

FIRST AMENDMENT 2014-2015

TO AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

This First Amendment (hereafter First Amendment) to the Agreement for Services of Independent Contractor, number **BC 15045** previously referenced as number **BC 14-090**, is made by and between the **County of Santa Barbara** (County) and **PharMerica** (Contractor), for the continued services specified herein.

Whereas, Contractor represents that it is specially trained, skilled, experienced and competent to perform the special services required by County and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions referenced herein; and

Whereas, County intends to extend the term of the existing contract through Fiscal Year 2014-15 and to compensate Contractor for the services to be provided during that Fiscal Year;

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

I. In Agreement Section 4, Term, the following is added at the end:

For Fiscal Year 2014-15, Contractor shall continue performance on 7/1/2014 and complete performance by 6/30/2015 unless otherwise directed by County or unless this Agreement is earlier terminated.

II. Agreement Section 12 is replaced with the following:

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 all records until such time that the State Department of Health Care Services completes all actions associated with the final audit, including appeals, for the fiscal year(s) covered by this Agreement, or not less than four (4) years following the termination of this Agreement, whichever is later. All accounting records shall be kept in accordance with generally accepted accounting principles. 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. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), Contractor shall be subject to the examination and audit of the California State Auditor, at the request of the County or as part of any audit of the County, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). Contractor shall participate in any audits and reviews, whether by County or the State, at no charge to County. The provisions of Section 12, Records, Audit, and Review shall survive any expiration or termination of this Agreement.

FIRST AMENDMENT 2014-2015

III. Section 1, CONTRACTOR SERVICES, is deleted from Exhibit B, Payment Arrangements, and replaced with the following:

1. **Contract Maximum.** For Contractor services to be rendered under this Agreement, Contractor shall be paid at the rates specified in this Exhibit B, with a maximum total contract amount not to exceed \$494,000 per County Fiscal Year.

All other terms of the Agreement remain in full force and effect.

FIRST AMENDMENT 2014-2015

SIGNATURE PAGE

First Amendment to Agreement for Services of Independent Contractor between the County of Santa Barbara and PharMerica.

IN WITNESS WHEREOF, the parties have executed this First Amendment to be effective on July 1, 2014.

ATTEST:
MONA MIYASATO, COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____
Deputy

Date: _____

RECOMMENDED FOR APPROVAL:
ALCOHOL, DRUG, AND MENTAL HEALTH
SERVICES
TAKASHI WADA, MD, MPH
INTERIM DIRECTOR

By _____
Director

Date: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By _____
Deputy County Counsel

Date: _____

COUNTY OF SANTA BARBARA

By: _____
STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

Date: _____

CONTRACTOR:
MR. MARK MARSHALL
PHARMERICA

By: _____

Date: _____

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

By _____
Deputy

Date: _____

APPROVED AS TO FORM:
RAY AROMATORIO
RISK MANAGER

By: _____

Date: _____



County of Santa Barbara
BOARD OF SUPERVISORS

Minute Order

June 18, 2013

Present: 5 - Supervisor Carbajal, Supervisor Wolf, Supervisor Farr, Supervisor Adam,
and Supervisor Lavagnino

ALCOHOL, DRUG AND MENTAL HEALTH SERVICES

File Reference No. 13-00487

RE: Consider recommendations regarding Fiscal Year 2013/2014 ADMHS Contracts, as follows:

- a) Approve and authorize the Chair to execute a Contract with Medical Doctor Associates (not a local vendor) in an amount not to exceed \$660,000.00;
- b) Approve and authorize the Chair to execute a Contract with PharMerica (not a local vendor) in an amount not to exceed \$494,000.00;
- c) Approve and authorize the Chair to execute a Contract with Krassons, Inc. (not a local vendor) in an amount not to exceed \$219,200.00; and
- d) Determine under CEQA Guidelines Section 15061(b)(3) that this activity is exempt from review on the basis that it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

A motion was made by Supervisor Farr, seconded by Supervisor Wolf, that this matter be Acted on as follows:

- a) through c) Approved; Chair to execute; and
- d) Approved.

The motion carried by the following vote:

Ayes: 5 - Supervisor Carbajal, Supervisor Wolf, Supervisor Farr, Supervisor Adam,
and Supervisor Lavagnino

AGREEMENT

FOR SERVICES OF INDEPENDENT CONTRACTOR

BC 14-090

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 PharMerica, having its principal place of business at Louisville, Kentucky (hereafter Contractor) wherein Contractor agrees to provide and County agrees to accept the services specified herein.

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

1. **DESIGNATED REPRESENTATIVE.** Director (telephone 805.681.5220) is the representative of County and will administer this Agreement for and on behalf of County. Mark Lindemoen (telephone number 5026277000) is the authorized representative for Contractor. Changes in designated representatives shall be made only after advance written notice to the other party.
2. **NOTICES.** Whenever it shall become necessary for either party to serve notice on the other respecting the Agreement, such notice shall be in writing and shall be served by Registered or Certified Mail, Return Receipt Requested, addressed as follows:
 - A. To County:

Director
Santa Barbara County
Alcohol, Drug, and Mental Health Services
300 N. San Antonio Road
Santa Barbara, CA 93110
 - To Contractor:

Mark Lindemoen, Senior VP Accounts Management
PharMerica
1901 Campus Place
Louisville, KY 40299
 - B. Any such notice so mailed shall be deemed to have been served upon and received by the addressee five (5) days after deposit in the mail. Either party shall have the right to change the place or person to whom notice is to be sent by giving written notice to the other party of the change.
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 by **7/1/2013** and complete performance by **6/30/2014**, unless this Agreement is otherwise terminated at an earlier date pursuant to Section 17.
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. Contractor shall bill County by invoice, which shall include the Contract number assigned by County. Contractor shall direct the invoice to County's "Accounts Payable Department" at the address specified under Exhibit B, Section 5, after completing the increments identified in Exhibit B.
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

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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 insurance, and protection of tenure.

7. **STANDARD OF PERFORMANCE.** Contractor represents that it has the skills, expertise, and licenses and/or 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 manner which will conform to high standards of quality 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. Contractor shall obtain and maintain all permits and/or licenses required for performance under this Agreement without additional compensation, at Contractor's own expense.
8. **NON-DISCRIMINATION.** County hereby notifies Contractor that Santa Barbara County's Unlawful Discrimination Ordinance (Santa Barbara County Code, Chapter 2, Article XIII) applies to this Agreement and is incorporated herein by reference with the same force and effect as if the ordinance were specifically set out herein. Contractor hereby agrees to comply with said ordinance.
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 to allow Contractor to perform the services contemplated by this Agreement.
11. **OWNERSHIP OF DOCUMENTS.** Upon production, County shall be the owner of the following items incidental to this Agreement, whether or not completed: all data collected 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 be the legal owner and Custodian of Records for all County client files generated pursuant to this Agreement, and shall comply with all Federal and State confidentiality laws, including Welfare and Institutions Code (WIC) §5328; 42 United States Code (U.S.C.) §290dd-2; and 45 CFR, Parts 160 – 164 setting forth the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor shall inform all of its officers, employees, and agents of the confidentiality provision of said laws. Contractor further agrees to provide County with copies of all County client file documents resulting from this Agreement without requiring any further written release of information.

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. Within HIPAA guidelines, County shall have the unrestricted authority to publish, disclose, distribute, and/or otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

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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 until such time that the State Department of Health Care Services completes its final audit for the fiscal year(s) covered by this Agreement, or not less than three (3) years from the end of the term of this Agreement, whichever is later. All account 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, either at any time during Contractor's regular business hours, or upon reasonable notice to Contractor.
13. **COMPLIANCE WITH HIPAA.** Contractor is expected to adhere to Health Insurance Portability and Accountability Act (HIPAA) regulations and to develop and maintain comprehensive patient confidentiality policies and procedures, provide annual training of all staff regarding those policies and procedures, and demonstrate reasonable effort to secure written and/or electronic data. The parties should anticipate that this Agreement will be modified as necessary for full compliance with HIPAA.
14. **INDEMNIFICATION AND INSURANCE.** Contractor shall agree to defend, indemnify and hold harmless the County and to procure and maintain insurance in accordance with the provisions of Exhibit C attached hereto and incorporated herein by reference.
15. **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 reimburse County within one (1) week for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and Workers' Compensation insurance.
16. **DISPUTE RESOLUTION.** Any dispute or disagreement arising out of this Agreement shall first be addressed and resolved at the lowest possible staff level between the appropriate representatives of the Contractor and of the County. If the dispute or disagreement cannot be resolved at this level, it is to be elevated to the Contractor's Program Manager and County's relevant Program Manager. If the Managers cannot resolve the dispute, they are to take the following actions:
 - A. Decision – Each party shall reduce the dispute to writing and submit to the appropriate ADMHS Assistant Director. The Assistant Director shall assemble a team to investigate the dispute and to prepare a written decision. This decision shall be furnished to the Contractor within thirty (30) days of receipt of the dispute documentation. This decision shall be final unless appealed within ten (10) days of receipt.
 - B. Appeal – The Contractor may appeal the decision to the Santa Barbara County Alcohol, Drug, and Mental Health Services Director or designee. The decision shall be put in writing within twenty (20) days and a copy thereof mailed to the Contractor's address for notices. The decision shall be final.
 - C. Continued Performance - Pending final decision of the dispute hereunder, Contractor shall proceed diligently with the performance of this Agreement.
 - D. Dispute Resolution - The finality of appeal described herein is meant to imply only that recourse to resolution of disputes through this particular dispute resolution mechanism has been concluded. This is in no way meant to imply that the parties have agreed that

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this mechanism replaces either party's rights to have its disputes with the other party heard and adjudicated in a court of competent jurisdiction.

17. TERMINATION.

A. **BY COUNTY.** County, by written notice to Contractor, may terminate this Agreement in whole or in part at any time, whether for County convenience or because of the failure of Contractor to fulfill the obligations herein. Upon termination, Contractor shall 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 such notice of termination, Contractor shall notify County of the status of its performance and cease work at the conclusion of the thirty (30) day notice period.

Notwithstanding any other payment provision of this Agreement, County shall pay Contractor for services 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 maximum budgeted amount for this Agreement as set forth in Exhibit B, or paid 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.

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.** Contractor may, upon thirty (30) days written notice to County, terminate this Agreement in whole or in part at any time, whether for Contractor's convenience or because of the failure of County to fulfill the obligations herein. Following such termination, Contractor shall promptly cease work and notify County as to the status of its performance.

18. **ENTIRE AGREEMENT, AMENDMENTS, AND MODIFICATIONS.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties. 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 amended or modified only by the written mutual consent of the parties hereto. Requests for changes to the terms and conditions of this agreement after April 1 of the Fiscal Year for which the change would be applicable shall not be considered. All requests for changes shall be in writing. Changes shall be made by an amendment pursuant to this Section. Any amendments or modifications that do not materially change the terms of this Agreement (such as changes to the Designated Representative or Contractor's address for purposes of Notice) may be approved by the director of Alcohol, Drug & Mental Health Services. The Board of Supervisors of the County of Santa Barbara must approve all other amendments and modifications. Each party waives its 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.

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19. **NON-EXCLUSIVE AGREEMENT.** Contractor understands that this is not an exclusive Agreement and that County shall have the right to negotiate and enter into contracts with others providing the same or similar services as those provided by Contractor as the County desires.
20. **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 parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.
21. **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. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.
22. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to the parties 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, now or hereafter existing at law or in equity or otherwise.
23. **NO WAIVER OF DEFAULT.** No delay or omission of the parties 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 the parties shall be exercised from time-to-time and as often as may be deemed expedient in the sole discretion of either party.
24. **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.
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. **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.
27. **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. 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.
28. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts. Each counterpart 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.

AGREEMENT

29. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement, and each covenant and term is a condition herein.
30. **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 have complied with all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other Agreement or Agreement to which Contractor is obligated, which breach would have a material effect hereon.
31. **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.
32. **COMMUNICATION.** Contractor shall acknowledge in any public announcement regarding the program that is the subject of this Agreement that Santa Barbara County Alcohol, Drug, and Mental Health Department provides all or some of the funding for the program.
33. **PRIOR AGREEMENTS.** Upon execution, this Agreement supersedes all prior Mental Health Services agreements between County and Contractor.
34. **COURT APPEARANCES.** Upon request, Contractor shall cooperate with County in making available necessary witnesses for court hearings and trials, including Contractor's staff that have provided treatment to a client referred by County who is the subject of a court proceeding. County shall issue Subpoenas for the required witnesses upon request of Contractor.

AGREEMENT

THIS AGREEMENT INCLUDES:

- A. EXHIBIT A – Statement of Work
 - 1. EXHIBIT A-1 – ViewMaster Rx
- B. EXHIBIT B – Financial Provisions
- C. EXHIBIT C – Standard Indemnification and Insurance Provisions
- D. EXHIBIT D – Organizational Service Provider Site Certification

AGREEMENT

Agreement for Services of Independent Contractor between the County of Santa Barbara and PharMerica.

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

COUNTY OF SANTA BARBARA

By: [Signature]
SALUD CARBAJAL, CHAIR
BOARD OF SUPERVISORS
Date: 6-18-13

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

CONTRACTOR

By: [Signature]
Deputy Clerk
Date: 6-19-13

By: _____
Tax Id No 72-1205642.
Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

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

By: [Signature]
Deputy County Counsel
Date: 5/16/13

By: [Signature]
Deputy
Deputy Auditor-Controller
Gregory Eric Levin
Advanced and Specialty Accounting

APPROVED AS TO FORM :
ALCOHOL, DRUG, AND MENTAL HEALTH
SERVICES
TAKASHI WADA, MD, MPH
INTERIM DIRECTOR

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK MANAGER

By: [Signature]
Director
Date: 6/5/13

By: [Signature]
Date: 6/5/13

AGREEMENT

Agreement for Services of Independent Contractor between the County of Santa Barbara and PharMerica.

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

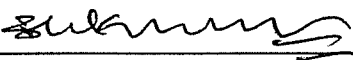
COUNTY OF SANTA BARBARA

By: _____
SALUD CARBAJAL, CHAIR
BOARD OF SUPERVISORS
Date: _____

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

CONTRACTOR

By: _____
Deputy Clerk
Date: _____

By: 
Tax Id No 72-1205642.
Date: 6/11/2013

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

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

By _____
Deputy County Counsel
Date: _____

By _____
Deputy

APPROVED AS TO FORM :
ALCOHOL, DRUG, AND MENTAL HEALTH
SERVICES
TAKASHI WADA, MD, MPH
INTERIM DIRECTOR

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK MANAGER

By _____
Director
Date: _____

By: _____
Date: _____

EXHIBIT A
STATEMENT OF WORK

1. Contractor shall provide regular and emergency pharmacy services to the Santa Barbara County Alcohol, Drug, and Mental Health Psychiatric Health Facility (PHF) located on the First Floor, 315 Camino Del Remedio, Santa Barbara, CA 93110-1332.
2. Services to be provided by Contractor:
 - A. Check and replenish "stock" medications and emergency box.
 - B. Dispense prescriptions for individual clients as ordered.
 - C. Contractor Pharmacist (hereafter "Pharmacist") shall perform client chart reviews on a monthly basis and give quarterly written summary report on these findings.
 - D. Pharmacy shall provide at least two (2) deliveries per day, five (5) days a week with one (1) delivery on Saturday. More deliveries shall be made if needed by the PHF.
 - E. A Pharmacist shall be on call for "Emergency" services twenty-four (24) hours a day, seven (7) days a week.
 - F. Pharmacist shall attend committee meetings as necessary, including but not limited to Quality Assurance meetings. Additionally, Pharmacist shall inform physicians via memo of formulary changes and requirements for Treatment Authorization Requests (TAR).
 - G. Contractor Pharmacist shall provide other services as required and requested by the PHF.
 - H. In-house client medications and supplies shall be delivered in accordance with applicable provisions in the California Administrative Code.
 - I. Contractor shall maintain and distribute to County a Policy and Procedures Manual which defines methods and practices by which Contractor shall comply with the terms of this Agreement and compliance with regulatory requirements.
 - i) Contractor shall ensure that the Policy and Procedures Manual is maintained in a current, complete, and timely manner reflecting actual practices. The Manual shall include document control through revision control, distribution lists, and periodic audits.
 - ii) Said policy and procedures manual shall include instructions, procedures and references to ensure current and complete compliance with Medi-Care and Medi-Cal requirements.
 - iii) Both parties' appropriate personnel shall be trained on the contents and use of the Manual. Revisions shall be reviewed with both parties appropriate personnel to ensure currency of training.
 - J. Disposal of all medications not used by the PHF as specified in Section 3.F of this Exhibit.
3. Responsibilities of PHF:
 - A. Provide adequate information on each client admitted to facility.
 - B. Order medications in a timely manner.

EXHIBIT A
STATEMENT OF WORK

- C. Make all records and information necessary to provide required services accessible to Pharmacists.
 - D. Guarantee payment for medications provided to clients of the PHF. County shall provide reimbursement for discharge medications only when reimbursement is not available from other sources, as described in Exhibit B.
 - E. Provide Contractor with sufficient information to properly bill Medi-Cal, or as necessary to re-bill Medi-Cal, or other third party payors for clients receiving discharge medications.
 - F. Dispose of medication not used by PHF in the following manner:
 - i) All narcotics shall be disposed of within the PHF by a PHF Registered Nurse and a Pharmacist.
 - ii) To provide proper disposition of unused medications, County PHF staff shall provide signed inventory of all "bubble packed" medication. This medication is to be picked up by Contractor from PHF and returned to Contractor for credit.
 - iii) All other medication necessitating disposal shall be processed via a separate vendor.
4. **VIEWMASTERX™.** County shall be provided access to Contractor's ViewMasterRx™ System in accordance with Exhibit A-1, attached hereto and incorporated by reference.
5. **CONFIDENTIALITY.** Contractor agrees to maintain the confidentiality of patient records pursuant to Welfare and Institutions Code (WIC), Section 5328 and the 42 U.S.C. §290dd-2 (requires client, or patient representative, authorization specific to psychiatric treatment prior to release of information or a judge signed court order if client authorization unavailable), 45 CFR Parts 160 – 164 (privacy and security rules related to HIPAA) and Section 13 of this Agreement. Contractor shall inform all its officers, employees, and agents of the confidentiality provisions of said statutes. Patient records must comply with all appropriate State and Federal requirements.
6. **NOTIFICATION REQUIREMENTS.** Contractor shall notify County ADMHS Director or designee immediately in the event of: suspected or actual misappropriation of any funds under Contractor's control; any known serious complaints against licensed staff; any restrictions in practice or license as stipulated by the State Bureau of Medical Quality Assurance, Community Care Licensing Division of the Department of Social Services of the State, or other State agency; any staff privileges being restricted at a hospital; any legal suits being initiated specific to Contractor's practice; any criminal investigation of the Contractor being initiated; or any other action being instituted which affects Contractor's license or practice.
7. **LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES.**
- A. Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates (including, but not limited to, certification as a Short-Doyle/Medi-Cal provider if Title XIX Short-Doyle/Medi-Cal services are provided hereunder), as required by all Federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which are applicable to Contractor's facility(ies) and services under this Agreement. Contractor shall further ensure that all of its officers, employees, and agents, who perform services hereunder,

EXHIBIT A

STATEMENT OF WORK

shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder. A copy of such documentation shall be provided, in duplicate, to ADMHS Contracts Division.

- B. Contractor shall ensure that all staff providing services under this contract retain active licensure. In the event license status cannot be confirmed, the staff member shall be prohibited from providing services under this contract.
 - C. If Contractor is a participant in the Short-Doyle/Medi-Cal program, Contractor shall keep fully informed of all current Short-Doyle/Medi-Cal Policy Letters, including, but not limited to, procedures for maintaining Medi-Cal certification of all its facilities.
8. **REPORTS.** Contractor shall maintain records and make statistical reports as required by County and the California State Department of Mental Health. Upon County's request, Contractor shall provide reports as required by County concerning Contractor's activities as they affect the services hereunder.
9. **STANDARDS.**
- A. Contractor agrees to comply with Medi-Cal requirements and be approved to provide Medi-Cal services based on Medi-Cal site certification, per Exhibit D, Organizational Service Provider Site Certification.
 - B. Contractor shall make its service protocols and outcome measures data available to County and to Medi-Cal site certification reviewers.
 - C. Contractor shall develop and maintain a written disaster plan for the Program site and shall provide annual disaster training to staff.

EXHIBIT A - 1

The PharMerica ViewMasteRx™ System

1. Program Description. The PharMerica ViewMasteRx™ System, which includes the website portal, information and software (collectively, the "System"), is a core component of PharMerica's contractor services solution. The System is proprietary and for use in the creation, management, and storage of Contractor, County and Resident data. The System is designed to provide County with retrievable management information and other value-added functionality, which may be enhanced or modified by Contractor from time to time.
2. Contractor Obligations. Contractor shall:
 - A. Configure the accounts for County's assigned system administrators and/or users.
 - B. Establish County account within the System.
 - C. Provide administrative access to County's assigned system administrators within fifteen (15) days after Contractor has been provided the necessary information from County to configure the System for County's account.
 - D. Provide website tools for the administration of user accounts.
 - E. Provide technical support to the system administrators.
 - F. Advise County as to the necessary Internet connectivity and technical infrastructure required for County to implement and use the System.
3. County Obligations. County shall:
 - A. Designate a System administrator and provide Contractor other information necessary to establish County's account.
 - B. Assure System security and notify Contractor of any change in the authorized system administrators.
 - C. Provide a secure Internet connection and computer hardware using a high speed Internet connection between County and the Internet.
 - D. Provide and maintain user accounts so authorized by County's system administrators.
4. Material Default. Failure by County to adhere to any requirement of this Exhibit A-1 is considered a material failure by County to perform its obligations under the Agreement and will be a basis for Contractor to terminate the Agreement.
5. Modification/Termination. Contractor may unilaterally, at any time and in its sole discretion, amend, modify, revise, update or otherwise change or terminate all or part of the System and/or this Exhibit A-1.
6. Rights Upon Termination. Upon termination of this Exhibit A-1, all rights granted to County hereunder will immediately cease, and County must permanently desist from the further use of the System and withdraw all login rights of all users. County must return to Contractor any and all materials provided by Contractor, including Confidential Information in County's possession. Termination of access to ViewMasteRx™ by Contractor shall have no effect on the pharmaceutical services described in this Agreement.

EXHIBIT A - 1

The PharMerica ViewMasterRx™ System

7. County acknowledges and understands that County's use of Contractor's System is contingent and dependent upon the prior provision by County of information required by Contractor for System set up and implementation. Accordingly, County agrees to provide such information so required by Contractor by designating a County corporate or facility representative who will be responsible for the System and will cooperate with Contractor to accomplish System set up and implementation.

EXHIBIT B

Payment Arrangements

1. **CONTRACTOR SERVICES.** For Contractor services to be rendered under this Agreement, Contractor shall be paid at the rate specified in this Exhibit B, with a maximum value not to exceed \$494000.
2. 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 defined in this Exhibit B. Invoices submitted for payment that are based upon Exhibit B must contain sufficient detail and provide supporting documentation to enable an audit of the charges.
3. Monthly, Contractor shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the services performed over the period specified. The invoice must show the Board Contract number, client's identification number, medication, date of service, the rate, the total cost broken down by client, and clearly identify discharge medications. County representative shall evaluate the quality of the service performed and, if found to be satisfactory, shall initiate payment processing. County shall pay invoices or claims for satisfactory work within thirty (30) days of presentation.

Consultation. Invoice must show the Board Contract number, date, rate, and units of service for consultation services described in Section 6.E.

4. County's failure to discover or object to any unsatisfactory work or billings prior to payment shall not constitute a waiver of County's right to require Contractor to correct such work or billings or seek any other legal remedy.
5. County Designated Representative:

Alcohol, Drug and Mental Health Services
Attn: Accounts Payable
429 North San Antonio Road
Santa Barbara, CA 93110

6. **Charges for Services.** Medication billing to County shall be divided into three (3) categories:
 - A. Stock medication retained in the Psychiatric Health Facility (PHF). Stock medications shall be pre-paid, delivered to and held by PHF.
 - B. Medication for PHF Clients (Inpatient):
 - i) Clients shall be provided Medi-Cal formulary medications which shall be reimbursed by County upon receipt of a proper invoice. The admission period shall begin the day of admission and end the day prior to the discharge date.
 - ii) In the event County has reimbursed Contractor for medications also reimbursed by client, Contractor shall credit County's account for amounts collected.

EXHIBIT B

C. Billing for Discharge (Outpatient) Medications:

- i) Discharge Medications shall be defined as those medications dispensed to clients starting the day of discharge. Contractor shall attempt to bill any third party, including Medi-Cal and Medicare, and/or client for Discharge Medications and credit County's account for amounts collected.
- ii) County shall continuously check for client's retroactive Medi-Cal eligibility for up to six months prior, and shall provide any information received by County to Contractor for billing. Upon receipt of information, Contractor shall bill Medi-Cal, third party payors or client, as applicable, for Discharge Medications only. In the event County has reimbursed Contractor for medications also reimbursed by third parties, Contractor shall credit County's account for amounts collected.

D. All medications and supplies shall be billed at: current Medicaid rates when applicable and Average Wholesale Prices when Medicaid rates are not applicable.

E. Consulting services:

- i) Consultations will be billed at \$65.00 per hour for in-house services beyond the first twenty-four (24) hours of consult, included as part of the contract.
- ii) No charges will be made for information calls made by staff after normal hours of operation.

F. Retroactive Medi-Cal eligibility billing credits will be issued monthly, and a reconciliation will be performed quarterly by County for concurrence with Contractor.

7. Upon request by County, Contractor shall provide a financial report to County. The financial report shall indicate the actual cost of service, however, the report shall be informational only and not be subject to financial audit adjustment by County or State of California.

EXHIBIT C

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

1. 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.

2. INSURANCE

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.

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.

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

EXHIBIT C

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. Contractor 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 if the County has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

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.

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 on a '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 Agreement, nor shall it be deemed a waiver of County's rights to insurance coverage hereunder.

3. 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.

EXHIBIT C

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 and 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

ORGANIZATIONAL SERVICE PROVIDER SITE CERTIFICATION

COMPLIANCE REQUIREMENTS. Contractor hereby represents and warrants the following, as applicable:

1. Contractor is currently, and for the duration of this Agreement shall remain, licensed in accordance with all local, State, and Federal licensure requirements as a provider of its kind.
2. The space owned, leased, or operated by the Contractor and used for services or staff meets all local fire codes. Contractor shall provide a copy of fire clearance to QA/UM.
3. The physical plant of the site owned, occupied, or leased by the Contractor and used for services or staff is clean, sanitary, and in good repair.
4. Contractor establishes and implements maintenance policies for the site owned, occupied, or leased by the Contractor and used for services or staff, to ensure the safety and well-being of beneficiaries and staff.
5. Contractor has a current administrative manual which includes: personnel policies and procedures, general operating procedures, service delivery policies, and procedures for reporting unusual occurrences relating to health and safety issues.
6. The Contractor maintains client records in a manner that meets the requirements of the County pursuant to the latest edition of the California State Mental Health Plan, and applicable state and federal standards.
7. Contractor has staffing adequate to allow the County to claim federal financial participation for the services the Contractor delivers to beneficiaries.
8. For Contractors that provide or store medications, the Contractor stores and dispenses medications in compliance with all pertinent State and Federal standards, specifically:
 - A. All drugs obtained by prescription are labeled in compliance with Federal and State laws. Prescription labels may be altered only by authorized personnel.
 - B. Drugs intended for external use only or food stuffs are stored separately from drugs for internal use.
 - C. All drugs are stored at proper temperatures. Room temperature drugs should be stored at 59 – 86 degrees Fahrenheit, and refrigerated drugs must be stored at 36 – 46 degrees Fahrenheit.
 - D. Drugs are stored in a locked area with access limited only to those medical personnel authorized to prescribe, dispense, or administer medication.
 - E. Drugs are not retained after the expiration date. IM (Intramuscular) multi-dose vials are to be dated and initialed when opened.
 - F. A drug log is to be maintained to ensure the Contractor disposes of expired, contaminated, deteriorated, and abandoned drugs in a manner consistent with State and Federal laws.
 - G. Contractor's Policies and Procedures manual addresses the issues of dispensing, administration and storage of all medications.