

AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR
July 2009

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY) and **Addus Health Care, Inc.** having its principal place of business at **2401 S. Plum Grove Rd., Palatine, IL 60067** (hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **DESIGNATED REPRESENTATIVE.** **Brad Parks** at phone number **805-681-4490** is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. **Tamaal Rodgers** at phone number **847-303-5300** is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, or otherwise delivered as follows:

To COUNTY: **Brad Parks, Division Chief, 234 Camino del Remedio, Santa Barbara, CA 93110**

To CONTRACTOR: **Tamaal Rodgers, Assistant National Contracts Manager, 2401 S. Plum Grove Rd., Palatine, IL 60067**

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. **SCOPE OF SERVICES.** CONTRACTOR agrees to provide services to COUNTY in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. **TERM.** CONTRACTOR shall commence performance on **7/1/09** and end performance upon completion, but no later than **6/30/10** unless otherwise directed by COUNTY or unless earlier terminated. The county at the end of the original contract term has the option to negotiate a renewal for a period not to exceed one year, without re-bidding,.

5. **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference. Billing shall be made by invoice, which shall include the contract number assigned by COUNTY and which is delivered to the address given in Section 2 **NOTICES**, above following completion of the increments identified on EXHIBIT B. Unless otherwise specified on EXHIBIT B, payment shall be net thirty (30) days from presentation of invoice. **Payment for services is dependent upon the availability of COUNTY, State, and Federal Funds.**

6. **INDEPENDENT CONTRACTOR.** CONTRACTOR shall perform all of its services under this Agreement as an independent contractor and not as an employee of COUNTY. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

7. **STANDARD OF PERFORMANCE.** CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement.

Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at COUNTY'S request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation.

8. **TAXES.** COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

9. **CONFLICT OF INTEREST.** CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR.

10. **RESPONSIBILITIES OF COUNTY.** COUNTY shall provide all information reasonably necessary by CONTRACTOR in performing the services provided herein.

11. **OWNERSHIP OF DOCUMENTS.** COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

12. **RECORDS, AUDIT, AND REVIEW.** CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. COUNTY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice. **CONTRACTOR will only seek reimbursement from COUNTY for expenses that are allowable under the provisions of Federal Acquisition Regulations - Contracts with Commercial Organizations, found at 48 CFR 31.2.. Additionally, COUNTY requires CONTRACTOR to have an audit that complies, as appropriate, with OMB Circular A-133. Within 60 days of the opinion date, CONTRACTOR will provide COUNTY with a copy said audit.**

13. **INDEMNIFICATION AND INSURANCE.** CONTRACTOR shall agree to defend, indemnify and save harmless the COUNTY and to procure and maintain insurance in accordance with the provisions of EXHIBIT C attached hereto and incorporated herein by reference.

14. **NONDISCRIMINATION.** COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance.

15. **NONEXCLUSIVE AGREEMENT.** CONTRACTOR understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR as the COUNTY desires.

16. **ASSIGNMENT.** CONTRACTOR shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of COUNTY and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

17. **TERMINATION.**

A. **By COUNTY.** COUNTY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience or because of the failure of CONTRACTOR to fulfill the obligations herein. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services effected (unless the notice directs otherwise), and deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

1. For Convenience. COUNTY may terminate this Agreement upon thirty (30) days written notice. Following notice of such termination, CONTRACTOR shall promptly cease work and notify COUNTY as to the status of its performance.

Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of COUNTY shall be final. The foregoing is cumulative and shall not affect any right or remedy which COUNTY may have in law or equity.

2. For Cause. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate this Agreement by written notice, which shall be effective upon receipt by CONTRACTOR.

B. **By CONTRACTOR.** Should COUNTY fail to pay CONTRACTOR all or any part of the payment set forth in EXHIBIT B, CONTRACTOR may, at CONTRACTOR's option terminate this agreement if such failure is not remedied by COUNTY within thirty (30) days of written notice to COUNTY of such late payment.

1. For Convenience: CONTRACTOR for any reason, prior to expiration date of this contract, terminate the contract upon (90) days notice in writing to the COUNTY.

18. **SECTION HEADINGS.** The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

19. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

20. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

21. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

22. **NO WAIVER OF DEFAULT.** No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

23. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

24. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

25. **COMPLIANCE WITH LAW.** CONTRACTOR shall, at his sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

26. **CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

27. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

28. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies),

person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

29. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

30. **NONAPPROPRIATION CLAUSE.** In the event that funds are not appropriated, budgeted, or otherwise made available in the consecutive years of this Agreement, then COUNTY shall immediately notify CONTRACTOR of such occurrence and the Agreement may be terminated by COUNTY. Subsequent to the termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term.

31. **BUSINESS ASSOCIATE.** The County is considered to be a "Hybrid Entity" under the Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. 1320d et seq. and its implementing regulations including but not limited to 45 Code of Federal Regulations parts 142, 160, 162, and 164, ("Privacy Rule and Security Rule"). The Contractor is considered to be a "Business Associate" under the Privacy Rule. Contractor must also comply with the Security Rule as a Business Associate, if under this Agreement, it receives, maintains or transmits any health information in electronic form in connection with a transaction covered by part 162 of title 45 of the Code of Federal Regulations.

The County and Contractor acknowledge that HIPAA mandates them to enter into a business associate agreement in order to safeguard protected health information that may be accessed during the performance of this Agreement. The parties agree to the terms and conditions set forth in Exhibit E - HIPAA Business Associate Agreement.

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Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Addus HealthCare Inc.**

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by COUNTY.

COUNTY OF SANTA BARBARA

By: _____
Chair, Board of Supervisors

Date: _____

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

CONTRACTOR

By: _____
Deputy

By: See Attached
SocSec or TaxID Number: 42-1014070

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED AS TO FORM:
RAY AROMATORIO
RISK MANAGEMENT

By: _____
Risk Program Administrator

EXHIBIT A

STATEMENT OF WORK

Addus HealthCare, Inc. will provide services pursuant to the County of Santa Barbara Department of Social Services In-Home Supportive Services (IHSS) Request for Proposal (RFP), CONTRACTOR response to the RFP dated February 3/9/09. The applicable components of the proposal have been incorporated into Exhibit A. In the event of conflict between the provision contained in the proposal and the provisions contained in Exhibit A, the provisions of Exhibit A shall prevail.

1. INTRODUCTION

1.1 Experience: Addus has 30 years experience providing a broad range of home and community services. In total, the company presently provides Transportation, Contractual Home Care, Personal Care, Attendant Care, Care Management, Respite, Chore/ Housekeeping, Adult Day Care, Licensed Home Health Services and Family Support Services, as well as private home health care. These services are provided to over 50,000 people annually in the states of Alabama, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Missouri, Montana, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania and Washington. In 2008, Addus successfully provided over 12,000,000 hours of home health care services in sixteen states through 12,000 employees. We are currently capable of operating all aspects of the program upon initiation of the contract.

In the State of California Addus currently operates nineteen (19) office locations. Addus has maintained compliance with all program rules and applicable state regulations. Their services are regularly reviewed by the referring agencies and no significant deficiencies have been identified. In 2008 Addus provided services to 8,918 consumers through 3,083 employees providing a total of 1,714,862 hours of service. Services are provided seven (7) days per week, twenty-four (24) hours per day, and three hundred and sixty five (365) days per year. Additionally, we have worked closely with the referral agencies to identify opportunities to improve service and accessibility to consumers.

Addus has been providing services in Santa Barbara for the past sixteen (16) years. Specifically, Addus has provided In-Home Supportive Services to the County continuously for the past nine (9) years. During this time, Addus has met the needs of a broad range of consumers from diverse ethnic and cultural backgrounds.

1.2 Background: The IHSS Program is administered by the County and provides assistance to those eligible aged, blind and disabled individuals who are unable to remain safely in their own homes without this assistance. In seeking proposals from qualified IHSS providers, the County wishes to maximize options and ensure alternatives to out-of-home care for eligible aged, blind and disabled individuals.

AB 1682 (Statutes of 1999) required that each county establish an "employer of record" for the purposes of collective bargaining, to represent IHSS providers. Santa Barbara County has established a Public Authority to act as employer of record for independent providers, while the contractor will act as the employer of record for the providers providing services through the contractor. Addus will be accountable for all duties necessary to fully satisfy the state mandates of this and any other applicable state and or federal law.

2. SCOPE OF SERVICES

Only those services specified in CDSS MPP 30-757.11 through .19 shall be authorized through IHSS.

2.1 Domestic services are limited to the following:

- Sweeping, vacuuming, washing and waxing the floor surfaces;
- Washing kitchen counters and sinks;
- Cleaning the bathroom;
- Storing food and supplies;
- Taking out garbage;
- Dusting and picking up;
- Cleaning oven and stove;
- Cleaning and defrosting refrigerator;
- Bringing in fuel for heating or cooking purposes from a fuel bin in the yard;
- Changing bed linen; and
- Miscellaneous domestic services, i.e. changing light bulbs, wheelchair cleaning, and changing and recharging wheelchair batteries.
- Heavy cleaning that involves thorough cleaning of the home to remove hazardous debris or dirt. The County shall have the authority to authorize this service only at the time IHSS is initially granted, to enable the provider to perform continuous maintenance or, if a lapse in eligibility occurs, eligibility is reestablished, and IHSS services have not been provided within the previous twelve (12) months. The County shall have the authority to authorize this service should the recipient's living conditions result in a substantial threat to his/her health or safety. Such service may also be authorized when a recipient is at risk of eviction for failure to prepare his/her home or abode for fumigation as required by statute or ordinance.

2.2 Related services are limited to:

- Preparation of meals includes planning menus; removing food from the refrigerator or pantry; washing/drying hands before and after meal preparation; washing, peeling and slicing vegetables; opening packages, cans and bags; measuring and mixing ingredients; lifting pots and pans; trimming meat; reheating food; cooking and safely operating the stove; setting the table; serving the meals; pureeing food; and cutting the food into bite-sized pieces;
- Meal cleanup, which includes loading and unloading dishwasher; washing, rinsing and drying dishes, pots, pans, utensils, and culinary appliances and putting them away; storing/ putting away leftover foods/ liquids; wiping up tables, counters, stoves/ovens, and sinks; and washing/ drying hands.
- Laundry services which includes the tasks of washing and drying laundry, mending, ironing, folding and storing clothes on shelves or in drawers;
- Reasonable food shopping and other shopping/errands limited to the nearest available stores or other facilities consistent with the recipient's economy and needs. The County shall not authorize additional time for the recipient to accompany the provider.

2.3 Non-medical personal services are limited to:

- Bowel and bladder care, which includes assistance with using, emptying, and cleaning bed pans/ bedside commodes, urinals, ostomy, enema and or/ catheter receptacles; applications of diapers;; positioning for diaper changes; managing clothing; changing disposable barrier pads; putting on/ taking off disposable rubber gloves; wiping and cleaning recipient; assistance with getting on/ off commode or toilet; and washing / drying recipient's and provider's hands
- Respiration limited to non-medical services such as assistance with self-administration of oxygen, and cleaning of intermittent positive pressure breathing (IPPB) machines.
- Assistance with consumption of food and assurance of adequate fluid intake consisting of feeding or related assistance to recipients who cannot feed themselves or who require other assistance with special devices in order to feed themselves or to drink adequate liquids;
- Routine bed baths, which includes cleaning basin or other materials used for bed sponge baths and putting them away; obtaining water and supplies; washing, rinsing and drying body; applying lotion, powder and deodorant; and washing/ drying hands before and after bathing;
- Bathing, oral hygiene, grooming;

- Bathing includes cleaning the body in a tub or shower; obtaining water/ supplies and putting them away; turning on/ off faucets and adjusting water temperature; assistance with getting in/ out of tub or shower; assistance with reaching all parts of the body for washing, rinsing, drying and applying lotion, powder, deodorant; and washing/ drying hands.
 - Oral hygiene includes applying toothpaste, brushing teeth, rinsing mouth, caring for dentures, flossing, and washing/ drying hands.
 - Grooming includes hair combing/ brushing; hair trimming when the recipient cannot get to the barber/ salon; shampooing, applying conditioner, and drying hair; shaving; fingernail/ toenail care when these services are not assessed as “paramedical” services for the recipient; and washing/ drying hands.
 - Dressing, which includes washing/ drying of hands; putting on/ taking off, fastening/ unfastening, buttoning/ unbuttoning, zipping/ unzipping, and tying/ untying of garments, undergarments, corsets, elastic stockings and braces; changing soiled clothing; and bringing tools to the recipient to assist with independent dressing;
 - Repositioning and rubbing skin, which includes rubbing skin to promote circulation and/ or prevent skin breakdown; turning in bed and other types of repositioning; and range of motion exercises which shall be limited to the following:
 - General supervision of exercises which have been taught to the provider by a licensed therapist or other health care professional to restore mobility restricted because of injury, disuse or Disease. Maintenance therapy when the specialized knowledge and judgment of a qualified therapist is not required and the exercises are consistent with the patient's capacity and tolerance.
 - Such exercises shall include the carrying out of maintenance programs; i.e. the performance of the repetitive exercises required to maintain functions, improve gait, maintain strength, or endurance; passive exercises to maintain range of motion in paralyzed extremities; and assistive walking.
 - “Transfer,” which includes assisting from standing, sitting, or prone position to another position and/ or from one piece of equipment or furniture to another. This includes transfer from a bed, chair, couch, wheelchair, walker or other assistive device generally occurring within the same room.
 - Care of and assistance with prosthetic devices and assistance with self-administration of medications, which includes assistance with taking off/ putting on and maintaining and cleaning prosthetic devices, vision/ hearing aids and washing/ drying hands before and after performing these tasks. Assistance with self-administration of medications consists of reminding the recipient to take prescribed and/ or over-the-counter medications when they are to be taken and setting up Medi-sets.
 - Routine menstrual care, which is limited to external application of sanitary napkins and external cleaning and positioning for sanitary napkin changes, using and/ or disposing of barrier pads, managing clothing, wiping and cleaning, and washing/ drying hands before and after performing these tasks.
- Ambulation, which includes assisting the recipient with walking or moving from place to place inside the home, including to and from the bathroom; climbing or descending stairs; moving and retrieving assistive devices, such as a cane, walker, or wheelchair, etc. and washing/ drying hands before and after performing these tasks. “Ambulation” also includes assistance to/ from the front door to the car (including getting in an out of the car) from medical accompaniment and/ or alternative resource training.

2.4 Transportation services when the recipient's presence is required at the destination and assistance is necessary to accomplish the travel are limited to:

- Transportation to and from appointments with physicians, dentists, and other health practitioners;
- Transportation necessary for fitting health related appliances/devices and special clothing;
- Transportation under the conditions listed above shall be authorized only after Social Service staff have determined that Medi-Cal will not provide transportation in the specific case;
- Transportation to the site where alternative resources provide in-home supportive services to the recipient in lieu of IHSS.

2.5 Yard hazard abatement, which is light work in the yard, may be authorized for:

- Removal of high grass or weeds and rubbish when this constitutes a fire hazard;

- Removal of ice, snow or other hazardous substances from entrances and essential walkways when access to the home is hazardous.

2.6 Protective Supervision is available for observing the behavior of non-self-directing, confused, mentally impaired, or mentally ill persons only.

- Protective Supervision shall not be authorized:
 - For friendly visiting or other social activities;
 - When the need is caused by a medical condition and the form of the supervision required is medical;
 - In anticipation of a medical emergency;
 - To prevent or control antisocial or aggressive recipient behavior.
 - To guard against deliberate self-destructive behavior, such as suicide, or when an individual knowingly intends to harm himself/ herself.
- Protective supervision is only available under the following conditions as determined by social services staff:
 - At the time of the initial assessment or reassessment, a need exists for twenty-four-hours-a-day of supervision in order for the recipient to remain at home safely.
 - Social Services staff have determined that the entire 24-hour need for protective supervision can be met through any of the following, or combination of the following:
 - ✓ IHSS;
 - ✓ Alternate resources;
 - ✓ A reassurance phone service when feasible and appropriate.
 - Feasibility and appropriateness will be determined exclusively by the social service staff.
 - The proposed method of meeting protective supervision needs **MUST** be approved by the County. Discretion of the Contractor is not allowed.

2.8 Paramedical services are provided under the following conditions:

- The services shall have the following characteristics:
 - Are activities which persons would normally perform for themselves but for their functional limitations; and
 - The activities which, due to the recipient's physical or mental condition, are necessary to maintain the recipient's health.
 - Are activities which include the administration of medications, puncturing the skin, or inserting a medical device into a body orifice, activities requiring sterile procedures, or other activities requiring judgment based on training given by a licensed health care professional.
- The services shall be provided when ordered by a licensed health care professional who is lawfully authorized to do so. The licensed health care professional shall be selected by the recipient. The recipient may select a licensed health care professional who is not a Medi-Cal provider, but in that event shall be responsible for any fee payments required by the professional.
- The services shall be provided under the direction of the licensed health care professional;
- The licensed health care professional shall indicate to Social Services staff the time necessary to perform the ordered services.
- This service shall be provided by persons who ordinarily provide IHSS.

3. Program Management

3.1 Organizational Structure: The organizational relationship and reporting structure for the company as it relates to the Santa Barbara location is as follows:

3.1.1 Service: The local service delivery is under the direct management of the Agency Director. Policy and procedural decisions affecting the organization are made at the National Support Center and based on

input from the Vice President, Regional Director, Agency Director, Service Coordinator/Supervisors, and Field Staff as appropriate.

3.1.2 Operations: The Regional Director and Agency Director are responsible for all communications with the County regarding billing or fiscal matters. The local branch receives payroll, billing, and accounting support from the National Support Center.

3.1.3 Local Administration: Addus HealthCare has put in place an established organizational structure that provides equal, fully adequate and accessible service to meet the unique and diverse needs of each client referred for services throughout the county. The office is located to provide easy access to clients, workers, county staff and the public.

In order to be responsive to consumers' and Home Care Aides' needs to communicate with the offices. Addus Health Care has two locations in Santa Barbara County. The primary office location is in the City of Santa Maria as is open from 8:00am-5:00pm Monday to Friday. The Santa Barbara office is open at least bi weekly, on pay days, and on several additional days of the month as needed to provide adequate access to clients, employees and for the supervision of services. At times that the office is not open, calls will be forwarded to the Santa Maria office. The local branch has a toll-free telephone number in place for use by consumers and Home Care Aides. During non-business hours and holidays a direct line to an on-call number Supervisor is provided for emergencies. There is always an on-call supervisor who will respond to consumer and Home Care Aide contacts. Emergencies are immediately referred to the On-Call Supervisor, 24 hours per day, seven (7) days per week.

The Santa Barbara Branch is under the direction of a local, full-time Agency Director. This Agency Director manages the day-to-day operations and coordinates all service delivery in the County. The Agency Director receives direct support from the company's Regional Director, who oversees the effective operation of the Company's branches in California. This Regional Director also serves as the additional resource to County staff in resolving matters related to branch operations and service delivery. Additional training and support is provided as needed by the Agency Director.

3.1.4 Local Operational Support: Although the local branch exercises a great deal of autonomy in the delivery of client services, it is supported by the National Support Center, located in Palatine, Illinois. From the National Support Center the local branch will receive operational support from Accounting, Information Technology, Human Resources Executive Management and extensive payroll and billing support. All systems are designed to integrate with County and CMIPS reporting requirements, while maintaining compliance to integrate with County and CMIPS reporting requirements, while maintaining compliance with IHSS contract requirements and state and federal laws, rules and regulations.

The Agency Director is responsible for the provision of services to consumers referred to Addus. The Agency Director will supervise and evaluate the work of the Service Coordinators and other clerical staff and assures that all recruitment, orientation, and training activities are carried out in accordance with this proposal and contractual requirements.

The Regional Director monitors the accomplishments of the branch, audits branch operations, confirms that the branch is accomplishing its objectives, and evaluates the performance of the Agency Director.

The Regional Director and Agency Director are responsible for all communications with County regarding billing or fiscal matters. The local branch receives payroll, billing, and accounting support from the Support Center.

The Service Coordinators/Supervisors have responsibility for assuring direct service delivery to consumers. In this role, Service Coordinators/Supervisors conduct initial interviews with consumers to assess their specific service requirements, select appropriate home care aides acceptable to the consumer to provide service, and conduct in home visits to evaluate Home care aides performance and

consumer satisfaction. These Service Coordinators/Supervisors also arrange to meet the consumer's authorized service needs, including the need for substitutes and participate in evaluating new home care aides applicants for hire.

The Home Care Aides are responsible for providing direct consumer services, reporting changes in consumer's condition or need, and assuring that consumers are satisfied with their services.

3.1.5 Administrative Support/Management: The Agency Director is responsible for the outcome of service provision and the success of the branch in meeting the terms of the contract. This involves overseeing all aspects of branch operations and compliance, including the day-to-day service delivery. The Branch Manager serves as the primary liaison between the branch, county staff, and the Support Center.

The Regional Director monitors the accomplishments of the branch, audits branch operations, confirms that the branch is accomplishing its objectives, and evaluates the performance of the Agency Director.

3.2 Span of Supervisory Control: Supervisors are assigned to a geographic sector of the County and are responsible for ensuring the effective delivery of services in the type and amount specified by the County to the clients that reside in the respective sectors. Under certain circumstances, a supervisor with special skills, training, and/or experience will provide service.

The supervisor is responsible for successfully matching each client with a provider who can most effectively deliver services to the client's satisfaction. Each supervisor ensures ongoing quality and consumer satisfaction through home visits and ongoing telephone contact with clients. In conjunction with quality monitoring, in-home visits allow for observation of the actual work performed in the home and the provision of on-the-job training. This process facilitates the need to identify changes in the client's status and/ or need for services.

The branch will maintain a supervisory ratio of one supervisory employee for every (up to, not to exceed) 3,000 hours of IHSS delivered each month. The term "supervisory employee" means any/all employees (excluding clerical) included under Administrative Salaries as shown in Exhibit B-1 Required Contract Budget.

3.3 Staff Training: Addus will continually develop and educate staff. Staff will be equipped with the latest in-home supportive services techniques, will be knowledgeable about policies and procedures in California, as well as in Santa Barbara County, and will be well connected with community organizations. An Addus representative will attend County meetings and trainings, as necessary, and provide training to all Addus staff.

Within one month of employment each home care aide will be provided with initial orientation consisting of classroom instruction and on-the-job orientation, as well as a two-hour blood borne pathogens training. All home care aides are required to attend four hours of training annually, in addition to the initial orientation and blood borne pathogen training. The branch will provide no less than one two hour training module every six months. The effectiveness of the training will be evaluated through written examination, observation of the home care aide, and/or comments from clients. Local needs will be taken into account when training modules are developed.

3.4 Language Compatibility: Addus will match consumers with home care aides of similar ethnic/cultural backgrounds. In cases where an exact match cannot be immediately made Addus will provide the support, up to procuring translation services, to facilitate effective communication between the consumer and home care aide.

3.5 Performance Monitoring:

On an annual basis Addus Health Care Support Center in Palantine, Illinois as part of the Company's overall performance assessment, will conduct a random survey of consumer satisfaction. Additionally, the branch will conduct an annual survey of all consumers supplementing the random survey conducted by the Support Center.

Contractor will cooperate with any performance monitoring DSS performs related to service delivery and administration of this contract.

3.6 Recipient Grievances/Complaints: Although few service concerns require the initiation of a formal grievance, the process outlined in the Consumer Grievance Procedure will serve as a guide to resolve service concerns. In this less formal process the primary person responsible for resolving service concerns is the scheduling coordinator. In the event that resolving an issue requires the intervention of someone that is at a higher level in the organization, the service coordinator will initiate the process of alerting these individuals of a need for their intervention and/ or assistance. In those instances that a service concern cannot be resolved within the context of the branch hierarchy, the branch manager will request the assistance of the consumer's social worker or other appropriate representative of the Department of Social Services.

3.7 Response Timeframes: Contractor will conduct face-to-face initial visits within five days of referral, and face-to-face in-home visits will be scheduled with the consumer and the scheduling coordinator, once every three months. During the initial visit Contractor shall provide and document provision of Consumers rights, Consumer grievance procedures and a toll free telephone number to call for service and to speak directly to the Agency Director.

The primary office location is in the City of Santa Maria as is open from 8:00am-5:00pm Monday to Friday. The Santa Barbara office is open at least bi weekly, on pay days, and on several additional days of the month as needed to provide adequate access to clients, employees and for the supervision of services. At times that the office is not open, calls will be forwarded to the Santa Maria office. The local branch has a toll-free telephone number in place for use by consumers and Home Care Aides. During non-business hours and holidays a direct line to an On-Call Supervisor is provided for emergencies.

The procedure for meeting emergency requests for services is described below:

3.7.1 Emergency Referrals: Emergency needs for IHSS are defined as services that must be initiated within 24 hours of referral to the Contractor. By their nature, these needs require an immediate response and a delay of more than 24 hours in starting services may place the consumer at risk.

When the local branch receives a referral marked as an emergency referral by the IHSS social worker, the referral is acted on immediately. The referral is forwarded to the Branch Manager who immediately contacts the consumer to arrange a time, within 24 hours that a home care aide can be sent to the consumer's home to provide services. During the telephone call the Branch Manager attempts to ascertain as much information that is relevant to the consumer's needs for service as possible. Once the consumer's needs and schedule have been determined, the Branch Manager will collaborate with a Staffing Supervisor to locate a home care aide who has not been scheduled to provide services elsewhere at the time the consumer needs service. The Staffing Supervisor will either select a home care aide who is providing service in the consumer's neighborhood at the time the consumer requires service or will select a home care aide that does not have a regular schedule. The Staffing Supervisor will confirm the homemaker match with the Branch Manager. Following confirmation with the Branch Manager, the Staffing Supervisor will notify the consumer and the consumer's IHSS social worker.

On the day that service is scheduled to begin the Staffing Supervisor calls the consumer at the time that the home care aide is scheduled to arrive. The purpose of the telephone call is to verify that the home care aide arrived as scheduled. If the home care aide has not arrived, the Staffing Supervisor will go to the consumer's home to provide the authorized service. After the home care aide arrives as scheduled and completes the work assignment, the Staffing Supervisor will contact the consumer to evaluate the consumer's satisfaction and to schedule an initial in-home visit by the Staffing Supervisor. At the initial

in-home visit the consumer and Staffing Supervisor will arrange a regular service schedule acceptable to the consumer, using the protocol described above under "Non-Emergency Referral".

Although not technically an "emergency request for services" as applied to the In-Home Supportive Services Program, when a home care aide does not arrive as scheduled the consumer can feel as if they are facing an emergency. In these cases Addus has adopted a procedure for providing a substitute home care aide.

3.7.2 Providing Substitute Home care aides: When a consumer's regular home care aide is unavailable for any reason, the local branch shall provide or arrange for a substitute home care aide. To identify available home care aides the local branch will use the Consumer Service Scheduling System (CSSS) as a first step to locate a substitute home care aide. The CSSS is an automated, PC-based program that coordinates the worker schedules throughout Santa Barbara County. One feature of the CSSS is the ability to locate other qualified home care aides who are providing services in geographical proximity to a consumer needing a substitute.

The CSSS provides the Staffing Supervisor with a roster of home care aides in close proximity to the unanticipated need. The Staffing Supervisor then reviews the roster to identify those home care aides who possess the special skills and/ or training required by the consumer. In the event that a match cannot be made following this first step, a second step will be implemented. The second step in the process is to identify home care aides who are not assigned to provide services during the period needed by the consumer. This roster is provided by the CSSS. The Staffing Supervisor reviews the roster to identify home care aides that will meet the consumer's needs. If no home care aide is identified in step two, the next step is to dispatch a Staff Aide to provide services. Staff Aides are employed all areas of service delivery and can readily provide a broad range of services. Lastly, if a Staff Aide is unavailable, the Staffing Supervisor will provide the service. Regardless of what method is used to identify a substitute, the consumer will be notified by telephone the name of the home care aide, when to expect the home care aide to arrive, and to remind the consumer to contact the Staffing Supervisor if the substitute home care aide does not arrive on schedule.

4. GENERAL CONTRACTOR REQUIREMENTS

4.1 Forms: The Contractor may develop internal forms, not mandated by the County or by program requirements. However, any forms that will be distributed to clients must be reviewed and approved by the County prior to implementation.

4.2 Employee Compensation - Hiring of Contract Providers and Wages and Benefits: The Contractor shall offer continued employment to providers currently employed by the incumbent Contractor as of 6/30/07 to maintain continuity of services in carrying out the program. Existing providers who accept the offer of employment are to be paid, at a minimum, at their current wage and benefit rate or the minimum required by law, whichever is greater. New providers shall be paid at rates consistent with the details set forth in the successful bid.

Vacation, sick leave, holidays, health insurance and dental benefits are considered employee benefits. Entry level wages for providers shall be no less than \$8.50 per hour.

4.3 Hiring CalWORKs Applicants and Recipients: The Contractor, to the fullest extent possible, must give employment preference to all prospective providers who are recipients of public assistance, California Work Opportunity and Responsibility to Kids (CalWORKs) participants or other low-income persons who would qualify for public assistance in the absence of such employment. This may include an informal written agreement with the local CalWORKs Program to refer appropriate, employment-ready CalWORKs participants to Contractor for job placement.

4.4 Reporting Requirements: The Contractor shall maintain records, collect data, and provide reports mandated by Federal and State governments, and as may be requested by County. These

reports will act as monitoring tools for County oversight of the selected Contractor's performance. Data elements may include, but are not limited to, the following:

- A monthly project activity that details statistics including but not limited to: the number of clients served and the total service hours billed.
- An accounting report that tracks project related expenditures. This provides for a transparent usage of funds.
- Caseload information, supervision and provider staff information, employee evaluation information, training information.
- Reports developed collaboratively with County to support Performance Measures as described in Section 4.9 Performance Measures/Monitoring.
- Contractor Employed IHSS/PCSP Provider Report to be submitted to County on microfiche or disc on a quarterly basis as required by California Department of Social Services All County Letter 03-45.

4.5 Hours of Operation: The Contractor shall provide service hours that are responsive to the needs of the target population in the region, as determined by County staff. This shall include provisions for the development of an emergency response service component and work outside traditional hours.

4.6 Recipient Grievance System: The Contractor will provide a detailed description of the system by which recipients of service shall have the opportunity to express and have considered their views, grievances and complaints regarding contractor's delivery of services. Contractor shall provide a form for the recipients to express their grievance and complaint. This form must be approved by the County. All grievances and their results shall be sent to the County in a required monthly report, in a format approved by the County.

4.7 Welfare Fraud Investigation Referrals: If welfare fraud is suspected, the Contractor will refer the matter to the DSS Case Manager for investigation.

4.8 Child/Elder/Parent Adult Abuse Investigation Referrals: In the event that elder/dependent adult abuse or child abuse is known or suspected by any employee of the Contractor, the employee shall immediately report the Abuse to the Department of Social Services, APS/CWS, as mandated by law.

4.9 Performance Measures/Monitoring: The following Performance Measures related to contract activity have been established. These performance measures will be assessed based on the results of the statistical data as provided by the monthly project activity reports and other reports developed collaboratively with County as mentioned earlier.

| # | Outcome/ Indicator | Plan | Contractor Reporting Requirement |
|---|--------------------------------------|--|---|
| 1 | After Business Hours and Emergencies | 100% of IHSS Recipients having services provided through Addus Health Care Inc. will have access to on-call staff availability in the evenings and weekends. Offices will be open and staffed every business day. In addition, there will always be an on-call supervisor who will respond to consumer and Home Care Aide contacts. Emergencies are immediately referred to the On-Call Supervisor, 24 | 100% of consumers necessitating emergency response requiring after hour services and / or emergencies shall have their names, dates, times, and services reported to the Department of Social Services (DSS) Designated Representative on a monthly basis. The report is due by the 10 th of the following |

| | | | |
|---|--|---|--|
| | | hours per day, and 7 days per week. | month. |
| 2 | Emergency Referrals | 100% of emergency referrals shall be forwarded to the Contractor's Branch Manager who will immediately contact the consumer to arrange a time, within 24 hours that a Home Care Aide can be sent to the consumer's home to provide services. | 100% of consumers served as a result of emergency referrals shall be reported to the DSS Designated Representative on a monthly basis. The report is due by the 10 th of the following month. |
| 3 | Initial/Quarterly Visits | 100% of initial visits with consumers shall be conducted in the form of a face-to-face visit within five days of referral; subsequent face-to-face visits shall be made quarterly. | 100% of initial visits conducted with IHSS consumers, and subsequent quarterly visits shall be reported to the DSS Designated Representative on a monthly basis. The report is due the 10 th of the following month. |
| 4 | Home Care Aide Performance/ Customer Satisfaction | Subsequent to the initial period of assignment, the Service Coordinator/ Supervisor will evaluate the Home Care Aide's performance, and consumer satisfaction through quarterly in-home visits and frequent telephone discussions with the consumer. | 100% of Quarterly Reports shall be given to the Designated Representative on a monthly basis. The report is due by the 10 th of the following month. |
| 5 | Random/ Annual QA Surveys | 100% of consumers will be eligible to receive QA Surveys; either the Annual Confidential Quality Assurance surveys mailed to randomly selected consumers by the Support Center in Palantine, Illinois, or the Annual Quality Assurance survey conducted on all consumers by the local branch. | 100% of consumers who have either a random quality assurance survey or an annual survey shall have a copy of their survey sent to the DSS Designated Representative on a monthly basis. The report is due by the 10 th of the following month. |
| 6 | Monthly Project Activity Reports | A Monthly Project Activity report shall be produced that details statistics including but not limited to: the number of consumers served and the total service hours billed. | 100% of Monthly Project Activity Reports shall be sent to the DSS Designated Representative on a monthly basis. The report is due by the 10 th of the following month. |
| 7 | Provider Orientation/ Skill Development Training | 100% of Newly Hired Home Care Aides will have at least a two-hour Orientation Training. Additionally, all Home Care Aides are required to attend four hours of training annually. The branch will provide no less than one two-hour training module every six months. | 100% of Home Care Aides that have gone to either Orientation and/ or Skill Development Training shall have their names, and length of training sent to the DSS Designated Representative on a monthly basis. The report is due by the 10 th of the following month. |

4.10 Coordination: Service delivery requires DSS staff and the contractor to collaborate. The contractor will be required to coordinate with County staff, as directed by DSS, to provide client contracted services. The Contractor will meet with the County to coordinate procedures and solve problems.

4.11 Provider Orientation/Skill Development Training Plan: The Contractor will provide an initial orientation of at least two (2) hours, pursuant to CDSS MPP Divisions 19 and 21, to each new and existing service provider within one (1) month of hiring or initiation of contract. This will include training in specific tasks to be performed, an overview of more complex tasks, and information such as OSHA requirements including transmission of blood borne pathogens pursuant to Section 5193, Title I of the California Code of Regulations. All employees are instructed in the goals and objectives of the IHSS Program, its scope, its funding, consumer rights, consumer confidentiality, workplace safety, and all other duties and responsibilities incumbent thereto. Additionally, Workers Compensation reporting, emergency reporting procedures, and basic responsibilities to the client, the employer and the County DSS are also covered.

The contractor will provide a complete skill development package. Skill development is training that has a direct relationship to job competencies required of a home care worker that will enable them to provide safe, effective, and compassionate care (See section 4.4).

The Contractor shall assess the skill level of each employee in relation to the personal care services they will be required to perform and shall provide training that relates to job competencies. A Service Coordinator/ Supervisor will accompany all newly hired Home Care Aides on the first day of employment to provide services for the purpose of at least one (1) hour of Consumer-specific On-the-Job Training. During this orientation the Service Coordinator will observe, provide direction, and assess the Home Care Aide's ability to provide services independently in a safe and effective manner. Additional on-the-job training will be provided as required until the Home Care Aide demonstrates proficiency at completing all assigned tasks.

The Contractor shall maintain records of all employees' skill assessments and the specific training provided to meet minimum standards of competency. These assessments shall be made available to the County upon request. The names of staff trained and the type of training shall be forwarded to the County each month as an attachment to the service/activity report. The Contractor shall provide to the County a quarterly summary of provider training, including names of attendees and length of training.

4.12 Compliance Audit: Contractor will be subject to an audit that covers all fiscal and programmatic terms and conditions of the contract, and which includes, but is not limited to:

- Any adjustment that is made to the authorized hours of services being provided by the Contract; i.e., comparing authorized hours to hours actually served;
- The Contractor has served all requested hours seven days a week including nights, weekends and holidays, in addition to serving requests of an emergent nature;
- The Contractor has provided a 24-hour, 800 number telephone service to the provider/recipient for the IHSS Program needs; Contractor shall provide the County with a monthly report indicating names, dates, times, and services necessitating emergency response for any IHSS applicants/ recipients requiring after hours emergency services.
- All County required contract reports are sent in a timely manner;
- All provider information and reports are maintained by the Contractor according to contract specifications;
- The Contractor has complied with the minimum and maximum wage and benefit requirements as specified in the contract;
- The recipient and provider have received written notification of their grievance/appeal rights regarding Contractor's delivery of service as specified in the contract;
- The Contractor has maintained a personnel file for each provider which includes, but is not limited to: provider name, address, telephone number, health insurance, application with crime statement (have you ever been convicted of a felony), I-9 form, copy of driver's license for providers who drive, and any other pertinent employee information; as well as documentation of provider training including the documentation of provider orientation, skill development training, and training on wages, benefits, and the completion/submission of timesheets (emphasizing fraud issues);
- The Contractor has supportive documentation of payments made to providers; i.e., proof of who signed and dated the timesheets, and that the recipient approved the hours worked;

- The Contractor has complied with the specified supervisor ratio and supervisor/recipient visitation schedule; a copy of the report is to be sent to the DSS Designated Representative on a flow basis. Additionally, the Contractor shall provide the County with a quarterly summary report of all supervisory home visits conducted within the quarter, and attach copies of the individual supervisory review to this summary report.
- The Contractor has submitted a current copy of the insurance policy to show actual cost for insurance premiums, and a copy of the insurance premium to show actual cost for workers compensation including the ex-mod rate;
- The Contractor is in full compliance with the WIC, the CDSS MPP, Title XIX and Title XX provisions as applicable to the IHSS Program; and
- The Contractor is in compliance with the Equal Employment Opportunity rules and regulations as applicable to the IHSS Program.
- The Contractor is in compliance with the Department of Health Services requirements for the share-of-cost obligation and timely posting to the statewide MEDS System.

4.13 Financial Audit: Contractor will be subject to an audit to determine compliance with all financial provisions in this contract which includes, but is not limited to, all the financial records, accounts and documents, the provider wages and benefits, as well as the budget line items and the budget narrative pertaining to this contract.

4.14 Monitoring: Contractor will be subject to any monitoring activity necessary to assure compliance with regulations and contractual requirements.

4.15 Evaluation: Contractor will cooperate with County reviews and evaluations to:

- Determine the efficiency and effectiveness of social services delivery systems management, optimal utilization of resources and elimination of deficiencies in management information systems, and administrative procedures and structure.
- Determine if desired results or benefits are being achieved, and the objectives established by the regulations are being met.

5. FISCAL PROVISIONS

5.1 Rate: The hourly rate for each service hour for the period 7/1/09 through 6/30/10 shall be \$19.14.

The rate is supported by the Required Contract Budget, Attachment B-1, which is attached and incorporated herein by this reference.

CONTRACTOR agrees that the hourly rate to be charged to the COUNTY for contracted services and the total cost of furnishing these services for the term of this contract includes all allowable CONTRACTOR costs, both indirect and direct, relative to this contract.

5.2 Costs: Costs must conform with Federal costs regulations: OMB Circular A-87. A Guide for State and Local Government Agencies; 48 CFR, Chapter 1, Part 31, Subpart 31.2 (for profit agencies); and OMB Circular A-133 (for non-profit agencies). All equipment purchased by the CONTRACTOR must be depreciated in accordance with 45 CFR 95.705.

5.3 Funding Implications: Payment for all services provided in accordance with provisions under this contract shall be contingent upon the availability of Federal, State and COUNTY funds for the purpose of providing IHSS. The COUNTY shall not be required to purchase any definite amount of services nor does the COUNTY guarantee to CONTRACTOR any minimum amount of funds or hours.

If the Legislature allocates additional funds for provider wages and benefits during the contract year, the contract may be amended to increase the maximum amount payable and to change affected clauses to allow for increases in wages and benefits consistent with the funding authorized by the Legislature.

CONTRACTOR agrees maximum payments for Non-Severely Impaired (NSI) and Severely Impaired (SI) recipients are the amounts authorized by the State. The COUNTY will notify the CONTRACTOR of any changes in these amounts.

5.4 Billings: CONTRACTOR'S billing cycle shall be consistent with a monthly reporting system which is compatible with the Case Management Information and Payroll System (CMIPS). CONTRACTOR shall submit billings to the COUNTY, in a format specified by the COUNTY, within ten (10) days following the end of the month in which services were delivered. Such billings shall include, at a minimum, an itemized listing of recipient names and case numbers, authorized hours and actual service hours rendered. The COUNTY will review the billings and issue payment within thirty (30) working days following receipt of the approved billings.

No billing or any part thereof shall be paid by the COUNTY unless the CONTRACTOR submits a certified sworn statement under the penalty of perjury that all employees' wages have been paid on a current basis; that all timesheets supporting said billing have been verified as properly signed, dated and totaled; and each timesheet will be kept in the CONTRACTOR'S possession for audit purposes.

CONTRACTOR must deduct all share of cost liabilities owed by recipients when submitting monthly billings for services to the COUNTY.

5.5 Share of Cost: CONTRACTOR agrees that no charges will be made to any recipient of services under this contract unless it has been determined by the COUNTY that recipient has a share-of-cost liability.

In those cases where the recipient owes a share-of-cost, the CONTRACTOR shall be responsible for collecting that share-of-cost from the recipient and must deduct all share-of-cost amounts owed by recipients from the billings submitted to the COUNTY

The CONTRACTOR agrees to refund any over-collection when a recipient does not realize all the authorized hours covered by the share-of-cost.

CONTRACTOR agrees to report delinquent share-of-cost accounts on a monthly basis.

5.6 Payments: If the conditions set forth in this Contract are met, the COUNTY shall pay, on or before the thirtieth (30th) working day of each month following the filing of the billing, the sum of money claimed by the approved billings (less the share of cost liability and any credit due the COUNTY for adjustments of prior billings). If the conditions are not met in a timely manner, the COUNTY shall pay when the necessary processing is completed.

The COUNTY shall not pay for unauthorized services rendered by the CONTRACTOR nor for the claimed services which COUNTY monitoring shows have not been provided as authorized.

The COUNTY retains the right to withhold payment on disputed claims.

Final payment under this contract may be held until the termination review is completed.

The Contractor agrees their financial records shall contain itemized records of all costs related to this contract and be available for inspection in the County within seven (7) working days of the request by the County, State, or Federal agency. Requested financial records shall cover the period of 7/1/09-6/30/10, and will be requested within thirty (30) days of termination. The termination review will be completed within sixty (60) days of receipt of financial records.

5.7 Liquidated Damages: The COUNTY intends that the CONTRACTOR comply fully with all contractual requirements to ensure the safety of all IHSS recipients. CONTRACTOR and COUNTY agree that it would be impracticable and extremely difficult to fix the actual damages in the event CONTRACTOR does not fully comply in the area listed in this section and that the amount set forth in each area listed in this section shall be presumed to be the amount of damages sustained by COUNTY for CONTRACTOR'S non-compliance with contract requirements listed below, the COUNTY and CONTRACTOR agree on the following liquidated damages:

- a. For each calendar day scheduled homemaker service is not provided to a recipient: \$200 per day per recipient
- b. With respect to new non-emergency referrals for service, for each calendar day beyond the 5th day after CONTRACTOR is notified of new recipient, and service is not provided: \$250 per day per recipient
- c. With respect to 24-hour emergency referrals or for requests for immediate service, for each calendar day beyond the due date of delivery: \$400 per day per recipient
- d. For each calendar day beyond the due date in which required supervisor or provider training is not completed within timeframes set forth in the contract: \$250 per day per instance
- e. For each instance in which CONTRACTOR fails to comply fully with all required record maintenance: \$175 per instance
- f. For each instance in which supervisory employees (excluding clerical) as defined in section 3.2 are responsible on the average for more than 3000 service hours during one month:.....\$175per instance
- g. For each month when delivered services are less than 90% of the monthly hours authorized per recipient: \$500 per mo. per recipient
- h. For each calendar day beyond the due date in which the CONTRACTOR fails to submit the required monthly reports and specified billings or other requested records in a timely manner:..... \$150 per day
- i. For each instance where a recipient in need of paramedical service is receiving services from a provider who has not been properly trained to perform the authorized services: \$500 per instance
- j. For each instance CONTRACTOR fails to pay provider the contracted dollar amount in the pay scale: \$150 per instance per provider
- k. For each instance CONTRACTOR fails to cooperate

fully during the transition process of one Contractor to another Contractor or any other mode of service: \$200 per instance

l. For each instance in which supervisors fail to perform the required visitation/monitoring standard of their scheduled hours: \$250 per instance

m. For each instance where a recipient is not provided services as scheduled: \$250 per day per recipient

The COUNTY Contract Liaison shall advise the CONTRACTOR in writing of his/her intent to assess liquidated damages not less than ten (10) calendar days prior to actual withholding of such amounts from any payment. Notice to the CONTRACTOR shall contain specific instances or causes for assessing the amount, including the dates thereof. Amounts assessed shall be withheld from the next payment of claim submitted under the contract or from the final claim for payment submitted under the contract. Should the CONTRACTOR disagree with the COUNTY'S action, the CONTRACTOR may appeal specific assessed liquidated damages for non-compliance items identified by the COUNTY. Any appeal regarding a dispute on liquidated damages will be resolved by a County-appointed arbitrator **in accordance with the arbitration procedures set forth in the following section.** The decision of the arbitrator shall be in writing and final.

5.8 Arbitration Procedures: The County Fair Hearings Unit Supervisor within the Santa Barbara County Department of Social Services shall serve as the arbitrator. The arbitrator shall exercise such control over the hearing as is necessary, including, but not limited to, setting the day, time and place of the hearing, prescribing the order of proof at the hearing and determining whether the matter shall proceed or be adjourned subject to continuation.

The arbitrator will attempt to set the hearing on a date mutually agreed to by the parties. If the parties are unable to agree on a hearing date, however, it will be set by the arbitrator. The parties shall receive at least ten (10) days advance written notice of the time, date and place of the hearing.

At the hearing, any relevant evidence may be presented by either party, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence may be admitted or excluded in the sole discretion of the arbitrator.

If either party does not have all the evidence they want to present at the time of the hearing, they will have until the close of business, 5:00 p.m., that same day to provide the arbitrator with the evidence.

The arbitrator's written decision shall be final and binding on both parties. Each party shall bear their own costs associated with the arbitration.

EXHIBIT B

PAYMENT ARRANGEMENTS Compensation upon Completion-Paid Monthly

- A. For CONTRACTOR services to be rendered under this contract, CONTRACTOR shall be paid a total contract amount, including cost reimbursements, not to exceed \$1,899,989.
- B. Payment for services and /or reimbursement of costs shall be made upon CONTRACTOR's satisfactory performance, based upon the scope and methodology contained in **EXHIBIT A** as determined by COUNTY. Payment for services and/or reimbursement of costs shall be based upon the costs, expenses, overhead charges and hourly rates for personnel, as defined in **Attachment B1** (Schedule of Fees), except that the number of hours provided by the CONTRACTOR may not be guaranteed.) Invoices submitted for payment that are based upon **Attachment B1** must contain sufficient detail to enable an audit of the charges and provide supporting documentation if so specified in **EXHIBIT A**.
- C. Upon completion of the work detailed in **EXHIBIT A** and/or delivery to COUNTY of item(s) specified therein, CONTRACTOR shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the service performed. This invoice or certified claim must cite the assigned Board Contract Number. COUNTY REPRESENTATIVE shall evaluate the quality of the service performed and/or the item(s) delivered and if found to be satisfactory and within the cost basis of **Attachment B1** shall initiate payment processing. COUNTY shall pay invoices or claims for satisfactory work within 30 days of presentation.
- D. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.

Santa Barbara County
July 1, 2009 to June 30, 2010
BUDGET NARRATIVE

IHSS Provider Wages

The following are the minimum wage rates for each classification of worker and worker seniority. The composite wage rate is based upon the current year's rate of turnover and employee movement on the wage scale outlined below. The proposed budget is in full compliance with all local, state, collective bargaining agreement and federal guidelines.

Wage and Benefit Package

| July 1, 2009 to June 30, 2010 | | | | | | |
|-------------------------------|------------|-------------|--------------|---------------------|-----------------|-------------------------|
| Step | Tenure | Homemaker I | Homemaker II | Estimated Employees | Estimated Hours | Estimated Salaries/Cost |
| Entry- 1 Year | | 8.80 | 9.00 | 8 | 8,378 | 73,993 |
| II | 2 Years | 9.00 | 9.21 | 5 | 8,160 | 73,808 |
| III | 3 Years | 9.21 | 9.42 | 3 | 3,802 | 35,084 |
| IV | 4 Years | 9.42 | 9.63 | 2 | 1,598 | 15,096 |
| V | 5-7 Years | 9.63 | 9.83 | 7 | 7,554 | 73,092 |
| VI | 7-12 Years | 9.83 | 10.09 | 26 | 37,285 | 369,538 |
| VII | 12- 14 Yrs | 10.09 | 10.61 | 4 | 1,985 | 20,380 |
| VIII | 14 + Years | 10.87 | 11.39 | 29 | 30,505 | 337,722 |
| | | | | | | |
| Overtime | | | | | | 20,000 |
| Lockout | | | | | | 13,000 |
| Totals | | | | 84 | 99,268 | 1,031,711 |

Composite Wage

Composite Wage rate is calculated by estimating the number of workers in each wage category and factoring wage increases, staff turnover and new hires to support additional units of service.

$$\begin{array}{rcl}
 \text{Composite wage:} & & 10.3932 \text{ per hour} \\
 10.3932 \times 99,268 & = & 1,031,711.31 \text{ Total Cost}
 \end{array}$$

IHSS Provider Employment Taxes

Taxes have been computed on a base composed of:

| | |
|---------------------|-----------------------|
| Provider Wages..... | \$1,031,711.31 |
| Vacation..... | \$26,975.12 |
| Sick Leave..... | \$29,390.70 |
| Holiday..... | \$22,269.49 |
| Travel Wages..... | \$18,707.74 |
| Training Wages..... | \$3,780.11 |
| Total..... | \$1,132,834.48 |

Social Security (FICA):

Reflects the federally mandated level of taxable wages. The amount of taxable wages equals the amount of total provider wages for this workforce.

$$\begin{array}{rclclcl} 7.65\% & \times & 1,132,834.48 & = & \$86,661.84 & \text{total cost} \\ \$ 86,661.84 & / & 99,268.00 & = & 0.8730 & \text{per hour} \end{array}$$

Federal Unemployment Insurance (FUTA):

Reflects the federally mandated level of taxable wages. The amount of taxable wages equals the amount of total provider wages for this workforce.

$$\begin{array}{rclclcl} 0.80\% & \times & 1,132,834.48 & = & \$9,062.68 & \text{total cost} \\ \$ 9,062.68 & / & 99,268.00 & = & 0.0913 & \text{per hour} \end{array}$$

State Unemployment Insurance (SUI):

Estimated trend based upon the expected state rate during the contract period. We recognize that only a portion of the annual wages of some direct service employees is taxable for SUI. However because we, nor any provider of such service, can predict with total accuracy the longevity of any particular holder of any position, especially those at the lower end of the pay scale, we have based our calculation upon total wages and the rate quoted to us.

$$\begin{array}{rclclcl} 2.96\% & \times & 1,132,834.48 & = & \$33,531.90 & \text{total cost} \\ \$ 33,531.90 & / & 99,268.00 & = & 0.3378 & \text{per hour} \end{array}$$

IHSS Provider Worker's Compensation:

Workers Compensation coverage will be provided through State Compensation Insurance Fund as provided by AB 632.

Through aggressive worker education programs and on-the job injury prevention mailings we will strive to reduce workers compensation claims over the contract term.

$$\begin{array}{rclclcl} 0.00\% & \times & 1,132,834.48 & = & \$0.00 & \text{total cost} \\ \$ - & / & 99,268.00 & = & \$ - & \text{per hour} \end{array}$$

| 12 month period | Manual Rate used per \$100 of wages | Total amount to WC insurance reserve | Actual WC Losses Experienced * | Surcharge* | EX MOD | Net <Loss> or gains for period |
|-----------------|--------------------------------------|--------------------------------------|--------------------------------|------------|--------|--------------------------------|
| 6/99- 6/00 | 9.75 | 17,960 | 0 | 0 | 1.27 | 17,960 |
| 6/00- 6/01 | 9.75 | 110,329 | 154,747 | 3,095 | 1.62 | (47,513) |
| 6/01- 6/02 | 9.75 | 131,343 | 140,765 | 2,815 | 1.63 | (12,237) |
| 6/02- 6/03 | 9.90 | 148,248 | 155,248 | 3,105 | 1.63 | (10,105) |
| 6/03-10/03 | 9.90 | 64,611 | 424,143 | 8,483 | 1.97 | (368,015) |
| 11/03-6/09 | Workers Compensation Covered by SCIF | | | | | |

* The "Actual WC Losses experienced" consists of the claims paid out and reserved and does not include any other costs. The surcharge shown above consists of charges other than for claims from our insurance carrier allocated as a percentage of claims. These charges consist primarily of the insurance carriers administrative costs and profit, various taxes related to workers compensation insurance paid by the insurance carrier and the premium for a stop loss policy.

IHSS Provider Employment Benefits

Based upon our experience in the current year and the union benefit package, the amounts budgeted for IHSS provider benefits have been estimated using formulas set forth in the package for each benefit. The benefit package is further detailed in Exhibit I of the proposal package.

Vacation:

Direct service workers shall accrue paid vacation based upon the following formula:

All homemakers hired prior to 7/1/92 will receive vacation at the following rate:

1 hour for every 25 hours worked

All homemakers hired after 7/1/92 who complete 500 hours of service will receive vacation at the following rate:

1 hour for every 50 hours worked

All homemakers hired after 7/1/92 who complete two years of employment will receive vacation at the following rate:

1 hour for every 50 hours worked

| | | | | | | | |
|--|----|-----------|----------------|-----------|---|---------------|-----------------------|
| Estimated Hours worked by homemakers hired prior to 7/1/92 | | | | | | 30,505 | |
| Estimated Hours worked by homemakers hired after 7/1/92 (<500 Hrs) | | | | | | 8,378 | |
| Estimated hours worked by homemakers with > 2 yrs employment. | | | | | | 60,385 | |
| 30,505 | / | 25 | = | 1,220.20 | x | 1 | = 1,220.20 vac. hours |
| 8,378 | / | 50 | = | 167.56 | x | 1 | = 167.56 vac. hours |
| 60,385 | / | 50 | = | 1,207.69 | x | 1 | = 1,207.69 vac. hours |
| | | | | | | 2,595.46 | vac. hours |
| 2,595 | x | 10.3932 | composite wage | = | | 26,975.12 | total cost |
| | \$ | 26,975.12 | / | 99,268.00 | = | 0.2717 | per hour |

Sick Leave:

All homemakers hired prior to 7/1/92 will receive sick leave at the following rate:

1 hour for every 21 hours worked

All homemakers hired after 7/1/92 who complete 500 hours of service will receive sick leave at the following rate:

1 hour for every 50 hours worked

All homemakers hired after 7/1/92 who complete 500 hours of service and two years seniority will receive sick leave at the following rate:

1 hour for every 50 hours worked

We estimate that 100% of workers use sick leave benefits

| | | | | | | | |
|--|----|-----------|----------------|-----------|---|---------------|------------------------|
| Estimated Hours worked by homemakers prior to 7/1/92 | | | | | | 30,505 | |
| Estimated Hours worked by homemakers after 7/1/92 (>500 hrs) | | | | | | 8,378 | |
| Estimated Hours worked by homemakers after 7/1/92 (>2yrs, 500 hrs) | | | | | | 60,385 | |
| 30,505 | / | 21 | = | 1452.62 | x | 1 | = 1,452.62 sick hours |
| 8,378 | / | 50 | = | 167.56 | x | 1 | = 167.56 sick hours |
| 60,385 | / | 50 | = | 1207.69 | x | 1 | = 1,207.69 sick hours |
| | | | | | | 2827.88 | total sick leave hours |
| 2,827.88 | x | 10.3932 | composite wage | = | | 29,390.70 | total cost |
| | \$ | 29,390.70 | / | 99,268.00 | = | 0.2961 | per hour |

Holiday:

Holiday pay is based upon the following formula:

Homemakers working 25 avg hrs/week are eligible for 7 paid holidays

Holiday pay is based upon the actual hours scheduled to work and 250 work days

Estimated Hours eligible for holiday benefits

77,429

| | | | | | | | |
|--------|----|-----------|---|-----------|-----------------------|---------|------------------------|
| 77,429 | / | 250 | = | 306.10 | average hours per day | | |
| 306.10 | x | 7 | = | 2142.7 | x | 10.3932 | = 22,269.49 total cost |
| | \$ | 22,269.49 | / | 99,268.00 | = | 0.2243 | per hour |

Health Insurance:

Health insurance coverage is available to all homemakers who work an average of twenty five hours per week. The company pays 80% of the monthly premium for full-time employees who opt for coverage. Health Plan is outlined in Exhibit I-3. Carrier is Pacific Care.

| | | | | | | | |
|------------------|--------------|---|-----------|-----------|---------------------------------------|---|-----------------|
| \$ 535.33 | Premium Cost | | | 55 | Estimated Number of employees covered | | |
| 55 | workers | x | 428.27 | x | 12 | = | \$282,655.72 |
| \$ 282,655.72 | | / | 99,268.00 | | = | | 2.8474 per hour |

Dental Insurance:

Dental insurance coverage is available to all homemakers who work an average of twenty five hours per week. The company pays 100% of the monthly premium for full-time employees who opt for coverage. Dental plan is outlined in Exhibit I-3. Carrier is Denta Care.

| | | | | | | | |
|-----------------|--------------|---|-----------|-----------|---------------------------------------|---|-----------------|
| \$ 16.58 | Premium Cost | | | 55 | Estimated Number of employees covered | | |
| 55 | workers | x | 16.58 | x | 11 | = | \$10,030.44 |
| \$ 10,030.44 | | / | 99,268.00 | | = | | 0.1010 per hour |

IHSS Provider Travel Costs

Travel Wages:

Based upon our prior experience in the county, we estimate that provider travel wages will be:

| | | | | | | | |
|--------------|------------|---|-----------|---|----------|------------|-----------------|
| 1,800 | est. hours | x | 10.3932 | = | \$18,708 | total cost | |
| \$ 18,707.74 | | / | 99,268.00 | | = | | 0.1885 per hour |

Mileage

Based upon our prior experience in the county, we estimate that provider mileage reimbursement will be:

| | | | | | | | |
|----------------|------------|---|-------------|---|----------|------------|-----------------|
| 144,000 | est. miles | x | 0.35 | = | \$50,400 | total cost | |
| \$ 50,400.00 | | / | 99,268.00 | | = | | 0.5077 per hour |

IHSS Provider Orientation/Skill Development Training

Orientation/Skill Development

Based upon the estimated rate of turnover and new hires.

| | | | | | | |
|--|----------|---|-----------------------|---|-----------|----------------------------------|
| Initial Training Hours - (2) Orientation and (2) Bloodborne Pathogen | 4 | | | | 2 | Estimated new Hires per month |
| Skill Development Training Hours | 4 | | | | 84 | Skill Development Training Staff |
| 2 new hires/mth | x | 4 | hrs/mth | = | 8 | |
| 8 x \$ 9.00 | | | average starting wage | = | \$72.00 | |
| \$ 72.00 x 4 | | | months per year | = | \$288.00 | |

In addition, all homemakers receive skill development training.

| | | | | | |
|--------|---|-----------|---|------------|----------------------|
| 84 x 4 | x | 10.3932 | = | \$3,492.11 | |
| 288.00 | + | 3,492.11 | = | \$3,780.11 | Total Training Wages |
| 3,780 | / | 99,268.00 | = | 0.0381 | per hour |

Administrative Salaries

Local Administration:

1 Branch Manager **\$50,000.00** allocated at **100%** of time to IHSS program.
 $\$50,000.00 \times 100\% = \$50,000.00$ Total Cost
 $\$ 50,000.00 / 99,268.00 = 0.5037$ per hour

IHSS Supervisors:

3 Supervisor positions average wage of **\$11.16** per hour
 $\$11.16 \times 40 \text{ hours week} \times 52 \text{ weeks} = \$23,212.80$
 $23,212.80 \times 3 \text{ employees} = \$69,638.40$ total cost
 $\$ 69,638.40 / 99,268.00 = 0.7015$ per hour

Administrative Taxes:

Taxes have been computed on a base composed of:

| | |
|---------------------------|---------------------|
| Local Administration..... | \$50,000.00 |
| IHSS Supervisors..... | \$69,638.40 |
| Total..... | <u>\$119,638.40</u> |

Social Security (FICA):

Reflects the federally mandated level of taxable wages.

$7.65\% \times \$119,638.40 = \$9,152.34$ total cost
 $\$ 9,152.34 / 99,268.00 = 0.0922$ per hour

Federal Unemployment Insurance (FUTA):

Reflects the federally mandated level of taxable wages.

$0.80\% \times \$119,638.40 = \957.11 total cost
 $\$ 957.11 / 99,268.00 = 0.0096$ per hour

State Unemployment Insurance (SUI):

Reflects the rate set for our company by the State.

$2.96\% \times \$119,638.40 = \$3,541.30$ total cost
 $\$ 3,541.30 / 99,268.00 = 0.0357$ per hour

Administrative Worker's Compensation:

Workers Compensation reflects the most recent rate quoted to us by our carrier.

$0.55\% \times \$119,638.40 = \658.01
 $\$ 658.01 / 99,268.00 = 0.0066$ per hour

| 12 month period | Manual Rate used per \$100 of wages | Total amount to WC insurance reserve | Actual WC Losses Experienced * | Surcharge* | EX MOD | Net <Loss> or gains for period |
|-----------------|-------------------------------------|--------------------------------------|--------------------------------|------------|--------|--------------------------------|
| 6/99- 6/00 | 1.31 | 242 | 0 | 0 | 1.27 | 242 |
| 6/00- 6/01 | 1.31 | 1,571 | 0 | 0 | 1.62 | 1,571 |
| 6/01- 6/02 | 1.31 | 1,320 | 0 | 0 | 1.63 | 1,320 |
| 6/02- 6/03 | 1.31 | 1,700 | 0 | 0 | 1.63 | 1,700 |
| 6/03-12/03 | 1.31 | 1,016 | 1,400 | 28 | 1.97 | (412) |

* The "Actual WC Losses experienced" consists of the claims paid out and reserved and does not include any other costs. The surcharge shown above consists of charges other than for claims from our insurance carrier allocated as a percentage of claims. These charges consist primarily of the insurance carriers administrative costs and profit, various taxes related to workers compensation insurance paid by the insurance carrier and the premium for a stop loss policy. Our Workers Compensation carrier does not separate claims between direct service workers and administrative employees. Since we are not self-insured, the additional requested self-insured information is non-applicable.

Administrative Benefits:

Vacation, Sick Leave, Holiday

Vacation, Sick Leave and Holiday benefits are included in salary calculation. Amounts accrued and paid out will be those averaged in administrative salaries. Current staff will retain their current level of benefits.

Health Insurance

Health insurance coverage is available to all full-time administrative staff. The company pays 80% of the monthly premium for these employees. Health Plan for Administrative Staff is Pacific Care.

$$\begin{array}{r r r r r r r r r}
 4 & \text{employees} & \times & 428.27 & \times & 12 & = & \$20,556.78 & \text{total cost} \\
 \$ & 20,556.78 & / & 99,268.00 & & = & & 0.2071 & \text{per hour}
 \end{array}$$

Dental Insurance

Dental insurance coverage is available to all full-time administrative staff. The company pays 100% of the monthly premium for these employees. Dental Plan for Administrative Staff is MetLife.

$$\begin{array}{r r r r r r r r r}
 4 & \text{workers} & \times & 16.58 & \times & 12 & = & \$795.80 & \text{total cost} \\
 \$ & 795.80 & / & 99,268.00 & & = & & 0.0080 & \text{per hour}
 \end{array}$$

Administrative Travel

Travel Wages

Administrative travel wages are included in salary calculation since regular travel will be a part of each administrative persons job and will be paid for the actual time traveled at each person's regular rate of pay, as outlined in the administrative salaries section. Management functions required to carry out the contract which involve travel include client monitoring, provider training, initial service visits, general recruiting, and liaison meetings with the County and/or general public, and will be performed by staff at all levels. Therefore, specific differentiation's in wage levels are not made.

Mileage

Based upon our prior experience in the county, and using the reimbursement rate of **0.41** per mile our estimate has been calculated as follows:

$$\begin{array}{r r r r r r r r r}
 3,460 & \text{miles} & \times & 0.41 & = & \$1,418.60 & \text{total cost} \\
 \$ & 1,418.60 & / & 99,268.00 & & = & & 0.0143 & \text{per hour}
 \end{array}$$

Insurance and Bonding

Liability Insurance, Automobile Insurance, Fidelity Bonding

Coverage's include all required by contract. See Exhibit K for a copy of our insurance coverage.

| | |
|----------------------|----------------|
| Field Wages | \$1,031,711.31 |
| Administrative Wages | \$119,638.40 |
| Total Wages | \$1,151,349.71 |

$$\begin{array}{r r r r r r r r r}
 \$1,151,349.71 & \times & 0.85\% & = & 9,823.77 & \text{total cost} \\
 \$ & 9,823.77 & / & 99,268.00 & = & & & 0.0990 & \text{per hour}
 \end{array}$$

(Co of SB Std Terms Ver 4-21-95)

Office Expense

Rent

Based upon estimated rental costs for all offices in the service area.

Projected at **\$43,250.00** total cost
\$ 43,250.00 / 99,268.00 = 0.4357 per hour

Maintenance/Janitorial

Based upon estimated costs for routine facility maintenance.

Projected at **\$950.00** total cost
\$ 950.00 / 99,268.00 = 0.0096 per hour

Utilities

Based upon estimated costs for all offices in the service area.

Projected at **\$2,750.00** total cost
\$ 2,750.00 / 99,268.00 = 0.0277 per hour

Equipment

No new equipment will be purchased under this contract.

Equipment Maintenance

Based upon estimated office maintenance agreements and for repairs not covered by maintenance agreements. Equipment includes Copier, Telephones, Fax and Computers.

Projected at **\$2,000.00** total cost
\$ 2,000.00 / 99,268.00 = 0.0201 per hour

Accounting and Data Processing

Included in Other costs.

Telephone

Based upon estimated costs for use and maintenance of regular lines and long distance service.

Projected at **\$10,500.00** total cost
\$ 10,500.00 / 99,268.00 = 0.1058 per hour

Postage

Based upon estimated costs for stamps, postal services, and messenger services/express mail.

Projected at **\$2,500.00** total cost
\$ 2,500.00 / 99,268.00 = 0.0252 per hour

Photocopying/Printing

Based upon estimated costs for forms, general photocopying expenses and factors for outside printing.

Projected at **\$1,000.00** total cost
\$ 1,000.00 / 99,268.00 = 0.0101 per hour

Supplies

Based upon estimated costs for checks, paper, envelopes, note pads, calculators, and miscellaneous office supplies.

Projected at **\$6,000.00** total cost
\$ 6,000.00 / 99,268.00 = 0.0604 per hour

Personnel Advertising

Based upon estimated costs for placing ads in local newspapers, distributing flyers and making contacts with potential recruitment referral sources.

Projected at **\$1,500.00** total cost
\$ 1,500.00 / 99,268.00 = 0.0151 per hour

Other Costs

Based upon estimated costs for data processing, accounting, legal, claims, damages, consultants, letter of credit, temporary help, licenses, taxes, small miscellaneous expenses. Includes cost of regional management and home office expense. Also includes additional costs for compliance with DOL OSHA 29 CFR Part 1910.1030: Occupational Exposure to Blood-Borne Pathogens and employee identification badges.

Estimated at **\$36,500.00** total cost
\$ 36,500.00 / 99,268.00 = 0.3677 per hour

Profit

Projected at **1.76%** of the net total.

Estimated at \$18,186.36 total cost
\$ 18,186.36 / 99,268.00 = 0.1831 per hour 0.0000

Independent Audit

Estimated cost of required audit based upon current year's audit expense.

Projected at **\$3,134.00** total cost
\$ 3,134.00 / 99,268.00 = 0.0316 per hour

Total Cost

Projected at \$1,899,989.52 total cost

Hourly Cost

\$1,899,989.52 / 99,268 = 19.14 hourly rate

EXHIBIT C

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

INDEMNIFICATION

Indemnification pertaining to other than Professional Services:

CONTRACTOR shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Indemnification pertaining to Professional Services:

CONTRACTOR shall indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the negligent performance or attempted performance of the provisions hereof; including any willful or negligent act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him to the fullest extent allowable by law.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Without limiting the CONTRACTOR's indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.

2. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTORS shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."

If the policy providing liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

3. Professional Liability Insurance. Professional liability insurance shall include coverage for the activities of CONTRACTOR's professional staff with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate. Said policy or policies shall provide that COUNTY shall be given thirty (30) days written notice prior to cancellation, expiration of the policy, or reduction in coverage. If the policy providing professional liability coverage is a on 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three (3) years (ten years [10] for Construction Defect Claims) following completion of the performance or attempted performance of the provisions of this agreement.

CONTRACTOR shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the CONTRACTOR may be held responsible for payment of damages resulting from CONTRACTOR'S services of operation pursuant to the contract, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the CONTRACTOR is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

**EXHIBIT D
YEAR 2000 DATE CHANGE COMPLIANCE WARRANTY
FOR GOODS AND SERVICES**

---- INTENTIONALLY OMITTED ----

**REMOVED
March 1, 2004**

THIS AGREEMENT DOES NOT INCLUDE EXHIBIT D

EXHIBIT E

HIPAA Business Associate Agreement

1. Use and Disclosure of Protected Health Information

Except as otherwise provided in this Exhibit, the Contractor may use or disclose protected health information ("PHI")¹ to perform functions, activities or services for or on behalf of the County, as specified in the underlying agreement, provided that such use or disclosure does not violate HIPAA or other law. The uses and disclosures of PHI may not exceed the limitations applicable to the County under the regulations except as authorized for management, administrative or legal responsibilities of the Contractor. PHI includes without limitation "Electronic Protected Health Information" ("EPHI")².

2. Further Disclosure of PHI

The Contractor shall not use or further disclose PHI other than as permitted or required by the underlying Agreement, or as required by law.

3. Safeguarding PHI

The Contractor shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the underlying Agreement. Contractor shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI that Contractor creates, receives, maintains or transmits on behalf of County. The actions taken by the Contractor to safeguard EPHI shall include, but may not be limited to:

- a. Encrypting EPHI that it stores and transmits;
- b. Implementing strong access controls, including physical locks, firewalls, and strong passwords;
- c. Using antivirus software that is upgraded regularly;
- d. Adopting contingency planning policies and procedures, including data backup and disaster recovery plans; and
- e. Conducting periodic security training.

4. Unauthorized Use or Disclosure of PHI

The Contractor shall report to the County any use or disclosure of the PHI not provided for by the underlying Agreement or otherwise in violation of the Privacy Rule or Security Rule. Contractor shall report to County any security incidents within 10 days of becoming aware of such incidents. For purposes of this paragraph, "security incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system.

5. Agents and Subcontractors of the Business Associate

The Contractor shall ensure that any agent, including a subcontractor, to which the Contractor provides PHI received from, or created or received by the Contractor on behalf of the County, shall comply with the same restrictions and conditions that apply through the underlying Agreement to the Contractor with respect to such information. The Contractor shall ensure that any agent to whom it provides PHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such PHI. Contractor shall not use subcontractors or agents, unless it receives prior written consent from County.

E_____

¹ "Protected Health Information" means individually identifiable health information including, without limitation, all information, data, documentation and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or 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.

² "Electronic Protected Health Information" means Protected Health Information, which is transmitted by Electronic Media (as defined in the HIPAA Security and Privacy Rule) or maintained in Electronic Media.

(Co of SB Std Terms Ver 4-21-95)

6. Access to PHI

At the request of the County, and in the time and manner designated by the County, the Contractor shall provide access to PHI in a Designated Record Set to an Individual or the County to meet the requirements of 45 Code of Federal Regulations section 164.524.

7. Amendments to Designated Record Sets

The Contractor shall make any amendment(s) to PHI in a Designated Record Set that the County directs or at the request of the Individual, and in the time and manner designated by the County in accordance with 45 Code of Federal Regulations section 164.526.

8. Documentation of Uses and Disclosures

The Contractor shall document such disclosures of PHI and information related to such disclosures as would be required for the County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528. Contractor agrees to implement a process that allows for an accounting to be collected and maintained by Contractor and its agents or subcontractors for at least six years prior to the request, but not before the compliance date of the Privacy Rule.

9. Accounting of Disclosure

The Contractor shall provide to the County or an Individual, in the time and manner designated by the County, information collected in accordance with 45 Code of Federal Regulations section 164.528, to permit the County to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528.

10. Records Available to Covered Entity and Secretary

The Contractor shall make available records related to the use, disclosure, security and privacy protection of PHI received from the County, or created or received by the Contractor on behalf of the County, to the County or to the Secretary of the United State Department of Health and Human Services for purposes of investigating or auditing the County's compliance with the HIPAA privacy and security regulations, in the time and manner designated by the County or the Secretary.

11. Destruction of PHI

a. Upon termination of the underlying Agreement for any reason, the Contractor shall:

- (1) Return all PHI received from the County, or created or received by the Contractor on behalf of the County required to be retained by the Privacy Rule; or
- (2) Return or destroy all other PHI received from the County, or created or received by the Contractor on behalf of the County.

This provision also shall apply to PHI in possession of subcontractors or agents of the Contractor. The Contractor, its agents or subcontractors shall retain no copies of the PHI. However, Contractor, its agents or subcontractors shall retain all protected information throughout the term of the underlying Agreement and shall continue to maintain the information required under Section 8 of this Exhibit for a period of six years after termination of the underlying Agreement.

b. In the event the Contractor determines that returning or destroying the PHI is not feasible, the Contractor shall provide the County notification of the conditions that make return or destruction not feasible. If the County agrees that the return of the PHI is not feasible, the Contractor shall extend the protections of this Exhibit to such PHI and limit further use and disclosures of such PHI for so long as the Contractor, or any of its agents or subcontractors, maintains such PHI.

12. Amendments

The Parties agree to take such action as is necessary to amend the underlying Agreement as necessary for the County to comply with the requirements of the Privacy Rule and its implementing regulations.

13. Mitigation of Disallowed Uses and Disclosures

The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the underlying Agreement or the Privacy Rule.

14. Termination of Agreement

The County shall terminate the underlying Agreement upon knowledge of a material breach by the Contractor of which the Contractor fails to cure.

15. Definitions

Terms used, but not otherwise defined, in this Exhibit shall have the same meaning as those in the Privacy Rule.

16. Interpretation

Any ambiguity in this Exhibit shall be resolved to permit County to comply with the Privacy Rule and Security Rule.

COUNTY OF SANTA BARBARA DEPARTMENT OF SOCIAL SERVICES
CONTRACTOR ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT

CONTRACTOR: Addus HealthCare, Inc

CONTRACTOR ACKNOWLEDGEMENT:

I understand and agree that I am an independent Contractor and that I am not an employee of the County of Santa Barbara for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Santa Barbara by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Santa Barbara pursuant to any agreement between any person or entity and the County of Santa Barbara.

CONFIDENTIALITY AGREEMENT:

You may be involved with work pertaining to services provided by the County of Santa Barbara and, if so, you may have access to confidential data and client protected information pertaining to persons and/or entities receiving services from the County. This information includes but is not limited to client name, address, social security number, date of birth, driver's license number, identification number, or any other information that identifies the individual. In addition, you may also have access to proprietary information supplied by the County of Santa Barbara or by other vendors doing business with the County of Santa Barbara. The County has a legal obligation to protect all such confidential data and client protected information in its possession, especially data and information concerning health, mental health, criminal and public assistance records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and client protected information. Consequently, you must sign this agreement as a condition of your work for the County. Please read this agreement and take due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract with the County of Santa Barbara. I agree to forward all requests for the release of any data or client protected information received by me to the County Designated Representative.

I agree to keep confidential all financial, health, criminal and public assistance records and all data and client protected information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, County proprietary information and all other original materials produced, created or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than County employees who have a need to know the information. I agree that if proprietary information supplied by the County or by other County vendors is provided to me during this engagement, I shall keep such information confidential.

I agree to report to the County Designated Representative any and all violations of this contract by myself and/or by any other person of which I became aware. I agree to return all confidential materials to the County Designated Representative upon completion of termination of this contract.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Santa Barbara may seek all possible legal redress.

SIGNATURE: _____ DATE: _____

D1. Fiscal Year : FY09/10
D2. Budget Unit Number (plus -Ship/-Bill codes in paren's) :
D3. Requisition Number :
D4. Department Name : Social Services
D5. Contact Person : Judy Doughty
D6. Phone : 805-346-7302

K1. Contract Type (check one): Personal Service Capital Project/Construction
K2. Brief Summary of Contract Description/Purpose : In-Home Supportive Services
K3. Original Contract Amount : \$1,899,989
K4. Contract Begin Date : 7/1/09
K5. Original Contract End Date : 6/30/10
K6. Amendment History (leave blank if no prior amendments):

| <u>Seq#</u> | <u>EffectiveDate</u> | <u>ThisAmndtAmt</u> | <u>CumAmndtToDate</u> | <u>NewTotalAmt</u> | <u>NewEndDate</u> | <u>Purpose</u> |
|-------------|----------------------|---------------------|-----------------------|--------------------|-------------------|----------------|
| (2-4 words) | | | | | | |
| | \$ | \$ | \$ | | | |

K7. Department Project Number :

B1. Is this a Board Contract? (Yes/No) : Yes
B2. Number of Workers Displaced (if any) : None
B3. Number of Competitive Bids (if any) : 1
B4. Lowest Bid Amount (if bid) : \$19.14/hr
B5. If Board waived bids, show Agenda Date : N/A
B6. ... and Agenda Item Number : #
B7. Boilerplate Contract Text Unaffected? (Yes / or cite ¶¶) :

F1. Encumbrance Transaction Code : 1701
F2. Current Year Encumbrance Amount : \$0
F3. Fund Number : 0055
F4. Department Number : 044
F5. Division Number (if applicable) : 3051
F6. Account Number : 7662
F7. Cost Center number (if applicable) : 5325
F8. Payment Terms : Net 30

V1. Vendor Numbers (A=uditor; P=urchasing) :
V2. Payee/Contractor Name : Addus HealthCare, Inc.
V3. Mailing Address : 2401 S. Plum Grove Rd.
V4. City State (two-letter) Zip (include +4 if known) : Palantine, IL 60067
V5. Telephone Number : 847-303-5300
V6. Contractor's Federal Tax ID Number (EIN or SSN) : 42-1014070
V7. Contact Person : Tamaal Rodgers
V8. Workers Comp Insurance Expiration Date : 6/09
V9. Liability Insurance Expiration Date[s] (G=enl; P=rofl) : 6/09
V10. Professional License Number : #
V11. Verified by (name of County staff) :
V12. Company Type (Check one): Individual Sole Proprietorship Partnership Corporation

I certify: information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date: Authorized Signature : _____