER is a party to any pending or threatened litigation, which arise out of or are related to: the incorrectness or breach of any of the representations, warranties, covenants or agreements of PROVIDER pertaining to Intellectual Property; or any Intellectual Property infringement, or 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 or display, license and disposition of the Intellectual Property made, conceived, derived from or reduced to practice by PROVIDER or DHCS as a direct or indirect result of this Agreement. PROVIDER's indemnity obligations set forth herein 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, at PROVIDER's expense, any such infringement action brought against DHCS.

2. Should any Intellectual Property licensed by PROVIDER to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, PROVIDER shall exercise its authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with the terms and conditions of this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel, at PROVIDER's expense, in any such claim or action. In the defense or settlement of the claim, PROVIDER 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 available rights and remedies.
3. PROVIDER agrees that damages alone would be inadequate to compensate DHCS for PROVIDER's breach of the Intellectual Property provisions set forth herein. PROVIDER 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 from this Agreement; except as provided in 37 C.F.R. Section 401.14; however, the federal government shall have a worldwide, non-exclusive, nontransferable, irrevocable, paid-up license 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.

## **6.7 Suspension and Debarment:**

**A. Legal Compliance.** PROVIDER agrees to comply with any and all applicable local, state and federal suspension and debarment laws, regulations and standards, including, without limitation, 7 C.F.R. Part 3017, 45 C.F.R. Part 76, 40 C.F.R. Part 32 and 34 C.F.R. Part 85.

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- B. Certification of Eligibility.** By executing this Agreement, PROVIDER certifies, to the best of its knowledge and belief, that it and its principals, assignees and successors in interest:
1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department or agency.
  2. Have not, within a three (3) year period preceding the effective date of this Agreement, been convicted of, or had a civil judgment rendered against it, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract at the local, state or federal level; violation of local, state or federal antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records or receiving stolen property.
  3. Are not presently indicted for, or otherwise criminally or civilly charged by a local, state or federal governmental entity with, commission of any of the offenses referenced herein.
  4. Have not, within a three (3) year period preceding the effective date of this Agreement, had one (1) or more public transactions with a local, state or federal entity terminated for cause or default.
  5. Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. Part 9, debarred, suspended, declared ineligible or voluntarily excluded from participation in such transaction, unless specifically authorized to do so by DHCS.
- C. Construction of Provision.** The terms and definitions used herein shall have the meanings set forth in the definitions and coverage sections of the rules implementing Federal Executive Order 12549.
- D. Effect of Non-Compliance.** Failure to meet the any of the requirements set forth herein shall constitute a material breach of this Agreement, upon which COUNTY may, in addition to any other available remedies, immediately suspend any and all payments due hereunder or terminate this Agreement as provided herein.
- E. Incorporation of Provisions.** PROVIDER agrees to include the provisions contained herein, without substantial modification, in all lower tier covered transactions as well as all solicitations for lower tier covered transactions.

**6.8 Federal Health Care Program Exclusion:**

- A. Certification of Eligibility.** By executing this Agreement, PROVIDER certifies that neither it nor any of its staff members are restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that PROVIDER will notify COUNTY in writing, within thirty (30) calendar days from receipt of a fully executed copy of this Agreement, of any event that would require the mandatory exclusion of PROVIDER, or one (1) or more of its staff members, from participation in a federally funded health care program and/or any exclusionary action taken by any agency of the federal government barring PROVIDER, or one (1) or more of its staff members, from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

- B. Employment of Ineligible or Excluded Individuals or Entities.** PROVIDER shall not employ or contract with providers, or other individuals or 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, 1156 or 1842(j)(2) 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.** PROVIDER shall screen, on a monthly basis, all staff employed or retained to provide Narcotic Replacement Therapy Services related to this Agreement to ensure that they are not designated as ineligible or excluded from participation in federally funded health care programs. Screening shall be conducted against both the California "Medi-Cal Suspended and Ineligible List" and the United States Health and Human Services – Office of Inspector General "List of Excluded Individuals and Entities." PROVIDER shall screen prospective staff prior to hire or engagement.
- D. Eligibility Notification.** PROVIDER shall notify COUNTY in writing that PROVIDER and PROVIDER's staff are eligible to participate in federally funded health care programs. This notification shall be performed by completing the attestation attached hereto as Exhibit F – Attestation Regarding Federally Funded Programs and incorporated herein by reference as if set forth in full.
- E. Disclosure Requirements.** PROVIDER shall immediately disclose to COUNTY any debarment, exclusion or other event that causes PROVIDER, or any member of its staff, to be ineligible for, or excluded from, participation in federally funded health care programs. If PROVIDER becomes aware that a staff member has become ineligible for, or excluded from participation in any federally funded health care programs, PROVIDER shall remove such individual from responsibility for, or involvement with, any business or health care operations related to this Agreement.
- F. Defense and Indemnification.** PROVIDER shall hold harmless, defend and indemnify COUNTY against any and all liability or damage arising from any exclusion of PROVIDER or its staff members from participation in federally funded health care programs.
- G. Effect of Non-Compliance.** Failure to meet any of the requirements of the provisions set forth herein shall constitute a material breach of this Agreement, upon which COUNTY may, in addition to any other available remedies, immediately suspend any and all payments due hereunder or terminate this Agreement as provided herein.

## **6.9 Non-Discrimination Compliance:**

- A. Compliance with Anti-Discrimination laws.** PROVIDER hereby assures that it, and its subcontractors hereunder, 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 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, regulations and standards, 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 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, regulations and standards, including, without limitation, 42 C.F.R. Section 438.6(d)(3)-(4), PROVIDER shall not engage in any unlawful discriminatory practices in the admission of Beneficiaries, assignment of accommodations, treatment, evaluation or employment of 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, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; health status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; need for health care services or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards.
- C. Employment Practices.** In connection with the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, PROVIDER, and its subcontractors hereunder, 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, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards. PROVIDER shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to the above-referenced factors. Such actions shall include, without limitation: employment, promotion, demotion, transfer or recruitment; layoff or termination; rates of pay or other 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.** Any and all solicitations or advancements for employees placed by, or on behalf of, PROVIDER shall 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.** PROVIDER 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 U.S.C. Section 4212). Such notices shall state PROVIDER'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.** PROVIDER 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

PROVIDER's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- G. Non-Discrimination in Federally Assisted Programs.** PROVIDER shall comply with 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 11246, as amended by Federal Executive Order 11375, and as supplemented by 41 C.F.R. Part 60, 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 the regulations signed by the Secretary of Health and Human Services, effective June 2, 1977, found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.
- H. Access to Records Regarding Non-Discrimination Compliance.** PROVIDER shall furnish any and all information and reports required by Federal Executive Order 11246, as amended by Federal Executive Order 11375, and as supplemented by 41 C.F.R. Part 60, the Rehabilitation Act of 1973, and by the rules, regulations and orders of the Secretary of Labor, 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 PROVIDER's non-compliance with the requirements 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 PROVIDER may be declared ineligible for further state and federal contracts, and be subject such other sanctions that may be imposed, and remedies invoked, as provided in Federal Executive Order 11246, as amended by Federal Executive Order 11375, and as supplemented by 41 C.F.R. Part 60, or by the rules, regulations or orders of the Secretary of Labor, or as otherwise provided by any and all applicable local, state and federal laws, regulations and standards.
- J. Incorporation of Provisions.** PROVIDER shall include the foregoing provisions in every subcontract related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, unless exempted by the rules, regulations or orders of the Secretary of Labor issued pursuant to Federal Executive Order 11246, as amended by Federal Executive Order 11375, and as supplemented by 41 C.F.R. Part 60, Section 503 of the Rehabilitation Act of 1973 or 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. PROVIDER shall take such action with respect to any subcontract related to the Narcotic Replacement Therapy Services provided hereunder, as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct in order to enforce such provisions, including, without limitation, sanctions for non-compliance provided, however, that in the event PROVIDER becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, PROVIDER 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.

#### **6.10 Use and Protection of Local, State and Federal Funding:**

- A. Union Organizing.** By executing this Agreement, PROVIDER certifies that it will not assist, promote or deter union organizing by employees performing work on any local, state or federal service contract, or use any funds received by, or local, state or federal property made available

to, PROVIDER pursuant to the terms and conditions of this Agreement to assist, promote or deter union organizing, in accordance with California Government Code Sections 16645, *et seq.* If PROVIDER incurs any costs or makes any expenditure to assist, promote or deter union organizing, PROVIDER shall maintain, and provide to the California Attorney General upon request, records sufficient to show that no reimbursement from local, state or federal funds has been sought for such costs.

- B. Promotion of Legalization of Controlled Substances.** By executing this Agreement, PROVIDER certifies that it will not use any of the funds received pursuant to the terms and conditions of this Agreement for any activity that promotes the legalization of any drug or substance included in Schedule 1 of Section 202 of the Controlled Substances Act.
- C. Distribution of Sterile Needles.** By executing this Agreement, PROVIDER certifies that it will not use any of the funds received pursuant to the terms and conditions of this Agreement to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug, unless the State of California chooses to implement a demonstration syringe services program for injecting drug users.
- D. Payment of Salaries.** By executing this Agreement, PROVIDER certifies that it will not use any part of any federal funds received pursuant to the terms and conditions of this Agreement to pay the salary of any individual providing Narcotic Replacement Therapy Services hereunder at a rate in excess of Level 1 of the Executive Schedule that can be found online at the following address: <http://www.opm.gov/oca>.
- E. Operation and Maintenance of Computer Software.** By executing this Agreement, PROVIDER certifies that it has the appropriate systems and controls in place to ensure that none of the funds received pursuant to the terms and conditions of this Agreement will be used for the acquisition, operation or maintenance of computer software in violation of any applicable copyright laws.
- F. Informational Materials Regarding the Unlawful Use of Drugs.** By executing this Agreement, PROVIDER certifies that it will not use any of the funds received pursuant to the terms and conditions of this Agreement to prepare, distribute or endorse any informational materials which include any message regarding the responsible use of unlawful drugs or alcohol as required by California Health and Safety Code Sections 11999 and 11999.3. PROVIDER further certifies that any and all informational materials pertaining to the Narcotic Replacement Therapy Services provided hereunder will contain a written statement that there shall be no unlawful use of drugs or alcohol associated with PROVIDER's treatment program.

#### **6.11 Smoke-Free Facility Certification:**

- A. Legal Requirements.** The United States 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, education or library services to children under eighteen (18) years of age, if the services are funded by federal programs either directly or through local or state governments, or 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 substance use disorder treatment, service providers whose sole source of applicable federal funds is Medicare or Medicaid or facilities where Women, Infants and Children coupons are redeemed.

- B. Certification of Compliance.** By executing this Agreement, PROVIDER certifies that it will comply with the requirements of the PCA, and will not allow smoking within 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.** PROVIDER further agrees that it will incorporate the provisions contained herein in any subcontracts related to the provision of the Narcotic Replacement Therapy Services required hereunder.

#### **6.12 Drug-Free Workplace Certification:**

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

- 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 that will 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 all employees about all of the following:
  - 1. The dangers of drug abuse in the workplace;
  - 2. PROVIDER's policy of maintaining a drug-free workplace;
  - 3. Any available counseling, rehabilitation and employee assistance programs; and
  - 4. The 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 responsible for providing Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement will:
  - 1. Receive a copy of PROVIDER's Drug-Free Policy Statement; and
  - 2. Agree to abide by PROVIDER's Drug-Free Policy as a condition of employment.
- D. Effect of Non-Compliance.** Failure to comply with the requirements set forth herein may result in termination of this Agreement and/or ineligibility for award of future contracts.

#### **6.13 Contingency Fee Certification:**

By executing this Agreement, PROVIDER certifies that no person or agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for any commission, percentage, brokerage or contingent fee, excepting bona fide employees or established commercial agencies maintained by PROVIDER for the purpose of securing business. COUNTY may, in its sole

discretion, deduct the full amount of any commission, percentage, brokerage or contingent fee from the monies owed to PROVIDER hereunder, if it is determined that the foregoing certification is false.

#### **6.14 Nuclear Free Humboldt County Ordinance Compliance:**

By executing this Agreement, PROVIDER certifies that it is not a Nuclear Weapons Contractor, in that PROVIDER 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. PROVIDER 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 PROVIDER subsequently becomes a Nuclear Weapons Contractor.

### **7.0 INDEMNIFICATION AND INSURANCE REQUIREMENTS:**

#### **7.1 Indemnification Requirements:**

- A. Hold Harmless, Defense and Indemnification.** PROVIDER 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, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, PROVIDER'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 PROVIDER from liability under this provision. This provision shall apply to all claims for damages related to PROVIDER'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.

#### **7.2 Insurance Requirements:**

This Agreement shall not be executed by COUNTY, and PROVIDER 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 PROVIDER's indemnification obligations set forth herein, PROVIDER, and its subcontractors hereunder, shall take out and maintain, throughout the term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of PROVIDER 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 Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.



2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).
3. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which PROVIDER may be exposed to liability. PROVIDER 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 PROVIDER. 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) calendar days prior written notice being provided to COUNTY in accordance with the notice requirements set forth herein. It is further understood that PROVIDER 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 any and all claims related to this Agreement, PROVIDER's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained

thereby are excess to PROVIDER'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. PROVIDER shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If PROVIDER 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 PROVIDER 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 PROVIDER 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 requirements contained herein.

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

**PROVIDER:** Aegis Treatment Centers, LLC  
Attention: Becky Torres, Director of Quality Assurance and Quality Control  
7246 Remmet Avenue  
Canoga Park, California 91303

## 8.0 **PROGRAM INSPECTION, SUPERVISION AND MONITORING:**

### 8.1 **Local, State and Federal Inspection Rights:**

- A. **General Inspection Rights.** PROVIDER shall allow COUNTY and any other duly authorized local, state or federal agencies, including, without limitation, the United States Department of Health and Human Services and the Comptroller General of the United States, to inspect and evaluate the quality, appropriateness and timeliness of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, and to inspect, evaluate, and audit any and all records, documents and facilities maintained by PROVIDER, and its subcontractors hereunder, pertaining to such Narcotic Replacement Therapy services at any time during normal business hours, for a minimum of ten (10) years after the expiration or termination of this Agreement. For purposes of this provision, the terms "records" and "documents" include, without limitation, any and all physical and electronic records originated or prepared pursuant to PROVIDER's performance hereunder, including, but not limited to, working papers, reports, financial and accounting records, Beneficiary records, prescription files, subcontracts and any other documentation pertaining to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. Upon request, at any

time during the above-referenced ten (10) year period, PROVIDER shall furnish any such records and documents, or copies 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. COUNTY, and all other duly authorized local, state and federal agencies, shall maintain the confidentiality of such records and documents in accordance with any and all applicable local, state and federal laws, regulations and standards.

- B. Site Inspection.** If any inspection or evaluation is made of PROVIDER's premises pursuant to the terms and conditions of this Agreement, PROVIDER shall provide any and all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the provision of the Narcotic Replacement Therapy Services required hereunder.
- C. Incorporation of Provisions.** PROVIDER shall incorporate the provisions contained herein, without substantial modification, into any subcontracts related to the provision of the Narcotic Replacement Therapy Services required hereunder.
- D. Effect of Non-Compliance.** PROVIDER's failure to comply with the requirements set forth herein shall constitute a material breach of this Agreement, and may result in the immediate suspension of payments due hereunder and/or termination of this Agreement as set forth herein.

## **8.2 Local, State and Federal Monitoring:**

PROVIDER agrees that 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 or federal agencies shall have the right to monitor any and all activities related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement, including, without limitation, the right to review and monitor PROVIDER's records, programs, procedures and overall business operations, including, but not limited to, conducting Limited Scope Audits, on-site visits and reviews of any and all documentation supporting claims for reimbursement made pursuant to the terms and conditions of this Agreement, at any time, in order to ensure compliance with the minimum program requirements set forth in Exhibit G – Narcotic Treatment Program Monitoring Checklist, which is attached hereto and incorporated herein by reference as if set forth in full, and any and all applicable local, state and federal laws, regulations, standards and contractual obligations set forth in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129) with DHCS and any other requirements set forth in any applicable local, state and federal laws, regulations and standards. PROVIDER will cooperate with a corrective action plan, if deficiencies in PROVIDER'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 PROVIDER's performance hereunder. PROVIDER's failure to comply with the requirements set forth herein shall constitute a material breach of this Agreement, and may result in the immediate suspension of payments due hereunder and/or termination of this Agreement as set forth herein.

## **8.3 Utilization Review:**

COUNTY may designate appropriate DHHS – Mental Health staff to perform a Utilization and/or professional standards review of all Beneficiaries receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement for which COUNTY is expected to make reimbursement. In the event any Narcotic Replacement Therapy Services provided or

claimed 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 claims process or error correction procedure, PROVIDER shall reimburse the amount of such disallowed or denied claims to COUNTY as set forth herein. PROVIDER shall hold COUNTY harmless from and against any and all loss resulting from disallowances resulting from any state or federal claims process or error correction procedures.

#### **8.4 Additional Utilization Controls:**

PROVIDER hereby acknowledges that COUNTY may, in the interest of program integrity or the welfare of Beneficiaries, introduce additional Utilization controls as may be necessary, at any time, without advance notice to PROVIDER. Such additional Utilization controls may take effect immediately upon PROVIDER's receipt of notice thereof. PROVIDER shall be entitled to appeal the imposition of additional Utilization controls through COUNTY's Provider Appeal Process.

### **9.0 GENERAL PROVISIONS:**

#### **9.1 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 PROVIDER's employees shall not be entitled to any benefits to which COUNTY employees are entitled, including, without limitation, overtime, retirement, leave or workers' compensation benefits. PROVIDER shall be solely responsible for the acts or omissions of its agents, officers, directors, employees, licensees, invitees, assignees and subcontractors.

#### **9.2 Third-Party Beneficiaries:**

Notwithstanding anything to the contrary, the parties do not in any way intend for any person or entity to acquire any rights as a third-party beneficiary of this Agreement.

#### **9.3 Provisions Required by Law:**

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

#### **9.4 References to Laws, Regulations, Standards and Contractual Obligations:**

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

#### **9.5 Protocols:**

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

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**9.6 Notification of Litigation:**

PROVIDER shall notify COUNTY of any claim for damages, lawsuit or other professional litigation filed against PROVIDER, which relates to the Perinatal Residential Substance Use Disorder Treatment Services provided pursuant to the terms and conditions of this Agreement, within forty-eight (48) hours after being informed of the commencement of such claim for damages, lawsuit or other professional litigation.

**9.7 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.

**9.8 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 PROVIDER 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.

**9.9 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.

**9.10 Waiver of Default:**

The waiver by either party of any breach of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement which may then exist on the part of PROVIDER. 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 PROVIDER shall promptly refund, any funds disbursed to PROVIDER which COUNTY determines were not expended in accordance with the terms of this Agreement.

**9.11 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.

**9.12 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.

**9.13 Standard of Practice:**

PROVIDER 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.

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

**9.14 Dispute Resolution:**

If a dispute arises involving the interpretation, implementation or enforcement of this Agreement, the parties shall make every reasonable attempt to resolve the problem within thirty (30) calendar days of becoming aware of the dispute. Each party agrees to cooperate with the other party in trying to reasonably resolve all disputes, including, if requested by either party, appointing senior representatives to meet and engage in good faith negotiations regarding resolution of the dispute. Senior representatives of the parties shall meet in person, at a mutually agreeable location in Humboldt County, within thirty (30) calendar days of receiving written notice of a dispute, unless otherwise agreed upon by the parties. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under any local, state or federal laws, regulations or standards. PROVIDER shall continue to carry out its responsibilities hereunder during any disputes, unless COUNTY requests that the Narcotic Replacement Therapy Services required hereunder be discontinued pending resolution of the dispute.

**9.15 Jurisdiction and Venue:**

This Agreement shall be construed in accordance with the laws of the State of California and contractual obligations set forth in COUNTY's Substance Use Disorder Services Agreements (State Standard Agreement Nos. 17-94072 and 17-94129), Mental Health Managed Care Agreement (State Standard Agreement No. 17-94583) and Mental Health Performance Agreement (State Standard Agreement No. 17-94523) with DHCS. Any dispute arising hereunder 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.

**9.16 Advertising and Media Release:**

Any and all informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, without limitation, television, radio, newspapers and internet. PROVIDER 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. Acknowledgement of funding from the State of California and COUNTY shall be included in any and all informational materials related to the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement. Any and all notices required by this provision shall be given to Administrator in accordance with the notice requirements set forth herein.

**9.17 Attorneys' Fees:**

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

**9.18 Survival of Provisions:**

The duties and obligations of the parties set forth in Section 3.2(F) – Continuity of Care, Section 3.2(G) – Compensation upon Termination, Section 5.2 – Record Preparation, Retention and Inspection Requirements, Section 5.3 – Audit and Examination Requirements, Section 6.2 – Confidential Information, Section 6.3 – Privacy and Data Security Requirements, Section 6.6 – Intellectual Property Rights, Section 7.1 – Indemnification Requirements and Section 8.1 – Local, State and Federal Inspection Rights shall survive the expiration or termination of this Agreement.

**9.19 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.

**9.20 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.

**9.21 Independent Construction:**

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

**9.22 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: Raena West, Alcohol and Drug Administrator  
720 Wood Street  
Eureka, California 95501

**PROVIDER:** Aegis Treatment Centers, LLC  
Attention: Alex Dodd, Chief Executive Officer  
7246 Remmet Avenue  
Canoga Park, California 91303

**9.23 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, riots, acts of war, acts of terrorism, epidemics, fire, nuclear accidents, severe weather, earthquakes or other disasters, whether or not similar to the foregoing.

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**9.24 Entire Agreement:**

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

**9.25 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, for all purposes.

**9.26 Authority to Execute:**

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

[Signatures on Following Page]



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

TWO SIGNATURES ARE REQUIRED FOR LIMITED LIABILITY COMPANIES PURSUANT TO THE CALIFORNIA CORPORATIONS CODE:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY OR CHIEF FINANCIAL OFFICER; OR
- (3) ANY OTHER PROPERLY AUTHORIZED OFFICIAL OR EMPLOYEE.

**AEGIS TREATMENT CENTERS, LLC:**

By: Thaiphong Vo

Date: March 18, 2020

Name: Thaiphong Vo

Title: In-House Counsel

By: Becky Torres

Date: 3/19/2020

Name: Becky Torres

Title: Director of Compliance

**COUNTY OF HUMBOLDT:**

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

Date: \_\_\_\_\_

Estelle Fennel

Chair, Humboldt County Board of Supervisors

**INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:**

By: [Signature]

Date: 3/19/2020

Risk Management

**LIST OF EXHIBITS:**

Exhibit A – Scope of Services

Exhibit B – Schedule of Rates

Exhibit C – Claim Certification Form

Exhibit D – Dosing Record

Exhibit E – County of Humboldt HIPAA Business Associate Agreement

Exhibit F – Attestation Regarding Federally Funded Programs

Exhibit G – Narcotic Treatment Program Monitoring Checklist

**EXHIBIT A**  
**SCOPE OF SERVICES**  
Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

PROVIDER shall provide the Narcotic Replacement Therapy Services set forth herein to eligible Drug Medi-Cal Beneficiaries residing in Humboldt County, as part of a structured Narcotic Treatment Program, in accordance with the terms and conditions of this Agreement and any and all applicable local, state and federal laws, regulations and standards.

**1. SERVICE ELEMENTS:**

- A. Methadone Medication Treatment.** This Service Element is comprised of the provision of methadone, as prescribed by a physician, and other required and/or appropriate activities and services, including, without limitation, intake, assessment, diagnosis, medical supervision, urine drug screening, physical examinations and laboratory tests, provided in accordance 9 C.C.R. Sections 10000, *et seq.* and any other applicable local, state and federal laws, regulations and standards, in order to alleviate the symptoms of withdrawal from narcotics.
- B. Group Counseling Services.** This Service Element is comprised of face-to-face contacts in which one (1) or more therapists and/or counselors treat two (2) or more Beneficiaries at the same time. In order to receive reimbursement for the group counseling services provided hereunder, any and all counseling groups must consist of a minimum of four (4) and a maximum of ten (10) members.
- C. Individual Counseling Services.** This Service Element is comprised of face-to-face contacts between one (1) Beneficiary and one (1) therapist or counselor. Telephone contacts, home visits and hospital visits do not qualify as reimbursable individual counseling services.

**2. UNITS OF SERVICE:**

The group and individual counseling services rendered pursuant to the terms and conditions of this Agreement shall be reimbursed in ten (10) minute increments. The group and individual counseling services provided pursuant to the terms and conditions of this Agreement shall not exceed a maximum of two hundred (200) minutes, per Beneficiary, for each month in which such services are provided.

**3. SERVICE DELIVERY SITES:**

The provision of any and all Narcotic Replacement Therapy Services required pursuant to the terms and conditions of this Agreement shall take place at PROVIDER's Drug Medi-Cal certified facilities throughout the State of California, with the primary out-of-county treatment sites being located in Butte and Shasta Counties. This Agreement shall cover any and all Narcotic Replacement Therapy Services provided to Beneficiaries at PROVIDER's facility in Humboldt County, in the event such facility becomes Drug Medi-Cal certified during the term of this Agreement.

**4. PERFORMANCE OBJECTIVES:**

The effectiveness of the Narcotic Replacement Therapy Services provided pursuant to the terms and conditions of this Agreement shall be evaluated based on the following performance objectives: (1) a minimum of fifty percent (50%) of all discharged Beneficiaries completed at least ninety (90) calendar days of treatment; and (2) a minimum of sixty percent (60%) of all Beneficiaries receiving Narcotic Replacement Therapy Services pursuant to the terms and conditions of this Agreement are illicit opiate free within ninety (90) calendar days after entering PROVIDER's Narcotic Treatment Program.

**EXHIBIT B**  
**SCHEDULE OF RATES**  
Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
DRUG MEDI-CAL FISCAL DETAIL - NARCOTIC TREATMENT PROGRAM  
DRUG MEDI-CAL PROGRAM BUDGET SUMMARY

**FISCAL YEARS 2016/2017 through 2019/2020 Rate Schedule**

COUNTY: **HUMBOLDT**  
PROVIDER: **Aegis Treatment Centers, LLC.**  
MEDI-CAL PROVIDER #: \_\_\_\_\_  
PROVIDER #: \_\_\_\_\_  
NPI #: \_\_\_\_\_  
CONTRACT #: \_\_\_\_\_  
CONTRACT PERIOD: **February 2017 through June 30, 2020**

FISCAL YEAR 2016-2017	
UNIT OF SERVICE RATE	Provider Rate
Daily Medication - Methadone	11.95
Daily Medication - Buprenorphine (combo)	20.10
Daily Medication- Buprenorphine (mono)	16.91
Individual Counseling @ 10 min.	13.90
Group Counseling @ 10 min.	3.05

Maximum Methadone Doses	Licensed Capacity	Methadone Doses	LAAM Doses
	100	x 365 days =	x 156 days =
		36,500	15,600

FISCAL YEAR 2017-2018	
UNIT OF SERVICE RATE	Provider Rate
Daily Medication - Methadone	13.11
Daily Medication - Buprenorphine (combo)	20.10
Daily Medication- Buprenorphine (mono)	16.91
Individual Counseling @ 10 min.	15.37
Group Counseling @ 10 min.	3.43

Maximum Methadone Doses	Licensed Capacity	Methadone Doses	LAAM Doses
	100	x 365 days =	x 156 days =
		36,500	15,600

FISCAL YEAR 2018-2019	
UNIT OF SERVICE RATE	Provider Rate
Daily Medication - Methadone	13.54
Daily Medication - Buprenorphine (combo)	20.10
Daily Medication- Buprenorphine (mono)	16.91
Individual Counseling @ 10 min.	15.88
Group Counseling @ 10 min.	3.02

Maximum Methadone Doses	Licensed Capacity	Methadone Doses	LAAM Doses
	100	x 365 days =	x 156 days =
		36,500	15,600

FISCAL YEAR 2019-2020	
UNIT OF SERVICE RATE	Provider Rate
Daily Medication - Methadone	13.93
Daily Medication - Buprenorphine (combo)	20.10
Daily Medication- Buprenorphine (mono)	16.91
Individual Counseling @ 10 min.	15.74
Group Counseling @ 10 min.	3.36

Maximum Methadone Doses	Licensed Capacity	Methadone Doses	LAAM Doses
	100	x 365 days =	x 156 days =
		36,500	15,600

SIGNATURE: Exhibit B\_Aegis rate proposal\_FYs 2016-2020.xls

**EXHIBIT C**  
**CLAIM CERTIFICATION FORM**  
Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

STATE OF CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY	DEPARTMENT OF HEALTH CARE SERVICES
<b>DRUG MEDI-CAL (DMC) CLAIM SUBMISSION CERTIFICATION - COUNTY CONTRACTED PROVIDER</b>	
County Name: _____ Provider Name (Legal Entity): _____ DMC Number(s): _____ Service Facility Location NPI(s): _____ DMC Submission Identifier: _____	<p style="margin: 0;"><small>FOR COUNTY USE ONLY:</small></p> Receipt Date: _____  EDI File Name: _____  EDI File Submission Date: _____
<p><b>COUNTY CONTRACTED PROVIDER CERTIFICATION</b></p> <p>As required by 42 CFR Part 455.18, this is to certify that the claim file information submitted by the provider in the DMC submission identified above is true, accurate and complete. I understand that payment of this claim file will be from Federal, State, and/or County Realignment funds, and that any falsification, or concealment of material facts, may be prosecuted under Federal and/or State laws.</p> <p>I hereby agree to keep such records as are necessary to disclose fully the extent of the services provided to individuals under the State's Title XIX and Title XXI plan and to furnish information regarding any payments claimed for providing such services as the State Department of Health Care Services or the Department of Health and Human Services may require. I further agree to accept as payment in full the amount paid by the Medi-Cal program for those claim files submitted for payment under the program with the exception of authorized deductible, co-insurance, or similar cost sharing charge.</p> <p>I certify that the services identified in the above identified DMC submission were medically indicated and necessary to the health of the patients and were personally furnished by me or an employee working for the provider.</p>	
Printed Name: AUTHORIZED SERVICE PROVIDER	
Signature: AUTHORIZED SERVICE PROVIDER	<div style="display: flex; justify-content: space-between;"> <div>Phone Number</div> <div>Date Signed</div> </div>

DHCS 100186 (Revised 6/2014)

# EXHIBIT D

## DOSING RECORD

Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020



**Eureka**

**Medication Inventory Transactions From  
04/01/2019 to 04/04/2019**

**Requested By:** Yo, Thaiphong

**Requested Date:** 6/18/2019

**Requested Time:** 11:25 am

**Report Id:** D1124

		Dispensed	Total (mg)
Methadone 10mg/ml Oral Sol.	0527B02473.M3772	-6,102	-6,102
	0527B02473.M3773	-10,014	-10,014
	0527B02473.M3774	-10,059	-10,059
	0527B02473.M3776	-6,414	-6,414
	<b>Total</b>	<b>-32,589</b>	<b>-32,589</b>

Note: Transaction type FX means transaction entered from manual dispensing fixes.

**Methadone 10mg/ml Oral Sol.**

**Station: 46**

**Mon, 04/01/2019**

Transaction Date	Bottle	TransID	Transaction Type & Status	PrevBal	Change	Ret	Station	Notes
4/1/2019 4:58:25AM	0527B02473.M3772	24477777	Opened	CL	8916	0	8916	Bottle Opened
4/1/2019 4:58:07AM	0527B02473.M3772	24477779	Patient Dose	OP	8916	-40	8876	(1111) Doe, John
4/1/2019 4:58:55AM	0527B02473.M3772	24477781	Patient Dose	OP	8876	-60	8816	(1111) Doe, John
4/1/2019 5:00:48AM	0527B02473.M3772	24477784	Patient Dose	OP	8816	-70	8746	(1111) Doe, John
4/1/2019 5:01:35AM	0527B02473.M3772	24477790	Patient Dose	OP	8746	-30	8716	(1111) Doe, John
4/1/2019 5:02:30AM	0527B02473.M3772	24477817	Patient Dose	OP	8716	-120	8596	(1111) Doe, John

**EXHIBIT E**  
**COUNTY OF HUMBOLDT HIPAA BUSINESS ASSOCIATE AGREEMENT**  
Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

**RECITALS:**

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

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

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

**NOW THEREFORE**, the parties hereto mutually agree as follows:

**1. DEFINITIONS:**

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

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

## 2. **OBLIGATIONS OF BUSINESS ASSOCIATE:**

- A. **Permitted Uses.** BUSINESS ASSOCIATE shall use Protected Information only for the purpose of performing BUSINESS ASSOCIATE’s obligations under the Agreement and as permitted or required under the Agreement, or as required by law. Further, BUSINESS ASSOCIATE shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by COUNTY. However, BUSINESS ASSOCIATE may use Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. [45 C.F.R. Sections 164.504(e)(2), 164.504(e)(4)(i)].
- B. **Permitted Disclosures.** BUSINESS ASSOCIATE shall disclose Protected Information only for the purpose of performing BUSINESS ASSOCIATE’s obligations under the Agreement and as permitted or required under the Agreement, or as required by law. BUSINESS ASSOCIATE shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by COUNTY. However, BUSINESS ASSOCIATE may disclose Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. If BUSINESS ASSOCIATE discloses Protected Information to a third-party, BUSINESS ASSOCIATE must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third-party that such Protected Information will be held confidential as provided herein and used or disclosed only as required by law or for the purposes for which it was disclosed to such third-party, and (ii) a written agreement from such third-party to immediately notify BUSINESS ASSOCIATE of any breaches, suspected breaches, security incidents or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2.1. of the Agreement, to the extent it has obtained knowledge of such occurrences [42 U.S.C. Section 17932; 45 C.F.R. Section 164.504(e)].

- C. **Prohibited Uses and Disclosures.** BUSINESS ASSOCIATE shall not use or disclose PHI other than as permitted or required by the Agreement, or as required by law. BUSINESS ASSOCIATE shall not use or disclose Protected Information for fundraising or marketing purposes. BUSINESS ASSOCIATE shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which PHI solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(vi)]. BUSINESS ASSOCIATE shall not directly or indirectly receive remuneration in exchange for Protected Information, except with prior written consent of COUNTY and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.502(a)(5)(ii); however this prohibition shall not affect payment by COUNTY to BUSINESS ASSOCIATE for services provided pursuant to the Agreement.
- D. **Appropriate Safeguards.** BUSINESS ASSOCIATE shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by the Agreement, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including, but not limited to, 45 C.F.R. Sections 164.308, 164.310, and 164.312. [45 C.F.R. Section 164.504(e)(2)(ii)(B); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall comply with the policies, procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. [42 U.S.C. Section 17931].
- E. **Business Associate's Subcontractors and Agents.** BUSINESS ASSOCIATE shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of COUNTY, agree in writing to the same restrictions and conditions that apply to COUNTY with respect to such Protected Information and implement the safeguards required by paragraph 2(D) above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).
- F. **Access to Protected Information.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, BUSINESS ASSOCIATE shall make Protected Information maintained by BUSINESS ASSOCIATE or its agents or subcontractors in Designated Record Sets available to COUNTY for inspection and copying within five (5) calendar days of a request by COUNTY to enable COUNTY to fulfill its obligations under California Health and Safety Code Section 123110 and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(e)]. If BUSINESS ASSOCIATE maintains Protected Information in electronic format, BUSINESS ASSOCIATE shall provide such information in electronic format as necessary to enable COUNTY to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. Section 164.524.
- G. **Amendment of PHI.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, within ten (10) calendar days of a request by COUNTY for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BUSINESS ASSOCIATE and its agents and subcontractors shall make such Protected Information available to COUNTY for amendment and incorporate any such amendment or other documentation to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected Information directly from BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE must notify COUNTY in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].

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- H. Accounting of Disclosures.** Within ten (10) calendar days of a request by COUNTY for an accounting of disclosures of Protected Information, BUSINESS ASSOCIATE and its agents and subcontractors shall make available to COUNTY the information required to provide an accounting of disclosures to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including, but not limited to 42 U.S.C. Section 17935(c), as determined by COUNTY. BUSINESS ASSOCIATE agrees to implement a process that allows for an accounting to be collected and maintained by BUSINESS ASSOCIATE and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BUSINESS ASSOCIATE maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If a patient submits a request for an accounting directly to BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE shall within five (5) calendar days of the request forward it to COUNTY in writing.
- I. Governmental Access to Records.** BUSINESS ASSOCIATE shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to COUNTY and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BUSINESS ASSOCIATE's compliance with HIPAA [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BUSINESS ASSOCIATE shall provide COUNTY a copy of any Protected Information and other documents and records that BUSINESS ASSOCIATE provides to the Secretary concurrently with providing such Protected Information to the Secretary.
- J. Minimum Necessary.** BUSINESS ASSOCIATES and its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)]. BUSINESS ASSOCIATE understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- K. Data Ownership.** BUSINESS ASSOCIATE understands that BUSINESS ASSOCIATE has no ownership rights with respect to the Protected Information.
- L. Notification of Possible Breach.** BUSINESS ASSOCIATE shall notify COUNTY within twenty-four (24) hours of any suspected or actual breach of Protected Information; any use or disclosure of Protected Information not permitted by the Agreement; any security incident (i.e., any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system) related to Protected Information, and any actual or suspected use or disclosure of data in violation of any applicable federal or state laws by BUSINESS ASSOCIATE or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BUSINESS ASSOCIATE to have been accessed, acquired, used, or disclosed, as well as any other available information that COUNTY is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.1408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BUSINESS ASSOCIATE shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]. Any

and all notices required pursuant to the terms and conditions of this provision shall be submitted to COUNTY at the following address:

**COUNTY:** Humboldt County DHHS Compliance and Quality Assurance Office  
Attention: Compliance and Quality Assurance Administrator & Privacy Officer  
507 F Street  
Eureka, California 95501

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

### **3. TERMINATION:**

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

### **4. INTERPRETATION:**

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

**EXHIBIT F**  
**ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS**

Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

I, the undersigned certify that I am not presently excluded from participation in federally funded health care programs, nor is there an investigation presently pending or recently concluded of me which is likely to result in my exclusion from any federally funded health care program, nor am I otherwise likely to be found by any local, state or federal agency to be ineligible to provide goods or services under any federally funded health care programs.

I further certify as the official responsible for the administration of Aegis Treatment Centers, LLC, hereinafter referred to as "PROVIDER," that all of its agents, officers, officials, employees and/or subcontractors are not presently excluded from participation in any federally funded health care programs, nor is there an investigation presently pending or recently concluded of any such agents, officers, officials, employees and/or subcontractors which is likely to result in an exclusion from any federally funded health care program, nor are any of its agents, officers, officials, employees and/or subcontractors otherwise likely to be found by any local, state or federal agency to be ineligible to provide goods or services under any federally funded health care programs.

I understand and certify that I will immediately notify the Humboldt County Alcohol and Drug Administrator, in writing, of the following:

- Any event that would require the exclusion or suspension of PROVIDER, or any of its agents, officers, officials, employees and/or subcontractors, from any federally funded health care programs.
- Any suspension or exclusionary action taken by any local, state or federal agency against PROVIDER, or any of its agents, officers, officials, employees and/or subcontractors, barring PROVIDER, or any of its agents, officers, officials, employees and/or subcontractors, from providing goods or services for which payments from a federally funded healthcare program may be made.

**AEGIS TREATMENT CENTERS, LLC:**

By: Thurphong Vo

Date: \_\_\_\_\_

Name: Thurphong Vo

Title: In-House Counsel

By: Becky Torres

Date: 3/19/2020

Name: Becky Torres

Title: Director of Compliance

**EXHIBIT G**  
**NARCOTIC TREATMENT PROGRAM MONITORING CHECKLIST**  
Aegis Treatment Centers, LLC  
For Fiscal Years 2018-2019 through 2019-2020

Program	Yes	No	Improvement needed
1. Is the program currently licensed and certified with the California Department of Health Care Services?			
2. Did this program assist Beneficiaries in completing treatment plans utilizing the results of the Addiction Severity Index (ASI), American Society of Addiction Medicine (ASAM) Criteria, and Beneficiary input?			
3. Did fifty percent (50%) of all discharged Behavioral Health Beneficiaries successfully complete treatment?			
4. Did seventy-five percent (75%) of Beneficiaries meet aftercare goals for three (3) months?			
5. Have fifty percent (50%) of Beneficiaries who have successfully completed treatment gained employment, enrolled in an educational program and/or involved in community service?			
6. Did this program contact Humboldt County Mental Health and/or probation, if Beneficiaries left treatment or were found to be under the influence of drugs and/or alcohol?			
7. Are required staffing levels (1 paid staff per seven (7) Beneficiaries) maintained at all times?			
8. Are Beneficiary satisfaction forms being completed and reported in aggregate every six (6) months?			
9. Was Behavioral Health contacted within one (1) week prior to discharge with ongoing recommendations for treatment and a discharge plan?			
10. Was a written treatment plan completed within the first (1 <sup>st</sup> ) ten (10) calendar days of treatment, and reviewed every fourteen (14) calendar days thereafter?			
11. Were the required treatment activities, including, without limitation, group and individual counseling and case management services, delivered?			
12. Are status reports provided as requested for ongoing treatment and court compliance?			
13. Are all treatment groups provided at the Drug Medi-Cal certified site?			
14. Do the staff treatment counselors meet the applicable experience and certification requirements (two (2) years' experience and certified Alcohol and Other Drug counselor for day and evening shifts) (one (1) year experience and working toward certification for overnight [after 9:00 PM] staff )?			
<b>Fiscal</b>			
15. Is the Year-End Expenditure Report submitted in complete form within sixty (60) calendar days after the close of the fiscal year?			
16. Are budgets and cost reports submitted as needed?			
17. Are billings submitted on a monthly basis for current Behavioral Health Beneficiary caseloads with the proper billing source identified and Beneficiary treatment days listed on monthly roster?			
18. Are management staff attending meetings with Humboldt County Mental Health staff as needed to discuss fiscal and treatment issues?			
Comments:			