

**AGREEMENT**  
**FOR SERVICES OF INDEPENDENT CONTRACTOR**

BC 06-086

**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 **Sylmar Health and Rehabilitation**, having its principal place of business at Sherman Oaks, California (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:** Assistant Director – Administration (telephone 805.681.5220) is the representative of **COUNTY** and will administer this Agreement for and on behalf of **COUNTY**. Martin Weiss (telephone number 818.385.3225) 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:** Martin Weiss, Exec. Director  
Sylmar Health and Rehabilitation  
13347 Ventura Blvd.  
Sherman Oaks, CA 91423

- 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 on 7/1/2004, and complete performance on 6/30/2006, unless this Agreement is otherwise terminated at an earlier date pursuant to Section 17.

**COUNTY** executed effective 7/1/04 Purchase Agreement CN00386 with **CONTRACTOR** in the amount of \$92,000 for the period July 1, 2004 through June 30, 2005. During the term of that Purchase Agreement, **CONTRACTOR** provided, at

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the request of County, a greater number of services than originally contemplated by the Purchase Agreement, thereby incurring total expenses beyond the value of the Purchase Agreement and in excess of \$100,000. This Agreement, which is made to cancel, nullify, and supersede Purchase Agreement CN00386, provides \$164,000 for Fiscal Year 2004-2005. This Agreement also extends the term through June 30, 2006, providing \$286,000 for Fiscal Year 2005-2006.

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. The amount in Exhibit B is the contract maximum amount for the fiscal year 2004 -2006. **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 Section 2 NOTICES, 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** 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

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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.

12. **RECORDS, AUDIT, AND REVIEW.** **CONTRACTOR** shall keep those business records or documents created pursuant to this Agreement that would be kept by a reasonably prudent practitioner of **CONTRACTOR'S** profession and shall maintain such records in a manner consistent with applicable Federal and State laws. 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**. **CONTRACTOR** agrees to retain such records and documents for a period of not less than three (3) years, following the termination of this Agreement.
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. **CONTRACTOR** is considered a Business Associate per the HIPAA regulations and shall adhere to the **COUNTY** Business Associate Agreement, which is attached and included by reference and marked as Exhibit BAA. The parties should anticipate that this Agreement will be modified as necessary for full compliance with HIPAA.

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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 contract 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 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 receipt of notice, **CONTRACTOR** shall immediately discontinue all services affected (unless the notice directs otherwise), and deliver to **COUNTY** all data, estimates, graphs, summaries, reports, and all other records, documents or

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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 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 notice of 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. Any amendments or modifications that do not exceed ten percent (10%) of the Agreement's original dollar amount 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.

**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.

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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

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original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

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 contract 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. **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**.
34. **NONAPPROPRIATION.** In the event that no funds, or insufficient funds, are appropriated, budgeted, or otherwise made available, **COUNTY** will 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.

## **AGREEMENT**

### **THIS AGREEMENT INCLUDES:**

- A. EXHIBIT A – Statement of Work
  - 1. Attachment A - SANTA BARBARA COUNTY MENTAL HEALTH PLAN,  
QUALITY MANAGEMENT STANDARDS
- B. EXHIBIT B - Payment Arrangements
- C. EXHIBIT B-1 – Schedule of fees
- D. EXHIBIT C – Standard Indemnification and Insurance Provisions
- E. EXHIBIT D – Organizational Service Provider Site Certification
- F. EXHIBIT BAA – HIPAA Business Associate Agreement



**AGREEMENT**

Agreement for Services of Independent **CONTRACTOR** between the County of Santa Barbara and Sylmar Health and Rehabilitation.

**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: \_\_\_\_\_

**CONTRACTOR**

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

Tax Id. No. 95-2589283

ATTEST:

MICHAEL F. BROWN  
CLERK OF THE BOARD

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

Deputy

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

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

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

Deputy County Counsel

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

Deputy

APPROVED AS TO FORM :  
ALCOHOL, DRUG, AND MENTAL HEALTH  
SERVICES  
JAMES L. BRODERICK, Ph.D.  
DIRECTOR

APPROVED AS TO INSURANCE FORM:  
RAY AROMATORIO  
RISK PROGRAM MANAGER

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

Director

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

**CONTRACT SUMMARY**

**BC 06-086**

Complete data below, print, obtain signature of authorized departmental representative, and submit this form (and attachments) to the Clerk of the Board (>\$25,000) or Purchasing (<\$25,000). See also "Contracts for Services" policy. Form is not applicable to revenue contracts.

D1. Fiscal Year ..... 04-06  
 D2. Budget Unit Number (plus –Ship/Bill codes in parenthesis) ..... 043  
 D3. Requisition Number.....  
 D4. Department Name..... Alcohol, Drug, and Mental Health Services  
 D5. Contact Person ..... Jennie Pittman  
 D6. Telephone ..... (805) 681-4090

K1. Contract Type (check one):            Personal Service   ρ Capital  
 K2. Brief Summary of Contract Description/Purpose..... IMD Services for adults  
 K3. Original Contract Amount..... CN00386 for \$92,000 for FY 04-05 is replaced by this FY 04-06 Board Contract for \$450,000  
 K4. Contract Begin Date..... 7/1/2004  
 K5. Original Contract End Date ..... 6/30/2005  
 K6. Amendment History (leave blank if no prior amendments).....

Seq#	EffectiveDate	ThisAmndtAmt	CumAmndtToDate	NewTotalAmt	NewEndDate	Purpose (2-4 words)
New BC	7/1/2004	\$358,000	\$358,000	\$450,000	6/30/06	Add funding for 04-05; extend through 05-06 with additional funding

K7. Department Project Number :  
 B1. Is this a Board Contract? (Yes/No)..... Yes  
 B2. Number of Workers Displaced (if any) ..... N/A  
 B3. Number of Competitive Bids (if any)..... N/A  
 B4. Lowest Bid Amount (if bid) ..... N/A  
 B5. If Board waived bids, show Agenda Date..... N/A  
     and Agenda Item Number .....  
 B7. Boilerplate Contract Text Unaffected? (Yes / or cite Paragraph) .....

F1. Encumbrance Transaction Code..... 1701  
 F2. Current Year Encumbrance Amount ..... \$164,000 for 04-05; \$286,000 for 05-06  
 F3. Fund Number ..... 0044  
 F4. Department Number..... 043  
 F5. Division Number (if applicable) .....  
 F6. Account Number ..... 7460  
 F7. Cost Center number (if applicable) ..... 4663  
 F8. Payment Terms.....

V1. Vendor Numbers (A=Auditor; P=Purchasing).....  
 V2. Payee/**CONTRACTOR** Name ..... Sylmar Health and Rehabilitation  
 V3. Mailing Address..... 13347 Ventura Blvd.  
 V4. City State (two-letter) Zip (include +4 if known) ..... Sherman Oaks, CA 91423  
 V5. Telephone Number..... 8183853225  
 V6. **CONTRACTOR's** Federal Tax ID Number (EIN or SSN) ..... 95-2589283  
 V7. Contact Person..... Martin Weiss  
 V8. Workers Comp Insurance Expiration Date ..... 1/1/06  
 V9. Liability Insurance Expiration Date[s] (G=Genl; P=Prof)..... G 9/7/2006  
 V10. Professional License Number.....  
 V11. Verified by (name of **COUNTY** staff) ..... Jennie Pittman  
 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: \_\_\_\_\_

# EXHIBIT A

## STATEMENT OF WORK

1. **CONTRACTOR** shall provide a twenty-four (24)-hour Institute for Mental Disease (IMD) program for psychiatrically-impaired **COUNTY** clients who require a locked setting and would benefit from active rehabilitation services. **CONTRACTOR** agrees that the services provided will meet or exceed the minimum services required by all laws and regulations applicable to the operation of IMDs, which shall include but not be limited to:
  - A. Upon admission but never later than seventy-two (72) hours, each client must be interviewed, assessed, diagnosed and placed in an appropriate treatment group. Each client must have a current DSM-IV diagnosis on all five axes at all times.
  - B. Within five (5) days of admission, a case conference must be held to formulate an individual treatment plan. The **COUNTY** Care Coordinator and client are expected to participate. The Treatment Plan will include all assessments, identification of specific problems which interfere with community functioning, and a plan to return the client to a less-restrictive setting. This treatment plan must be updated at least quarterly.
2. **CONTRACTOR** will notify **COUNTY** ADMHS Director or designee immediately in the event of: any suspected or actual misappropriation of funds under **CONTRACTOR'S** control; any known 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 the **CONTRACTOR'S** practice; any criminal investigation of the **CONTRACTOR** being initiated; or any other action being instituted which affects **CONTRACTOR'S** license or practice (for example, sexual harassment accusations).
3. **CONTRACTOR** will notify the **COUNTY** Care Coordinator immediately in the event of any of the following client indices: suicidal risk factors, homicidal risk factors, assaultive risk factors, medication side effect complaints or observations, behavioral symptoms presenting possible health problems, or any behavioral symptom that may compromise the appropriateness of the placement.
4. **CONTRACTOR** and its staff agree to abide by all Federal and State laws pertaining to the confidentiality on client records and information, including Welfare and Institutions Code (WIC), Section 5328 and Section 5330. **CONTRACTOR** agrees to implement and maintain an Oath of Confidentiality statement for each of its staff working with **COUNTY** clients. Said policy will be addressed in **CONTRACTOR'S** Policy and Procedure Manual.
5. Periodic Review. Periodic review meetings between **CONTRACTOR'S** staff and **COUNTY** staff shall be held on fiscal and overall performance activity. The Care Coordinators, Quality Improvement staff, and the Program Managers or their designees shall conduct periodic on-site reviews of **CONTRACTOR'S** patient charting. The Care Coordinators shall be actively involved in the client admission

## EXHIBIT A

and discharge planning for clients and any hearings resulting from denial of admission.

6. Utilization Review. **CONTRACTOR** agrees to abide by **COUNTY** Quality Management standards and cooperate with the **COUNTY'S** utilization review process, which ensures medical necessity, appropriateness and quality of care. This review may include clinical record peer review, client survey, and other utilization review program monitoring practices. **CONTRACTOR** will cooperate with these programs, and will furnish necessary assessment and treatment plan information, subject to Federal or State confidentiality laws, and provisions of this Agreement.

### 7. STATE MENTAL HEALTH PLAN REQUIREMENTS

- A. **CONTRACTOR** shall display Medi-Cal Member Services Brochures in English and Spanish in their offices. In addition, providers shall post grievance and appeal process notices in a visible location in their waiting rooms along with copies of English and Spanish grievance and appeal forms with Mental Health Plan (MHP) self addressed envelopes to be used to send grievances or appeals to ADMHS Quality Assurance department.
- B. **CONTRACTOR** shall be knowledgeable of MHP policies on Beneficiary Rights as outlined in the Medi-Cal Member Services Brochures.
- C. **CONTRACTOR** shall ensure that direct service staff attend two cultural competency trainings per fiscal year and shall retain evidence of attendance for the purpose of reporting to the Cultural Competency Coordinator.
- D. **CONTRACTOR** shall establish a process by which Spanish speaking staff who provide direct services in Spanish or interpretive services are tested for proficiency in speaking, reading, & writing Spanish language. Additionally, interpreters and users of interpreters must attend one training per fiscal year on interpretation in the mental health field-this workshop is offered through the county at least one time per year. **Contractor** shall retain evidence of employees' attendance at these workshops.
- E. **CONTRACTOR** shall provide timely access to care and service delivery in the following areas as required by the State MHP standards:
  1. Where applicable, 24 hours per day, 7 days per week access to "urgent" services (within 24 hours) and "emergency" services (same day);
  2. Access to routine appointments (1<sup>st</sup> appt within 10 business days. When not feasible, Contractor shall give the beneficiary the option to re-contact the Access team and request another provider who may be able to serve the beneficiary within the 10 business day standard).
  3. Providers need to be informed that the MHP Quality Assurance team of Santa Barbara County monitors timeliness of service delivery.

## EXHIBIT A

- F. **CONTRACTOR** shall not create, support or otherwise sanction any policies or procedures that discriminate against Medi-Cal beneficiaries. **CONTRACTOR** shall offer hours of operation that are no less than the hours of operation offered to commercial beneficiaries or, in the alternative, **CONTRACTOR** shall offer hours of operation that are comparable to those hours offered to Medicaid fee-for-service clients, if the provider serves only Medicaid beneficiaries.
- G. **CONTRACTOR** shall be notified of possible corrective actions to be taken when the contractor does not adhere to MHP established standards or respond to corrective actions. As identified in the new Provider Relations Policy approved by the Director and the Executive team, the proposed process for ensuring compliance and implementing corrective actions is as follows:
1. If **CONTRACTOR** is identified as operating outside of the compliance standards, **CONTRACTOR** shall be notified of lack of compliance with federal and state standards and shall be asked to rectify the areas in which they have been out of compliance. A copy of this notification shall be placed in the provider file. **CONTRACTORS** are expected to complete all corrections within 90 calendar days from the date of notice. This will be considered the Period of Review. The specific nature of the documentation to show evidence of compliance will be based on the infraction.
  2. Following the 90 day Period of Review, should **CONTRACTOR** be unable to fulfill contractual obligations regarding compliance, Contractor shall meet with the Quality Assurance Manager within 30 calendar days to identify barriers to compliance. If an agreement is reached, the provider shall have not more than 30 calendar days to provide proof of compliance. If an agreement is not forthcoming, the issue will be referred to the Executive Management Team which will review the issue and make a determination of appropriate action. Such action may include, but are not limited to: suspension of referrals to the individual or organizational provider, decision to de-certify or termination of contract, or other measures.

## ATTACHMENT A

### SANTA BARBARA COUNTY MENTAL HEALTH PLAN, QUALITY MANAGEMENT STANDARDS

1. The Medi-Cal Mental Health Plan (MHP) of Santa Barbara **COUNTY** has established the following standards for all organizational, individual, and group providers. These standards apply equally to all services delivered under the umbrella of “traditional” Short-Doyle as well as the more recent “consolidated” Medi-Cal Fee-for-Service providers. The established standards are:
  - a. Assessment
    - 1) Initial: Each individual served for sixty days or more shall have a comprehensive assessment performed and documented by the 61<sup>st</sup> day of service. This assessment shall address areas detailed in the source document, MHP’s contract with the California State Department of Mental Health.
    - 2) Update: A re-evaluation/re-assessment of key indicators will occur and be documented within the chart on an annual basis with reassessment of key clinical/functional variables. The time frame for this update is the sixty days prior to the anniversary date of the first day of the month of admission.
    - 3) A component of the Initial and/or Annual assessment is the completion of the Children’s Performance Outcome Survey (CPOS) instruments or Adult Performance Outcome Survey (APOS) instruments. In the absence of these survey instruments being completed, documentation of client refusal to participate must exist in the chart.
  - b. Specialty Use Providers: Those providers that operate as part of the continuum of care established by the Alcohol Drug and Mental Health Services (ADMHS) clinic/team and provide the assessment or most recent assessment update in order to meet the assessment requirements.
2. Plan of Care
  - a. Coordination and Service Plan (CSP): The plan of care is completed by the provider entity, which is designated by the MHP as an entity that may authorize services.

CSP: The organizations and/or gateways that authorize services through use of the CSP are: The MHP Access Team; the **COUNTY** Adult and Child Teams, traditional organizational providers and programs.
  - b. Frequency: The CSP is completed by the 61<sup>st</sup> day in all cases in which services will exceed sixty (60) days. Annually, within the sixty (60) days prior to the anniversary date of first opening a client file, this plan must be updated or re-written.
  - c. Service Plan (SP): This plan of care is written by any individual, group, or organizational provider that is authorized to deliver services to a beneficiary/client of the ADMHS system.
    - 1) Frequency: Annually the plan (CSP and/or SP) shall be updated or rewritten.

## ATTACHMENT A

- 2) Timeliness: The initial plan (CSP and/or SP) shall be written within sixty (60) days of initial contact. Plans shall be re-written during the sixty (60) day window that precedes the anniversary date of first opening of the client file.
- d. Content of Client Plans:
- 1) Specific, observable or quantifiable goals.
  - 2) Identify the proposed type(s) of intervention.
  - 3) Have a proposed duration of intervention(s).
  - 4) Be signed (or electronic equivalent) by: the person providing the service(s), or a person representing a team or program providing services, or a person representing the MHP providing services.
  - 5) If the above staff are not of the approved category, review by and dated co-signature of the following is required:
    - a) A physician;
    - b) a licensed/"waivered" psychologist;
    - c) a licensed/registered/"waivered" social worker;
    - d) a licensed/registered/"waivered" Marriage and Family Therapist, or
    - e) a registered nurse.
- e. Client plans shall be consistent with the diagnoses and the focus of intervention will be consistent with the client plan goals.
- f. There will be documentation of the client's participation in and agreement with the plan. This includes client signature on the plan and/or reference to client's participation and agreement in progress notes.
- g. The MHP will give a copy of the client plan to the client on request. (Each Provider must determine where and how this is documented.)
3. Progress Notes and Billing Records: The Santa Barbara ADMHS MHP services must meet the following criteria, as specified in the MHP'S contract with the California State Department of Mental Health.
    - a. All entries will include the date services were provided.
    - b. The client record will contain timely documentation of care. Services delivered will be recorded in the client record within one working day of service delivery.

## ATTACHMENT A

- c. Mental health staff/practitioners will use client records to document client encounters; relevant aspects of client care, including relevant clinical decisions and interventions.
- d. All entries in the client record will include the signature of the person providing the service (or electronic equivalent); the person's professional degree, licensure or job title; and the relevant identification number.
- e. The record will be legible.
- f. The client record will document referrals to community resources and other agencies, when appropriate.
- g. The client record will document follow-up care, or as appropriate, a discharge summary.
- h. Timeliness/Frequency of Progress Notes:
  - i. Shall be prepared for every Service Contact including:
    - 1. Mental Health Services (Assessment, Evaluation, Collateral, Individual/Group/Family Therapy, Individual/Group/Family Rehabilitation);
    - 2. Medication Support Services;
    - 3. Crisis Intervention;
    - 4. Targeted Case Management.
  - ii. Shall be daily for:
    - 1. Crisis Residential;
    - 2. Crisis Stabilization (1x/23hr);
    - 3. Day Treatment Intensive.
  - iii. Shall be weekly for:
    - 1. Day Treatment Intensive for Clinical Summary;
    - 2. Day Rehabilitation;
    - 3. Adult Residential.
  - iv. On each shift for other services such as Psychiatric Health Facility.
- 4. EPSDT Notification. Shall be provided for any Medi-Cal beneficiary under 21 who has been admitted with an emergency psychiatric condition to a hospital with which the MHP has a contract.

Reference: Service and Documentation Standards of the State of California, Department of Mental Health.



## EXHIBIT B

### PAYMENT ARRANGEMENTS

Periodic Compensation (with attached Schedule of Rates [Exhibit B-1] & Contract Maximum)

1. **CONTRACTOR SERVICES.** For **CONTRACTOR** services to be rendered under this Agreement, **CONTRACTOR** shall be paid at the rate specified in the Schedule of Fees (Exhibit B-1), attached hereto and with this reference made a part hereof, with a maximum value not to exceed \$450,000.
2. **PAYMENT FOR SERVICES.** Payment for services and/or reimbursement of costs shall be made based upon the services provided as set forth in Exhibit A as determined by the **COUNTY**. Invoices submitted for payments that are based upon Exhibit B-1 must contain sufficient detail to enable an audit of the charges and provide supporting documentation.
3. **EXPENDITURE OF FUNDS.** **CONTRACTOR** shall use the funds provided by **COUNTY** exclusively for the purposes of performing the services described in Exhibit A. Such funds shall be the sole source of funds paying for the positions, staffing levels, and operational and other costs as contained in the services described in Exhibit A. Violation of this provision or use of **COUNTY** funds for purposes other than described in Exhibit A shall constitute a material breach of this contract.
4. **MEDI-CAL REIMBURSABLE CLAIMS – FEE-FOR-SERVICE ADULTS.**
  - A. For eligible clients receiving services reimbursable under Medi-Cal, **COUNTY** shall pay to **CONTRACTOR**, upon the receipt of a proper and correct invoice, charges for services. These charges shall not exceed the maximum limit for rates established under State authority less the amount of any claim or portion of claim denied or disallowed by any State authority. Final settlement of **COUNTY'S** reimbursement to **CONTRACTOR** as set forth in Section 12 Paragraph A of this Exhibit B, based on **CONTRACTOR'S** year-end cost report, shall not exceed any applicable maximum unit rate established by the State Department of Mental Health and the Department of Health Services for the average costs per unit of service in the applicable Cost Reporting/Data Collection service functions.
  - B. Annual billings shall not exceed the annual values as specified in Exhibit B-1, attached hereto and by reference made a part hereof. Invoices submitted for payment that are based upon Exhibit B-1 must contain sufficient detail to enable an audit of the charges and provide supporting documentation if so specified in Exhibit A.
5. **MEDI-CAL AUDIT.** **CONTRACTOR** agrees to be at risk for the Medi-Cal audit exceptions related to documentation or other responsibilities of the **CONTRACTOR**. Settlement of these audit exceptions shall occur at a future date.
6. **MONTHLY INVOICE.** **CONTRACTOR** shall submit to the **COUNTY**-designated representative a monthly invoice, as set forth in Section 8 below, or certified claim on the **COUNTY** Treasury for the service performed over the period specified. These invoices or certified claims must cite the assigned Board Contract Number. If County finds the invoices or certified claims to be satisfactory and within the cost basis of Exhibit B-1,

## EXHIBIT B

County shall initiate payment processing, which shall be completed within thirty (30) days of presentation.

7. **CORRECTION OF WORK.** COUNTY retains the right to require CONTRACTOR to correct unsatisfactory work or billings, or seek any other legal remedy in the event COUNTY fails to discover or object to unsatisfactory work or billings prior to payment.
8. **PROPER INVOICE.** CONTRACTOR'S invoices for reimbursement shall include the following:
  - A. Contract number assigned by COUNTY (see top right-hand corner of first page of this Agreement).
  - B. Signature of an authorized representative of the CONTRACTOR.
  - C. A list of clients served indicating the dates and category of service for each individual client.
9. Invoices shall be delivered to the following COUNTY designated representative:

Santa Barbara County Alcohol, Drug, and Mental Health Services  
ATTN: Accounts Payable  
300 North San Antonio Road  
Santa Barbara, CA 93110 –1316

### 10. REPORTS.

- A. Annual Medi-Cal Cost Report: All Medi-Cal payments will be settled to cost. At the end of each Medi-Cal fiscal year (period of July 1 through June 30th), the CONTRACTOR shall prepare a cost report in accordance with State guidelines, pertinent to this or predecessor/successor contracts. The cost report will detail all appropriate expenses or allowable costs that have actually been incurred by CONTRACTOR in the performance of the contract and in accordance with the Office of Management and Budget (OMB) Circular A-87. The Cost Report shall be submitted within ninety (90) days of the end of the fiscal year ending June 30. Failure to submit a timely cost report, may result in the COUNTY withholding all or partial payment due to CONTRACTOR until such cost report is received.
- B. Audited Financial Reports: Each year of the Contract, the CONTRACTOR shall submit to COUNTY a copy of their audited annual financial statement, including management comments. This report shall be submitted within thirty (30) days after the report is received by CONTRACTOR.
- C. Single Audit Report: COUNTY will notify CONTRACTOR of the amount of federal funding included in funding their contract to ensure that CONTRACTOR can determine if they have met the threshold for a single audit requirement. If such threshold is met and a single audit is performed, a copy of the report is due to COUNTY within thirty (30) days of receipt by CONTRACTOR.

## EXHIBIT B

- D. Additional Reports. **CONTRACTOR** shall, without additional compensation therefore, generate further fiscal, program evaluation and progress reports as may be reasonably required by the **COUNTY** or by the State of California Department of Mental Health concerning their activities as they affect the contract duties and purposes herein. The **COUNTY**, at the time of request, shall explain all procedures for reporting the required information.

### 11. BILLING PROCESS.

- A. Fiscal Year: The **COUNTY** operates on a July-through-June fiscal year. Claims for services provided in any fiscal year must be submitted for payment during the same fiscal year, with the single exception of claims submitted for June services. June services may be claimed no later than July 31, one month after the end of the **COUNTY'S** fiscal year. June claims that are submitted after July 31 shall not be honored by the **COUNTY** unless **CONTRACTOR** has obtained from the **COUNTY** prior written approval to the contrary.
- B. State Review: **CONTRACTOR** understands that the validity of such monthly billings, in terms of their compliance with federal and state regulations, is subject to the review of the State of California, and that the **COUNTY** will be making payments on said billings in advance of said review and approval by the State, and in advance of the reimbursement by the State to the **COUNTY** for sums expended thereunder. In the event any claim is disapproved by the State, **CONTRACTOR** shall take all actions necessary to obtain such approval. In the event that the **COUNTY** is not reimbursed by the State for any amount paid to **CONTRACTOR** hereunder, **CONTRACTOR** shall reimburse **COUNTY** in the amount of such overpayment within thirty (30) days, or at **COUNTY'S** sole discretion, **COUNTY** may withhold such amounts from any payments due under this Agreement or any successor Agreement. **CONTRACTOR** has the right, upon request, to review the error correction report received by the **COUNTY**.
- C. Audit Disallowance: **CONTRACTOR** understands that any records of revenues or expenditures under this Agreement are required to comply with federal or state regulations and may be audited by the appropriate federal, state or **COUNTY** agency. In the event of audit disallowance of any claimed cost which is subject to compliance with state or federal regulations, the **COUNTY** shall not be liable for any lost revenue resulting therefrom.
- D. Documentation: **CONTRACTOR** shall maintain full and complete documentation of all expenses associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee, receipts for supplies, applicable sub-contractor invoices, applicable overhead and indirect expenditures, and other such documentation required to substantiate overall costs of delivering the required services. All reported costs are subject to audit verification.
- E. Reconciliation: The **COUNTY** shall have the right to reconcile, on a quarterly basis, claimed Medi-Cal units of service with State-approved Medi-Cal units of service, and based on **CONTRACTOR'S** receipt and review of monthly Management Information

## EXHIBIT B

Systems (MIS) reports, to adjust **CONTRACTOR'S** monthly payments accordingly by reducing the amounts otherwise payable to **CONTRACTOR** in subsequent months. After final payment has been made to **CONTRACTOR** under this Agreement, if such reconciliation results in funds owed to the **COUNTY**, **CONTRACTOR** shall pay such amount owed to **COUNTY** within thirty (30) days of **COUNTY'S** billing to **CONTRACTOR**.

- F. No Waiver. **COUNTY'S** failure to discover or object to any unsatisfactory work or claims 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.

### 12. SETTLEMENT.

- A. Payments to Contractor: It is understood that payments to **CONTRACTOR** for Medi-Cal services are subject to a settlement process prescribed by the State of California Department of Mental Health and mandated by the California Medicaid State Plan. Under such process, **CONTRACTOR** is considered a negotiated rate legal entity by the State of California Department of Mental Health until mid fiscal year, when a new negotiated rate is established by the State for the current fiscal year. **CONTRACTOR** must refund to **COUNTY** twenty-five percent (25%) of the amount that the Agreement unit rates multiplied by the number of units claimed, exceed Medi-Cal unit costs based on actual costs, as reported in the year-end cost report. **CONTRACTOR** agrees to refund such amounts as determined in the year-end settlement process to **COUNTY**. **COUNTY** will then pay to the State those amounts received from **CONTRACTOR**.
- B. Payment of Settlement: If a post-agreement audit, conducted in accordance with generally accepted auditing standards, finds that the actual aggregate costs for services furnished pursuant to this Agreement are lower than the amounts reported by **CONTRACTOR** on the year-end cost report, or if any payments made by **COUNTY** are not reimbursable in accordance with the terms of the Short-Doyle Act or any regulations applicable to any funds administered through the Short-Doyle system, the difference shall be repaid by **CONTRACTOR** by cash payment or, at the **COUNTY'S** sole discretion, as a credit on future billings. To the extent that such amounts are for Medi-Cal services and subject to the settlement process described in sub-paragraph A. above, **CONTRACTOR** shall be liable for any amount owed to the State. In the event of any audit by a federal or state agency in direct relation to this Agreement, **COUNTY** agrees to provide a copy of such audit to **CONTRACTOR**.
- C. Retrospective Review: **CONTRACTOR** understands and accepts that in accordance with Exhibit A, **COUNTY** may provide a retrospective review of the client records. If, at that time, it is determined that medical necessity does not exist, **CONTRACTOR** agrees to refund all payments for the time period lacking medical necessity.
- D. Collection of Funds: Any funds due and owing under this Agreement from **CONTRACTOR** to **COUNTY** may be collected, at **COUNTY'S** sole discretion, by cash payment due and payable within thirty (30) days or by a credit on funds due to be paid to **CONTRACTOR** under the terms of this Agreement.

## EXHIBIT B

- E. Withhold Pending Compliance: In the event that **CONTRACTOR** fails to comply with any provision of this Agreement, **COUNTY** may withhold payment until such noncompliance has been corrected.

EXHIBIT B-1

Rates Effective 7/1/04 – 7/30/06

Program	State-mandated Rate (SMR)	Program Patch Rate (PPR)	Daily Rate (SMR + PPR)
Basic Level Services	\$119.60	N/A	\$119.60
Sub Acute Level A Services	\$119.60	\$59.67	\$179.27
Sub Acute Level B Services	\$119.60	\$86.40	\$206.00
Dual Diagnosis Services	\$119.60	\$26.84	\$146.44

Contract Period	Contract Not to Exceed
7/1/04 – 6/30/05	\$164,000
7/1/05 – 6/30/06	\$286,000
<b>Total Contract Value</b>	<b>\$450,000</b>

## EXHIBIT C

### STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

#### I. 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

## EXHIBIT C

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** 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.



## EXHIBIT C

**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 contract, 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.

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

1. **CONTRACTOR** hereby represents and warrants the following, as applicable:

- A. **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.
- B. The space owned, leased, or operated by the **CONTRACTOR** and used for services or staff meets all local fire codes.
- C. 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.
- D. **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.
- E. **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.
- F. 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.
- G. **CONTRACTOR** has staffing adequate to allow the **COUNTY** to claim federal financial participation for the services the **CONTRACTOR** delivers to beneficiaries.
- H. **CONTRACTOR** has written procedures for referring individuals to a psychiatrist when necessary, or to a physician, if a psychiatrist is not available.
- I. **CONTRACTOR** has, as a head of service, a licensed mental health professional or rehabilitation specialist.
- J. For **CONTRACTORS** that provide or store medications, the **CONTRACTOR** stores and dispenses medications in compliance with all pertinent State and Federal standards, specifically:
  - 1. All drugs obtained by prescription are labeled in compliance with Federal and State laws. Prescription labels may be altered only by authorized personnel.
  - 2. Drugs intended for external use only or food stuffs are stored separately from drugs for internal use.

## EXHIBIT D

3. 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.
  4. Drugs are stored in a locked area with access limited only to those medical personnel authorized to prescribe, dispense, or administer medication.
  5. Drugs are not retained after the expiration date. IM (Intramuscular) multi-dose vials are to be dated and initialed when opened.
  6. 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.
  7. **CONTRACTOR'S** Policies and Procedures manual addresses the issues of dispensing, administration and storage of all medications.
2. **CERTIFICATION** - On-site certification is required every two (2) years. Additional certification reviews may be necessary if:
- A. The **CONTRACTOR** makes major staffing changes.
  - B. The **CONTRACTOR** makes organizational and/or corporate structural changes (i.e., conversion from non-profit status).
  - C. The **CONTRACTOR** adds Day Treatment or Medication Support services when medications will be administered or dispensed from **CONTRACTOR'S** site.
  - D. There are significant changes in the physical plant of the provider site (some physical plant changes could require new fire clearance).
  - E. There is a change of ownership or location.
  - F. There are complaints regarding the **CONTRACTOR**.
  - G. There are unusual events, accidents, or injuries requiring medical treatment for clients, staff or members of the community.
3. On-site certification is not required for hospital outpatient departments which are operating under the license of the hospital. Services provided by hospital outpatient departments may be provided either on the premises or offsite.

## EXHIBIT BAA

Business Associate Agreement Between

County of Santa Barbara

and

Sylmar Health and Rehabilitation

HIPAA Privacy Business Associate Agreement

Recitals

- A. On 7/1/2004, the County of Santa Barbara (“Hybrid Entity”) entered into an agreement with Sylmar Health and Rehabilitation (“Business Associate”).
- B. The parties acknowledge that 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”), mandate them to enter into a business associate agreement in order to safeguard protected health information that may be accessed during the performance of the Agreement.

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

### 1. Use and Disclosure of Protected Health Information

Except as otherwise provided in this Agreement, the Business Associate may use or disclose protected health information (“PHI”) to perform functions, activities or services for or on behalf of the Hybrid Entity, as specified in this agreement, provided that such use or disclosure does not violate the Privacy Rule. The uses and disclosures of PHI may not exceed the limitations applicable to the Hybrid Entity under the regulations except as authorized for management, administrative or legal responsibilities of the Business Associate. [45 Code of Federal Regulations sections 164.502(e), 164.504(e)(2)(i)(A) and (B), 164.506, 164.508, 164.510, 164.512 and 164.514]

### 2) Further Disclosure of PHI

The Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.

## EXHIBIT BAA

[45 Code of Federal Regulations sections 164.502, 164.504(e)(2)(i) and (e)(2)(ii)(A), 164.506, 164.508, 164.510, 164.512 and 164.514]

### 3) **Safeguarding PHI**

The Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(B), 164.530(c)(2)]

### 4) **Unauthorized Use or Disclosure of PHI**

The Business Associate shall report to the Hybrid Entity any use or disclosure of the PHI not provided for by this Agreement or otherwise in violation of the Privacy Rule. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(C)]

### 5) **Agents and Subcontractors of the Business Associate**

The Business Associate shall ensure that any agent, including a subcontractor, to which the Business Associate provides PHI received from, or created or received by the Business Associate on behalf of the Hybrid Entity, shall comply with the same restrictions and conditions that apply through this Agreement to the Business Associate with respect to such information. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(D)]

### 6) **Access to PHI**

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

### 7) **Amendments to Designated Record Sets**

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

### 8) **Documentation of Uses and Disclosures**

The Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for the Hybrid Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations

## EXHIBIT BAA

section 164.528. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate 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 Business Associate shall provide to the Hybrid Entity or an Individual, in the time and manner designated by the Hybrid Entity, information collected in accordance with 45 Code of Federal Regulations section 164.528, to permit the Hybrid Entity 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 Business Associate shall make available records related to the use, disclosure, and privacy protection of PHI received from the Hybrid Entity, or created or received by the Business Associate on behalf of the Hybrid Entity, to the Hybrid Entity or to the Secretary of the United States Department of Health and Human Services for purposes of investigating or auditing the Hybrid Entity's compliance with the privacy requirements, in the time and manner designated by the Hybrid Entity or the Secretary.

### 11. **Destruction of PHI**

- a. Upon termination of this Agreement for any reason, the Business Associate shall:
  - (1) Return all PHI received from the Hybrid Entity, or created or received by the Business Associate on behalf of the Hybrid Entity required to be retained by the Privacy Rule; or
  - (2) Return or destroy all other PHI received from the Hybrid Entity, or created or received by the Business Associate on behalf of the Hybrid Entity.

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

## EXHIBIT BAA

- b. In the event the Business Associate determines that returning or destroying the PHI is not feasible, the Business Associate shall provide the Hybrid Entity notification of the conditions that make return or destruction not feasible. If the Hybrid Entity agrees that the return of the PHI is not feasible, the Business Associate shall extend the protections of this Agreement to such PHI and limit further use and disclosures of such PHI for so long as the Business Associate, or any of its agents or subcontractors, maintains such PHI. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(I)]

### 12. Amendments to Agreement

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

### 13. Mitigation of Disallowed Uses and Disclosures

The Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by the Business Associate in violation of the requirements of this Agreement or the Privacy Rule. [45 Code of Federal Regulations sections 164.530(f)]

### 14. Termination of Contracts

The Hybrid Entity shall terminate this contract upon knowledge of a material breach by the Business Associate of which the Business Associate fails to cure. [45 Code of Federal Regulations sections 164.504(e)(2)(iii)]

### 15. Definitions

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

### 16. Interpretation

Any ambiguity in the amendment shall be resolved to permit Hybrid Entity to comply with the Privacy Rule.