

Agreement No. _____

**COUNTY OF KINGS
AGREEMENT FOR SERVICES**

THIS AGREEMENT is made and entered into on _____, 2023 by and between the County of Kings, a political subdivision of the State of California (“County”) and **Aegis Treatment Centers, LLC**, a **Delaware limited liability company** (“Contractor”) (singularly a “Party,” collectively the “Parties”).

RECITALS

WHEREAS, the County requires professional services to provide a Drug Medi-Cal Outpatient Narcotic Treatment Program for Kings County in accordance with the terms of this Agreement; and

WHEREAS, Contractor is ready, willing, able, and qualified to perform such services.

NOW, THEREFORE, the Parties agree as follows:

1. SCOPE OF SERVICES

The County engages Contractor and Contractor shall do, perform, and carry out the services as set forth in **Exhibit A**.

2. RESPONSIBILITIES OF CONTRACTOR

Contractor possesses the requisite skills necessary to perform the work under this Agreement and the County relies upon such skills. Contractor shall, at all times utilizing its ability, experience, and talent, to faithfully, industriously, and professionally perform the work set forth in **Exhibit A** to the County’s reasonable satisfaction. The County’s acceptance of Contractor’s work does not constitute a release of Contractor from its professional responsibility.

Contractor affirms that it possesses current valid appropriate licensure, including, but not limited to, driver’s license, professional license, certificate of tax-exempt status, or permits, as required to perform the work under this Agreement.

3. COMPENSATION

Except as set forth herein or as mutually agreed, the County shall compensate Contractor actual costs for services rendered for a total maximum not to exceed \$200,000 per fiscal year (“FY”), at the rates set under California Code of Regulations, title 22, section 51516.1, Reimbursement Rates for Drug Medi-Cal Substance Abuse Program Services

("DMC Rates"). Contractor is not entitled to, nor will Contractor receive from County any additional consideration, compensation, or other remuneration for services rendered under this Agreement other than compensation at the DMC Rates, up to the not-to-exceed amount set forth above. The DMC Rates for fiscal years 2023-2025 are attached as **Exhibit B** and shall be updated for subsequent fiscal years during the term hereof. Financial Terms including claims requirements, invoicing requirements, financial requirements, contractor prohibitions, and financial audit report requirements for pass-through entities are included in **Exhibit B** for the term hereof. Contractor Acknowledges the DMC Rates may fluctuate and agrees to perform services if said rates increase or decrease.

Contractor shall expend all funds in accordance with this Agreement by June 30, 2025. The County's obligation to compensate Contractor is contingent upon County's receipt of Federal and State funds. Both program activities and funding allocations are subject to immediate reduction or termination if either funding or funding authorization are reduced or terminated.

Upon approval of County, County shall pay Contractor monthly in arrears, up to the maximum amount reflected in **Exhibit B**, within thirty (30) days of receipt of timely invoices. Contractor shall submit invoices to County describing the services rendered, to whom, the date(s) of service and the charges in a form approved by the County. Invoices must be documented in such reasonable detail as required by the County's Auditor to determine the funds were expended for the intended purposes. Contractor shall support its costs by properly executed payrolls, time records, attendance records, billing statements, contracts, detailed ledgers, vouchers, orders, or any other documents pertaining in whole or in part to this Agreement.

Should no funds or insufficient funds be appropriated for this Agreement, the County reserves the right to propose an amendment or unilaterally terminate this Agreement immediately.

4. TERM

This Agreement commences on the Effective Date **July 1, 2023**, and terminates on **June 30, 2025**, unless otherwise terminated in accordance with its terms. This agreement has retroactive application to July 1, 2023.

This Agreement shall remain in full force and effect until both Parties have completed performance or the Agreement is otherwise terminated in accordance with its terms.

This Agreement may be extended by mutual consent of the Parties for one (1) additional year upon mutual written consent of same contract terms.

5. RECORDS AND INSPECTIONS

Contractor shall maintain full, complete, and accurate records with respect to all matters covered under this Agreement. Contractor shall: a) prepare all records in accordance with generally accepted accounting procedures; b) clearly identify and the records; c) keep said records readily accessible; and d) maintain the records for seven (7) years after the termination of this Agreement. County and the state and federal governments shall have free access during normal work hours to such records and the right to examine, inspect, copy, or audit them, at no cost to County.

6. AMENDMENTS

This Parties may modify this Agreement only by a written amendment signed by the Contractor and the County's Board of Supervisors ("Board") or other representative as authorized by the Board.

7. TERMINATION

The right to terminate this Agreement may be exercised without prejudice to any other right or remedy to which the terminating Party may be entitled at law or under this Agreement.

A. Without Cause. Either Party may terminate this Agreement without cause by giving the other Party thirty (30) calendar days' written notice of its intention to terminate pursuant to this provision, specifying the date of termination. If the County's funding for services under this Agreement becomes unavailable, the County may terminate this Agreement effective immediately

B. With Cause. This Agreement may be terminated by either Party should the other Party materially breach its duties or responsibilities hereunder. Upon determining a material breach has occurred, the non-breaching Party shall provide written notice to the breaching Party of its intention to terminate this Agreement and inform the breaching Party whether the breach is able to be cured or not.

1) Breach Subject to Cure. Unless otherwise specifically noted in the Notice of Breach, all Notices of Breach shall be deemed subject to this provision. If the non-breaching Party deems the breach of a nature subject to cure, said Party shall allow the breaching Party a period of at least ten (10) calendar days to cure the breach. If the breach is not remedied within the period specified in the Notice of Breach, the non-breaching Party may terminate the Agreement upon further written notice specifying the date of termination.

a. In the event the nature of the breach requires more time than allowed in the Notice of Breach to cure, the breaching Party may submit a written proposal to the non-breaching Party within that period, setting forth a specific plan to remedy the breach and the date certain for completion. If the non-breaching Party assents to the proposed plan in writing, the breaching Party shall immediately commence curing the

breach If the breaching Party fails to cure the breach within said period, the non-breaching Party may terminate this Agreement: I) immediately; ii) on the date specified in the Notice of Breach; or iii) grant the breaching Party additional time to cure.

b. Alternatively, the County may elect to cure the breach and Contractor shall bear all expenses incurred the County in curing the breach.

2) Breach Not Subject to Cure. If the non-breaching Party deems the breach is of such a nature as it is not subject to or is incapable of being cured, it shall provide a Notice of Breach to the breaching Party of its intent to terminate this Agreement, in which it shall include a date upon which the Agreement terminates.

C. Effects of Termination. Termination of this Agreement shall not terminate Contractor's obligations or liability to the County for damages sustained by the County because of the Contractor's breach, nor the Contractor's duty to indemnify, maintain and make available any records pertaining to this Agreement, cooperate with any audit, be subject to offset, or make any reports of pre-termination contract activities.

D. No Waiver of Breach or Breach by Forbearance. In no event will either Parties' act of forbearance regarding previous acts by the other Party: i) constitute a breach or breach of the Party's obligations under this Agreement; ii) waive a Party's right to assert breach or breach; nor iii) impair or prejudice any remedy available to the non-breaching Party.

8. INSURANCE

A. Requirement to Obtain, Maintain, and Deliver Proof of Insurance. Without limiting the County's right of indemnification from Contractor or any third parties, Contractor shall purchase and maintain the insurance policies described below (the "Insurance Policy(ies)") prior to the commencement of work or execution of this Agreement. Contractor shall maintain the Insurance Policies throughout the term of this Agreement.

B. Contractor shall deliver an Endorsed Additional Insured page from Contractor's insurance carrier to the County guaranteeing said coverage to the County prior to work commencing. Contractor shall deliver proof of insurance and all endorsements in accordance with this Agreement's Notice Section. Failure to obtain, maintain, or provide the Insurance Policies or proof of the same is a material breach of this Agreement and may result in the immediate suspension or termination of this Agreement for cause, in addition to any other remedies the County may have under the law.

C. Endorsement of Policies. Contractor shall cause each of the Insurance Policies to be endorsed designating the County and its Board members, officials, officers, employees, and agents as additional insureds, using ISO form CG 20 26 or an alternate

form that is at least as broad as form CG 20 26, as to any liability arising from the performance of this Agreement.

D. Insurance Limits. Contractor shall obtain the Insurance Policies in the amounts set forth below:

1. Commercial General Liability covering bodily injury, personal injury, and property damage with minimum limits of Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate.

2. Comprehensive Automobile Liability covering a) bodily injury of not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per accident and property damage of not less than One Hundred Thousand Dollars (\$100,000); or b) coverage with a combined single limit of One Million Dollars (\$1,000,000). The Comprehensive Automobile Liability must cover owned and non-owned vehicles used in connection with this Agreement.

3. Workers Compensation as required by the California Labor Code. Contractor shall cause said Insurance Policy to be endorsed to waive the insurer's subrogation rights against the County.

4. Professional Liability covering Contractor's wrongful acts, errors, and omissions with limits not less than One Million Dollars (\$1,000,000) per occurrence or claim, and Three Million Dollars (\$3,000,000) annual aggregate limit.

E. Rating of Insurers. Contractor shall obtain insurance placed with admitted insurers rated by A.M. Best Co. as A:VII or higher.

G. Notice of Cancellation to the County and Payment of Premiums. Contractor shall cause each of the Insurance Policies to be endorsed to provide the County with thirty (30) days' prior written notice of cancellation. The County is not liable for the payment of premiums or assessments on any Insurance Policies. Cancellation provisions in an Insurance Policy will not be construed in derogation of the continuing duty of the Contractor to maintain the Insurance Policies during the term of this Agreement.

9. INDEMNIFICATION

A. Professional Services. When the law establishes a professional standard of care for Contractor's services, to the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless County and any and all of its Board members, officials, employees and agents from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent Contractor is responsible for such damages, liabilities, and costs on a comparative basis of fault between Contractor and the County in the performance of professional services under this Agreement. Contractor shall not be obligated to defend or indemnify the County for

its own negligence or for the negligence of third parties.

B. All Other Services. Other than in the performance of professional services, including agreements where professional services will be provided along with other types of services, and to the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless the County, and any and all of its Board members, officials, employees, and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, any act, omission, fault or negligence, whether active or passive, by Contractor or by any individual or entity for which Contractor is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Contractor.

C. This indemnification specifically includes any claims that may be against the County by any taxing authority or third party asserting that an employer-employee relationship exists because of this Agreement.

D. These indemnification obligations shall survive the termination of this Agreement as to any act, omission, fault, or negligence occurring during this Agreement or any extension of this Agreement. The County's rights to indemnification are in addition to and shall not limit any other rights or remedies the County may have under law or this Agreement.

10. INDEPENDENT CONTRACTOR

Contractor is an independent contractor and not an agent, officer, or employee of the County. This Agreement is by and between two (2) independent contractors and is not intended to, nor will it be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association.

11. COMPLIANCE WITH LAW

Contractor shall comply with all federal, state, and local laws and regulations applicable to its performance including, but limited to, Government Code section 8350 et seq. regarding a drug free workplace, all health and safety standards set forth by the State of California and County, and the California Public Records Act, Government Code section 6250 et seq.

Contractor shall comply with all state and federal confidentiality laws including, but limited to, the Health Insurance Portability and Accessibility Act ("HIPAA") and its regulations as amended. Contractor shall execute and comply with the HIPAA Business Associate Agreement attached as **Exhibit C**.

Contractor shall execute and comply with the Assurances and Certifications, attached as **Exhibit D**.

Contractor shall comply with Compliance Criteria attached as **Exhibit E**.

Contractor shall ensure equal access to quality care and service that are responsive to diverse populations and shall adopt and implement the national Office of Minority Health (“OMH”) Culturally and Linguistically Appropriate Standard (“CLAS”), attached as **Exhibit F**. Contractor shall demonstrate its compliance with CLAS through policies, training, and cultural competency plans.

12. CONFIDENTIALITY

Contractor shall not use County’s confidential information (“Confidential Information”) for any purpose other than performing under this Agreement, and Contractor shall prevent the unauthorized disclosure of Confidential Information. Upon receipt of third- party’s request to disclose Confidential Information, Contractor shall promptly submit said request to County.

13. CONFLICT OF INTEREST

Contractor warrants that its board of directors, employees, officers, including the immediate families of each have no financial interest, direct or indirect, that conflicts with rendering services under this Agreement and will not acquire any such financial interest. Contractor shall not employ, nor retain any such person during the term of this Agreement. Contractor is not relieved from personal responsibility under this Section 13 by their associates and employees rendering services. Contractor has an affirmative duty to and shall disclose the name(s) of any person(s) who have an actual, potential, or apparent conflict of interest.

14. NONDISCRIMINATION

In rendering services under this Agreement, Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations and shall not discriminate based on age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion, gender identity, gender expression, sexual orientation, military status, or any other protected basis.

Further, Contractor shall not discriminate against its employees, which includes, but is not limited to, employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

15. SUBCONTRACTORS

Services under this Agreement are personal services. Contractor shall not subcontract any work under this Agreement without the prior written consent of the County, subject to any required state or federal approval.

16. ASSIGNMENT

Contractor shall not assign this Agreement without first obtaining the written consent of the County, , subject to any required state or federal approval. Assignment by Contractor of any monies due does not constitute an assignment of this Agreement.

17. UNFORESEEN CIRCUMSTANCES

Neither Party shall be responsible for any delay caused by natural disaster, epidemic, pandemic, war, civil disturbance, labor dispute, or other cause beyond the reasonable control of a Party, on the condition the affected Party notices the other Party in writing of the delay's cause within ten (10) of the date the delay began. Thereafter, the Parties shall meet and confer as to whether to amend, suspend, or terminate this Agreement.

18. OWNERSHIP OF DOCUMENTS

The County owns and is entitled to possess all computations, plans, correspondence, pertinent data, and information gathered by or computed by Contractor prior to this Agreement's termination or upon completion of the work under this Agreement. County's reuse of any such materials in a manner other than originally intended is at the County's sole risk. Material prepared in connection with this Agreement is not subject to copyright in the United States of American, or in any foreign state.

19. NOTICE

The Parties shall give any notice necessary to the performance of this Agreement in writing, and delivered by personal delivery, fax, overnight carrier, e-mail with read receipt acknowledgment, or by prepaid first-class mail addressed as follows:

County

Kings County, Behavioral Health
1400 West Lacey Blvd., Building 13
Hanford, CA 93230

Contractor

Aegis Treatment Centers, LLC
1371 Route 73 North, Suite 200
Mount Laurel, NJ 08054-2022

Notice given by: a) personal delivery is effective on the date of personal delivery; b) fax is effective on date of transmittal; c) overnight carrier is effective on the date of delivery; d) email is effective on the date of delivery, with a read receipt; e) first-class mail is effective five (5) days after the date of mailing, or the delivery date on the return receipt, whichever occurs first.

20. CHOICE OF LAW

The Parties executed and delivered this Agreement in the Kings County, State of California. The laws of the State of California govern the validity, enforceability, and interpretation of this Agreement. Kings County is the appropriate venue for bringing any action in connection with this Agreement, whether in law or equity. Contractor waives any rights it may possess under Code of Civil Procedure Section 394 to transfer any action arising out of this Agreement to a neutral county, or alternate venue.

21. SEVERABILITY

If a court of competent jurisdiction finds any of the provisions of this Agreement unenforceable, the remaining provisions remain enforceable and the unenforceable provisions constitute an amendment to the limited extent required to permit enforcement of the Agreement as a whole.

22. SURVIVAL

The following sections of this Agreement survive its termination: a) Section 5, Records and Inspections; b) Section 8, Insurance; c) Section 9, Indemnification; and d) Section 12, Confidentiality.

23. NO THIRD-PARTY BENEFICIARIES

Unless otherwise specifically stated in this Agreement, the County and Contractor are the only Parties to this Agreement and the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or will be construed to grant any right or benefit to a third party, directly, indirectly, or otherwise.

24. ENTIRE AGREEMENT; CONTRIBUTIONS OF BOTH PARTIES

This Agreement, including its Recitals and Exhibits, are fully incorporated into and are integral parts of this Agreement. This Agreement constitutes the entire agreement between the Parties. There are no inducements, promises, terms, conditions, or obligations made or entered into by the County or Contractor, other than those contained in this Agreement.

Each Party had an opportunity to review this Agreement, consult with legal counsel, and negotiate terms. Contractor waives the rule under Civil Code section 1654, that ambiguities in a contract should be construed against the drafter. Civil Code section 1654 has no application to the construction of the Agreement.

25. ELECTRONIC SIGNATURES; COUNTERPARTS

The Parties may execute this Agreement by electronic means, and in two (2) or more

counterparts that together constitute one (1) Agreement.

26. AUTHORITY

Each signatory to this Agreement represents it is authorized to enter into this Agreement and bind the Party that its signature represents.

REMAINDER OF PAGE INTENTIONALLY BLANK

SIGNATURES ARE ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties executed this Agreement the day and year first written above.

COUNTY OF KINGS

CONTRACTOR NAME

By: _____
Richard Valle, Chairman
Kings County Board of Supervisors

By: Susan D. Hoeflich **09/22/2023**
813BB3CAD3655817F55583489257E47C readysign
Susan D. Hoeflich
Vice President, Managed Care

ATTEST

By: _____
Catherine Venturella, Clerk of the Board

RISK MANAGEMENT APPROVED AS TO INSURANCE

By: Sarah Poots **09/20/2023**
813BB3CAD3655817F55583489257E47C readysign
Sarah Poots, Risk Manager

APPROVED AS TO FORM

By: Diane Freeman **09/18/2023**
52BA2F074E65D9000E0E9F2495BF31F1 readysign
Diane Freeman, County Counsel

Exhibits/Attachments:

- Exhibit A:** Scope of Work
- Exhibit B:** Compensation/Fees
- Exhibit C:** (“HIPPA”)
- Exhibit D:** Assurance and Certifications -DHCS/KCBH Health and Safety
- Exhibit E:** Compliance Criteria
- Exhibit F:** Cultural and Linguistically Appropriate Service Standards

Exhibit A

**KINGS COUNTY HEALTH AND HUMAN
SERVICES AGENCY**



TREATMENT CENTERS, LLC

**OUTPATIENT NARCOTIC TREATMENT
PROGRAM SERVICES**

SCOPE OF WORK

Fiscal Year

2023/2024 – 2024/2025

Exhibit A

1. EXECUTIVE SUMMARY

Aegis requests a contract to continue to provide Opioid Treatment Services to adult Kings County DMC eligible residents through its existing treatment facilities, primarily in regard to services rendered in Kings County.

Aegis Treatment Centers, LLC (“Aegis”) is the largest Medication Assisted Treatment (MAT) provider in California and has been providing MAT for over 20 years. Aegis currently operates a network of 35 Narcotic Treatment Programs (NTPs) throughout California. Through our history, Aegis has maintained fully compliant Substance Abuse Prevention and Control Contracts with fourteen California counties.

All Aegis clinics hold licenses and certifications in good standing with the following agencies: Federal Drug Enforcement Administration (DEA); Substance Abuse and Mental Health Services Administration of the US Department of Health and Human Services; California Department of Health Care Services (CDHCS); Medi-Cal; Medicare. Additionally, all Aegis clinics have obtained the highest level of accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF).

For historical perspective, Aegis has served Kings County DMC eligible residents at Aegis facilities in Kings County. Aegis currently provides treatment for 2 Kings County beneficiaries.

2. GEOGRAPHIC SERVICE AREAS DESCRIPTION

A. Geographic Service Areas Proposed

Aegis Treatment Centers (“Aegis”) currently operates clinics in fifteen California Counties and can treat Kings beneficiaries at any licensed Aegis clinic in California. The clinics most likely to treat Kings Drug Medi-Cal beneficiaries are below:

Kings County:

- Aegis Delano 1019 Jefferson Street, Delano, CA 93215-2238

Exhibit A

3. REIMBURSEMENT RATES FOR PROGRAM SERVICES

The program budget is projection for number of Kings Drug Medi-Cal (DMC) beneficiaries Aegis provides treatment to and the amount services (units) provided to those beneficiaries. Aegis reimbursement is funded through Drug Medi-Cal and is a Fee-for-Service provider. Aegis provides the full scope of Medication Assisted Treatment (MAT) services available at an Opioid Treatment Program or Narcotic Treatment Program for both Perinatal and Non-perinatal adult beneficiaries.

4. TREATMENT PROGRAM NARRATIVE

1. ASAM Level of Care

ASAM 1/Opioid Treatment Program

- DRUG MEDI-CAL CERTIFIED PROGRAM

2. Treatment Program Intro

Aegis applies the Harm Reduction Discipline, which utilizes replacement therapy as the main vehicle for the stabilization of patients who are recovering from opioid addiction. The decisions regarding administration and dosage of Buprenorphine and Methadone are made by the medical director in accordance with the published ASAM / CSAM induction and tapering schedules and in compliance with SAMHSA / CSAT guidelines.

Although medication is an essential component of the treatment Aegis provides, it is not sufficient by itself to sustain the successful recovery of patients. Most patients in an NTP are struggling with co-occurring conditions, if left untreated, are likely to become relapse triggers.

Effective treatment of NTP patients requires a multidisciplinary and integrated scope of services, including: caseload management and crisis intervention, specialized services (both in group and individual settings), social work, education, and support groups. The rate of successful recovery in an NTP depends on both the patients' commitment to their recovery, as well as on their

Exhibit A

compatibility to the NTP treatment modality. Patients who have severe mental, emotional and/or behavioral disorders, or who have unreliable support systems, are not likely to be successful in their treatment at an NTP. Such individuals may need to be referred to a more intensive level of services.

A. Core Aegis Services: Medication Assisted Treatment

As a licensed and certified Opioid Treatment Program (OTP) Aegis is required to provide medication for patients diagnosed with Opioid Use Disorder (OUD). Aegis clinics provide both **Buprenorphine** and **Methadone** on an outpatient basis in accordance with state and federal regulations. All patients enrolled for treatment at Aegis clinics meet DSM criteria for dependence, currently have physical dependence, have at least two years of dependence, have at least 2 failed treatment attempts, and come voluntarily. State regulations for OTP determine the number of patients allowed to be treated at each OTP.

Aegis is committed to increasing the availability of all FDA approved medications for Opioid Use Disorder. Please note, we have piloted Vivitrol as an additional Medication for OUD in other counties and are interested in expanding its use throughout all clinics.

Aegis employs physicians, nurses, and medical assistants to oversee and provide support services to patients receiving MAT. Physicians prescribe either medication in line with federal regulations. Physicians work with patients to determine a therapeutic level of medication during the induction period. This ensures patients do not experience withdrawal or euphoria. At any point of treatment patients can let staff members know if they feel they are either over or under prescribed. This triggers a medical consult with our program physician. At this time the program physician can adjust medication levels as medically appropriate.

Medication Management is overseen by the physician. Upon admission the client is required to see the physician at least once within the first 14 days. The patient is then required to follow-up with the medical doctor within 30, 60, 90 days of admission, and then at least on an annually

Exhibit A

may prevent a patient from coming in. If this happens, we require patients to come the next day for medication.

Recovery Services & Support

The Aegis model utilizes counseling services to deliver individualized services and is revisited every 90 days as part of the treatment plan. Over the course of treatment at Aegis patients are evaluated for progress as well as the need for other services. Counseling services are provided by counselors who are, at a minimum, registered Alcohol and other Drug (AOD) counselors with accredited agencies. A large portion of our counseling staff are licensed as interns with the Board of Behavioral Sciences (BBS), Marriage and Family Therapists (MFT), certified AOD counselors, clinical social workers, and professional clinical counselors. Many of our management supervisory staff are licensed clinical professionals (e.g., Psychologists, LMFTs, LCSWs).

As a licensed OTP, Aegis is required to provide at a minimum, fifty (50) minutes of individual counseling services to patients. However, Aegis is dedicated to assisting patients in long term recovery by providing a multitude of counseling services based on empirically supported practices. The counseling structure at Aegis provides individual and group counseling using evidence-based practices. Individual counseling at Aegis includes, when necessary, case management services. Aegis offers both counselor-led and peer-led groups. Keys to Recovery (K2R) is our model for peer-support. The development of Patient Advisory and Advocacy Group (PAAG) allows patients who are in long term recovery to support other patients in treatment and address patient needs and concerns to clinic management.

To sustain high rates of clinical success, and meet the individual needs of its patients, Aegis has extended its scope of practice (i.e., the Aegis Model) beyond Title 9 Requirements and the Title 22 structure. The Aegis Model includes the following services:

Individual Counseling will be enhanced through the development, training, and implementation of the following counseling techniques:

Exhibit A

basis. It is important to Aegis that the patients work closely with our patients to make sure all their medical needs are being made-either through referral to or collaboration with the appropriate outside physician.

Medication is only part of treatment. All patients at Aegis are required to participate in individual and group counseling as part of their treatment. Patients are recommended to receive four (4) individual counseling sessions of fifty (50) minutes a month. At a minimum, patients receive one (1) fifty (50) minute individual counseling session a month. Group counseling is available for all patients who may benefit from group counseling. Groups are developed on a clinic specific basis depending on what clinic needs are. For example, if there is a large number of expecting mother at a clinic, Aegis will develop a family preparation or maternity group.

Aegis is a high-accountability program in that our patients, at the start of treatment and for several months thereafter, are required to come to the clinic on a daily basis. This ensures regular communication between staff and patient. At each visit to the nurse station, where patients receive medication, nurses conduct a check-in to see how patients are progressing and ensuring they are stabilizing. If patients present a concern to the nurse, he or she is able to flag the patient and indicate patient's need. Medical Assistants will then schedule the patient according to the patient need.

Patients are required to come to Aegis daily to take their medication. Per regulations patients who are program compliant and meet all State and Federal requirements may receive take-home privileges. Take-home privileges allow can be provided for one (1) to up-to thirteen (13) days, allowing patients to come to the clinic less frequently as they show long term recovery skills and adhere to program requirements. From a systems standpoint, Aegis patients are highly medication compliant with attendance averaging 96% daily. In turn, this means only 4% of our population may miss a day of medication. From a medical standpoint methadone has a 36-hour half-life. While we understand our patients must come in every day, there are extenuating factors that

Exhibit A

- Motivational Interviewing is expected to increase the involvement of the patient in their own treatment planning and recovery efforts, providing them with encouragement and a sense of entitlement to their own future.
- Cognitive Behavioral Therapy to assist and overcome the obstacles raised by the patient's emotional state as well as rationalize Treatment Planning. It will help patients focus on their recovery by applying logical rather than emotional reactions to uncontrolled circumstances.
- Narrative Therapy provides patients with a better perspective of themselves through recognition of the "larger picture" and individual "pieces" of their lives (e.g., their strengths and available support systems).
- Group Counseling will be expanded through 2004, recognizing the different qualities and unique clinical value of the group dynamics associated with group counseling (in comparison to individual counseling). Group counseling will be provided in addition to individual counseling and address the following populations:
 - Relapse Prevention treatment of patients showing early relapse signs (e.g., associating with "old friends," "old places," etc.).
 - Anger Management for patients showing emotional problems that interfere with their successful recovery and support systems (e.g., family, workplace, etc.).
 - Domestic Violence therapy to help patients cope with the emotional burden created by verbal and physical abuse.
 - Pre-natal and Peri-natal counseling services for parents.
 - Family Preservation for patients facing crisis within their family, whether spouse, children and/or significant other.
 - Substance Abuse Maintenance Method ("SAMA") addressing the most common co-occurring mental conditions and their triggers.

Exhibit A

- Specialized Counseling will be provided for the education and treatment of special and additional socio-economical patient needs not addressed by the above-mentioned counseling. Some of these counseling and educational programs will utilize community resources. The counseling will include the following counseling protocols and procedures:
- Case Management by which each patient is assigned to a caseload manager, who becomes the patient's primary point of contact. The caseload managers are responsible for the evaluation of the patient, and development of treatment and discharge plans. Accordingly, they are responsible for referring the patients to other professionals both within and outside of Aegis.
- Educational Programs: The medical directors, regional clinical directors and specialists also provide educational programs to patients relating to their individual conditions. The educational programs focus on educating patients on their conditions, and ways of overcoming potential barriers to treatment (*e.g.*, fear, insecurity, denial, guilt, shame, ignorance, etc.) Again, this service is provided at no charge to our patients.
- Clinical Supervision in addition to medical directors, Aegis has recruited and trained regional clinical directors (RCDs). Assigned to every clinic, they assist the medical directors with the evaluation and treatment of patients with mental, emotional and/or behavioral disorders. RCDs also carry additional responsibilities relating to the development of strategic relationships with academic institutions, community relations, and networking with other local mental health providers, development of specialized services and recruiting and training of specialists, supervision of BBS and California Psychology Board interns, as well as participate in peer reviews and case conferences. Regional clinical directors are required to be highly credentialed.

Exhibit A

- Internal Procedures: In addition to the above, Aegis engages in case conferences, peer reviews, as well as staff training. These activities enable Aegis to maintain high clinical standards and are conducted on weekly and monthly basis with clinical staff in attendance.
- Crisis Intervention: Caseload Managers are responsible for overseeing crisis intervention on a case by case basis. This is especially important as it relates to identification of early relapse signs/symptoms and mitigation of relapse triggers.
- Keys to Recovery (K2R) Support Groups: Aegis has developed a variety of K2R support groups in its clinics. K2R groups are similar to 12-step support groups and are patient run. K2R groups complement the short-term treatment goals of patients. Such groups are dedicated to various topics, including: anxiety; anger; grief and loss; relapse prevention; etc. The patients who facilitate K2R meetings are primarily local PAAG members. These services are not billed to the patient or their carriers. It's important to note that support groups allow patients who struggle with similar issues to provide each other with emotional support, and advice. Most importantly, they provide patients with a sense of power over and responsibility toward their own recovery. Patients who participate in support groups show higher rates of recovery.

6) Case Management Services

Case management services are provided to all patients who present the need. The need for case management services is determined during individual counseling by staff counselors, physician consultations, and during interdisciplinary case conference meetings. Some case management services may be addressed fully by Aegis staff, when it is determined the patients require additional case management services patients are referred to appropriate specialized services. Aegis encourages all patients to consent to coordination of care between Aegis and specialized care providers.

Exhibit A

Counselors engage in microsocial work to refer patients to appropriate services based on the domain of functioning needing support. This includes but is not limited to other substance use treatment modalities, medical, mental health, employment, legal, educational, or any other social service. Ancillary services and referral partners are listed and tracked by PHASE, Aegis' electronic health record system. Clinical staff are able to search for community partners and referral networks within PHASE, at which point with the patients consent coordinate care. The PHASE system requires the referral to be documented. If for whatever reason a patient requires care beyond the scope of Aegis or MAT, we assess them using ASAM continuum (full) assessment for appropriate transitioning.

A. Available Patient Support Groups

Keys to Recovery (“K2R”) Support Groups: Aegis has developed a variety of K2R support groups in its clinics. K2R groups are similar to 12-step support groups and are patient run; K2R groups complement the short-term treatment goals of patients. Such groups are dedicated to various topics, including: anxiety; anger; grief and loss; relapse prevention; etc. The patients who facilitate K2R meetings are primarily local PAAG members. These services are not billed to the patient or their carriers.

It's important to note that support groups allow patients who struggle with similar issues to provide each other with emotional support, and advice. Most importantly, they provide patients with a sense of power over and responsibility toward their own recovery. Patients who participate in support groups show higher rates of recovery.

B. Available Therapies

Motivational Interviewing is expected to increase the involvement of the patient in their own treatment planning and recovery efforts, providing them with encouragement and a sense of entitlement to their own future.

Exhibit A

Cognitive Behavioral Therapy to assist and overcome the obstacles raised by the patient's emotional state as well as rationalize Treatment Planning. It will help patients focus on their recovery by applying logical rather than emotional reactions to uncontrolled circumstances.

Narrative Therapy provides patients with a better perspective of themselves through recognition of the "larger picture" and individual "pieces" of their lives (e.g., their strengths and available support systems).

Relapse Prevention treatment of patients showing early relapse signs (e.g., associating with "old friend", "old places," etc.)

Anger Management for patients showing emotional problems that interfere with their successful recovery and support systems (e.g., family, workplace, etc.).

Domestic Violence therapy to help patients cope with emotional burden created by verbal and physical abuse.

C. Co-Occurring Mental Disorder (COD) Enhancements:

An additional clinical challenge in narcotic replacement therapy, COD exists when a patient has a mental/emotional/behavioral disorder(s) alongside a substance abuse issue. For example, an Aegis patient may also have a depressive disorder, an anxiety disorder, or PTSD. According to government data, 50-75% of patients in substance abuse treatment programs have one or more conditions diagnosed as COD. Research has found that patients with untreated COD are more likely to fail to complete treatment or to quickly relapse once treatment is completed. It is essential that COD be identified early, and that the patient's treatment addresses both conditions appropriately.

D. Pregnant Women and Women with Dependent Children

Patients who suspect they may be pregnant, or plan on becoming pregnant must inform the medical director prior to admission. All patients already in treatment who become pregnant, suspect they may be pregnant, or plan on becoming pregnant must form the Aegis clinic at which they receive

Exhibit A

treatment by requesting an appointment with the Clinic Medical Director or Physician Assistant and specifying the reason for their request. Even though Aegis is perinatal services is not our main focus in our treatment program, we view this population as a high-risk population and refer out to perinatal services.

5. ORGANIZATIONAL EXPERIENCE AND STAFFING

1. Organizational Experience

Aegis has successfully operated in the Substance Use Disorder Field for two decades and is considered a leading substance use disorder treatment provider in California. Accordingly, Aegis employs professionals who bring with them hundreds of hours of experience in health care and SUD treatment. Staff rosters, resumes and job descriptions can be provided if requested.

2. Staff Member Experience

Aegis as an organization employs physicians with over 200 years of experience in aggregate; Regional Clinical Directors (RCDs) with over 150 years; clinic managers with 120 years; nurses with over 200 years in aggregate.

To implement the expanded scope of services, each Aegis clinic employs professionals from a number of different disciplines. These professionals collaborate regularly in order to ensure the provision of comprehensive treatment services to each and every Aegis patient.

Aegis Multidisciplinary Team Brief Job Descriptions

- a. Regional Clinic Manager: Works closely with the Clinic Managers. Oversees the facilities ensuring regulatory compliance, patient care and outcomes, employee relations, and community development.
- b. Clinic Manager: Supervises clinic operations, ensures regulatory compliance, and oversees quality assurance/control of clinical and medical services. Hires, trains, and supervises clinic staff.
- c. Clinic Medical Director: Assumes the highest medical responsibility for patients. Ensures medical regulatory compliance. Conducts physical examinations of patients and

Exhibit A

provides appropriate care. Evaluates and prescribes replacement therapy (methadone).
Teaches and trains clinical staff.

d. Regional Clinical Director (“RCD”): An experienced mental health professional, such as a psychologist (PhD or PsyD), a marriage and family therapist (“MFT”), or a clinical social worker (“LCSW”), with outstanding clinical skills. Together with the Clinic Medical Director, ensures that the treatment at Aegis meets superior clinical standards and is done with professional discretion. Trains clinical staff on various clinical issues.

e. Physician Assistant, Nurse Practitioner: Works closely and under the direction of the Medical Director to provide services such as medical assessments and physical exams to patients. Also involved in teaching and training of clinical staff.

f. Dispensing Nurse: Per Medical Director’s orders, dispenses controlled and non-controlled substances and evaluates patients for side effects or reactions. Ensures patient confidentiality and security at the dispensing window.

g. Clinical Specialist/Therapist: Has extensive clinical experience in an area of expertise that is relevant to Aegis’ patient population, such as Posttraumatic Stress Disorder (“PTSD”), grief and loss, anger management, anxiety and stress management, and adult Attention Deficit Hyperactivity Disorder (“adult ADHD”). Works under the supervision of the RCD. Provides mental health treatment to patients. Assists in the development of clinical protocols and the training of clinical staff.

h. Counselor/Caseload Manager: Orients new patients, conducts assessments, and develops treatment plans. Determines clinical necessity of additional services such as social work, psychotherapy, education, and participation in specialty groups. Monitors patients’ treatment progress, especially as it relates to relapse indicators, as well as provides individual and group counseling services.

Exhibit A

6. ELECTRONIC HEALTH RECORDS & DATA SYSTEMS

Aegis uses an in-house developed EMR system called “PHASE” specifically designed to address the needs of Medication Assisted Treatment clients, and Aegis clinicians. PHASE incorporates NTP best practices and regulatory requirements, as well as acts as a secure, scalable, and feature-rich web-based data collection platform that enables clinicians to efficiently manage and analyze critical patient treatment information in real time.

PHASE also has a CalOMS module into which all our facilities currently enter their CalOMS data. The data is batched at the end of each month and submitted to the State ADP and participating Counties. Aegis is able to provide CalOMS data in an electronic format (either in the State’s format or any other proprietary format, as required).

Aegis is confident in its organizational capacity to collect and report data to County within five (5) business days of a request and in compliance with all other State and County data system reporting.

PHASE consists of the following modules: (1) Front Office Module, patient and staff schedules; billing; eligibility verification; issuance of invoices, receipts and deposit slips; (2) Back Office, patient health history; prescribed medications; medical examinations; (3) Lab & UA, lab work; urine analysis; automated interface of lab reports; (4) Counseling, need assessments; clinical screening tools; treatment plans; discharge plans; (5) Dispensing, medication inventory management; electronic dispensing of medication.

Furthermore, PHASE currently can generate over 500 built-in reports that cover every aspect of patient care, accordingly Aegis is exceptionally well equipped to generate any data reports needed for DMC-ODS Pilot data requirements.

Aegis has well established policies at relates to data entry and transmission, which is primarily administered by our “PHASE” system. The system was specifically designed to address the needs of Medication Assisted Treatment clients and comply with all relevant confidentiality

Exhibit A

laws (e.g., HIPAA / HITECH, 42 CFR Part 2). Furthermore, Aegis implements an Encryption Policy and service (i.e., Mimecast) to encrypt all PHI and other sensitive data. The system uses a symmetric cryptosystem key length at least 80 bits for confidential data and 64 bits for other sensitive information. For portable devices, all users must obtain specific permission from the before storing confidential data on a portable computing device. Confidential information stored on portable devices including must be encrypted using approved encryption product approved by the Director of Technology.

EXHIBIT B
Terms and Conditions of Payments
AEGIS NTP SERVICES

FY 2023/24-2024/25 FINANCIAL TERMS

1. CLAIMING

- A. Contractor shall submit claim data for direct client time to the County within the timeframes established by County. Contractor shall use Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) codes, as provided in the DHCS Billing Manual available at <https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx>, as from time to time amended.
- B. Claims shall be complete and accurate and must include all required information regarding the claimed services.
- C. Contractor shall maximize the Federal Financial Participation (FFP) reimbursement by claiming all possible Medi-Cal services and correcting denied services for resubmission in a timely manner as needed.

2. INVOICING

- A. Contractor shall invoice County for services monthly, in arrears, in the format directed by County. Invoices shall be based on claims entered into the County's billing and transactional database system for the prior month. DMC is an entitlement and cannot be capped.
- B. Invoices shall be provided to County within 15 days after the close of the month in which services were rendered. Following receipt and provisional approval of a monthly invoice, County shall make payment within 30 days.
- C. Monthly payments for claimed services shall be based on the units of time assigned to each CPT or HCPCS code entered in the County's billing and transactional database multiplied by the service rates in Exhibit B-1.
- D. County's payments to Contractor for performance of claimed services are provisional and subject to adjustment until the completion of all settlement activities. County's adjustments to provisional payments for claimed services shall be based on the terms, conditions, and limitations of this Agreement or the reasons for recoupment.
 - i. County will conduct periodic audits of Contractor files to ensure appropriate clinical documentation, high quality service provision and compliance with applicable federal, state and county regulations.
 - ii. Such audits may result in requirements for Contractor to reimburse County for services previously paid in the following circumstances:
 - 1. Identification of Fraud, Waste or Abuse as defined in federal regulation.
 - a. Fraud and abuse are defined in Code of Federal Regulations, Title 42, § 455.2 and Welfare & Institutions Code, § 14107.11, subdivision (d).

- b. Definitions for “fraud,” “waste,” and “abuse” can also be found in the Medicare Managed Care Manual available at www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c21.pdf.
 - iii. Overpayment of Contractor by County due to errors in claiming or documentation.
 - iv. Contractor shall reimburse County for all overpayments identified by Contractor, County and/or state or federal oversight agencies as an audit exception within the timeframes required by law or Country or state or federal agency.
- 3. **ADDITIONAL FINANCIAL REQUIREMENTS**
 - A. County has the right to monitor the performance of this Agreement to ensure the accuracy of claims for reimbursement and compliance with all applicable laws and regulations.
 - B. Contractor must comply with the False Claims Act employee training and policy requirements set forth in 42 U.S.C. 1396a(a)(68) and as the Secretary of the US DHHS may specify.
 - C. Contractor agrees that no part of any federal funds provided under this Agreement shall be used to pay the salary of an individual per fiscal year at a rate in excess of Level 1 of the Executive Schedule at <https://www.opm.gov/> (U.S. Office of Personnel Management), as from time to time amended.
 - D. Federal Financial Participation is not available for any amount furnished to an Excluded individual or entity, or at the direction of a physician during the period of exclusion when the person providing the service knew or had reason to know of the exclusion, or to an individual or entity when the County failed to suspend payments during an investigation of a credible allegation of fraud (42 U.S.C. § 1396b(i)(2)).
- 4. **CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED**
 - A. Contractor may not redirect or transfer funds from one funded program to another funded program under which Contractor provides services pursuant to this Agreement except through a duly executed amendment to this Agreement.
 - B. Contractor may not charge services delivered to an eligible client under one funded program to another funded program unless the client is also eligible for services under the second funded program.
- 5. **FINANCIAL AUDIT REPORT REQUIREMENTS FOR PASS-THROUGH ENTITIES**
 - A. If County determines that Contractor is a “subrecipient” (also known as a “pass-through entity”) as defined in 2 C.F.R. § 200 et seq., Contractor represents that it will comply with the applicable cost principles and administrative requirements including claims for payment or reimbursement by County as set forth in 2 C.F.R. § 200 et seq., as may be amended from time to time. Contractor shall observe and comply with all applicable financial audit report requirements and standards.
 - B. Financial audit reports must contain a separate schedule that identifies all funds included in the audit that are received from or passed through the County. County programs must be identified by Agreement number, Agreement amount, Agreement period, and the amount expended during the fiscal year by funding source.

- C. Contractor will provide a financial audit report including all attachments to the report and the management letter and corresponding response within six months of the end of the audit year to the Director. The Director is responsible for providing the audit report to the County Auditor.
- D. Contractor must submit any required corrective action plan to the County simultaneously with the audit report or as soon thereafter as it is available. The County shall monitor implementation of the corrective action plan as it pertains to services provided pursuant to this Agreement.

Exhibit– B1

FY23/24 and FY24/25 Rates

FY 23/24 & 24/25 Service	Type of Unit of Service (UOS)	Non-Perinatal (Regular) Rate PerUOS	Perinatal Rate PerUOS
Methadone Daily	Daily	\$17.99	\$23.92
Buprenorphine-Naloxone Combo Film Daily	Daily	\$27.73	\$38.57
Buprenorphine - Naloxone Combo Tablets Daily	Daily	\$31.15	\$41.98
Buprenorphine Mono Daily	Daily	\$30.69	\$41.52
Disulfiram Daily	Daily	\$11.07	\$11.24
Buprenorphine Injectable (Sublocade) Monthly	Monthly	\$1,930.16	\$1,930.16
Naltrexone Injectable (Vivitrol) Monthly	Monthly	\$2,108.26	\$2,108.26
NTP - Individual Counseling - AOD Counselor	15 minutes	\$45.59	\$57.98
NTP - Group Counseling - AOD Counselor	15 minutes	\$45.59	\$52.49
NTP - Individual Counseling - LPHA	15 minutes	\$54.96	\$67.35
NTP - Group Counseling - LPHA	15 minutes	\$54.96	\$61.86
NTP - Individual Counseling - Physicians Assist	15 minutes	\$94.71	\$107.10
NTP - Group Counseling - Physicians Assist.	15 minutes	\$94.71	\$101.61
NTP - Individual Counseling - Nurse Practitioner	15 minutes	\$105.01	\$117.40
NTP - Group Counseling - Nurse Practitioner	15 minutes	\$105.01	\$111.91
NTP - Individual Counseling - MD	15 minutes	\$211.17	\$223.56
NTP - Group Counseling - MD	15 minutes	\$211.17	\$218.07

Exhibit C

County of Kings HIPAA Business Associate Agreement

I. Recitals.

A. This Agreement has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act ("HIPAA") and its implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the Health Insurance Portability Act regulations").

B. The County of Kings ("County") wishes to, or may, disclose to Aegis Treatment Centers LLC ("Business Associate") certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI") pursuant to HIPAA regulations.

C. "Protected Health Information" or "PHI" means any information, whether oral or recorded in any form or medium that relates to the past, present, or future physical or mental condition of an individual, the provision of health or dental care to an individual, or the past, present, or future payment for the provision of health or dental care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. PHI shall have the meaning given to such term under HIPAA and HIPAA regulations, as the same may be amended from time to time.

D. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.

E. As set forth in this Agreement, Aegis Treatment Centers LLC as the Business Associate of County provides services, arranges, performs or assists in the performance of functions or activities on behalf of County and creates, receives, maintains, transmits, uses or discloses PHI.

F. County and Business Associate desire to protect the privacy and provide for the security of PHI created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, in compliance with HIPAA and HIPAA regulations.

G. The purpose of this Exhibit is to satisfy certain standards and requirements of HIPAA and the HIPAA regulations, and other applicable laws.

H. The terms used in this Exhibit, but not otherwise defined, shall have the same meanings as those terms are defined in the HIPAA regulations.

Exhibit C

In exchanging information pursuant to this Agreement, the parties agree as follows:

II. Permitted Uses and Disclosures of PID by Business Associate.

A. *Permitted Uses and Disclosures.* Except as otherwise indicated in this Exhibit, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of County, provided that such use or disclosure would not violate the HIPAA regulations, if done by County.

B. *Specific Use and Disclosure Provisions.* Except as otherwise indicated in this Exhibit, Business Associate may:

1) *Use and Disclose for Management and Administration.* Use and disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

2) *Type of Services to be Provided by the Business Associate.* BAA will provide Drug Medi-Cal Outpatient Narcotic Treatment Program services. Said services are set forth in the Scope of Work, attached to the Agreement as **Exhibit A**.

III. Responsibilities of Business Associate.

Business Associate agrees:

A. *Nondisclosure.* Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.

B. *Safeguards.* To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of County; and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and which incorporates the requirements of section C, Security, below. Business Associate will provide County with its current and updated policies.

Exhibit C

C. **Security.** The Business Associate shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing County PHI. These steps shall include, at a minimum:

1) Complying with all of the data system security precautions listed in the **Business Associate Data Security Standards** set forth in Attachment 1 to this Exhibit;

2) Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the County ITSD Help Desk. Business Associate shall take:

i. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and

ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

3) **Investigation of Breach.** To immediately investigate such security incident, breach, or unauthorized use or disclosure of PHI or confidential data. **Within seventy-two (72) hours of the discovery**, to notify the County:

i. What data elements were involved and the extent of the data involved in the breach,

ii. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data,

iii. A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized,

iv. A description of the probable causes of the improper use or disclosure; and

v. Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered.

4) **Written Report.** To provide a written report of the investigation to the County under HIPAA within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

5) **Notification of Individuals.** To notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and to pay any costs of such notifications, as well as any costs associated with the breach. The

Exhibit C

County shall approve the time, manner and content of any such notifications.

6) **County Contact Information.** To direct communications to the above referenced County staff, Business Associate shall initiate contact as indicated herein. County reserves the right to make changes to the contact information below by giving written notice to the Business Associate. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

County of Kings
Administration
Attn: Kyria Martinez, CAO - HIPAA
Compliance officer 1400 W. Lacey
Blvd., Bldg. 1
Hanford, California 93230
(559) 852-2377

D. **Employee Training and Discipline.** To train and use reasonable measures to ensure compliance with the requirements of this Exhibit by employees who assist in the performance of functions or activities on behalf of County under this Agreement and use or disclose PHI; and discipline such employees who intentionally violate any provisions of this Exhibit, including by termination of employment. In complying with the provisions of this section K, Business Associate shall observe the following requirements:

1) Business Associate shall provide information privacy and security training, at least annually, at its own expense, to all its employees who assist in the performance of functions or activities on behalf of County under this Agreement and use or disclose PHI.

2) Business Associate shall require each employee who receives information privacy and security training to sign a certification, indicating the employee's name and the date on which the training was completed.

3) Business Associate shall retain each employee's written certifications for County inspection for a period of six (6) years following contract termination.

IV. Obligations of County.

County agrees to:

A. **Notice of Privacy Practices.** Provide Business Associate with applicable and relevant Notice(s) of Privacy Practices that County HIPAA-covered healthcare components produce in accordance with 45 CFR 164.520, as well as any changes to such notice(s).

B. **Permission by Individuals for Use and Disclosure of PHI.** Provide the

Exhibit C

Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

C. ***Notification of Restrictions.*** Notify the Business Associate of any restriction to the use or disclosure of PHI that County has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.

D. ***Requests Conflicting with HIPAA Rules.*** Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by County.

V. **Audits, Inspection and Enforcement.**

From time to time, County may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Exhibit. Business Associate shall promptly remedy any violation of any provision of this Exhibit and shall certify the same to the County Privacy Officer or the County Chief Information Security Officer in writing. The fact that County inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Exhibit, nor does County's:

A. Failure to detect; or

B. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of County's enforcement rights under this Agreement and this **Exhibit C**.

VI. **Termination.**

A. ***Termination for Cause.*** Upon County's knowledge of a material breach of this Exhibit by Business Associate, County shall:

1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by County;

2) Immediately terminate this Agreement if Business Associate has breached a material term of this Exhibit and cure is not possible; or

3) If neither cure nor termination is feasible, report the violation to the

Exhibit C

Secretary of the U.S. Department of Health and Human Services.

B. ***Judicial or Administrative Proceedings.*** Business Associate will notify County if it is named as a defendant in a criminal proceeding for a violation of HIPAA. County may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. County may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.

C. ***Effect of Termination.*** Upon termination or expiration of this Agreement for any reason, Business Associate shall promptly return or destroy all PHI received from County (or created or received by Business Associate on behalf of County) that Business Associate still maintains in any form, and shall retain no copies of such PHI or, if return or destruction is not feasible, shall continue to extend the protections of this Exhibit to such information, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions.

A. ***Disclaimer.*** County makes no warranty or representation that compliance by Business Associate with this Exhibit, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

B. ***Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon County's request, Business Associate agrees to promptly enter into negotiations with County concerning an amendment to this Exhibit embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA regulations or other applicable laws. County may terminate this Agreement upon thirty (30) days written notice in the event:

1) Business Associate does not promptly enter into negotiations to amend this Exhibit when requested by County pursuant to this Section or;

Exhibit C

2) Business Associate does not enter into an amendment providing assurances regarding the safeguarding and security of PHI that County, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

C. ***Assistance in Litigation or Administrative Proceedings.*** Business Associate shall make itself and any subcontractors, employees, or agents assisting Business Associate in the performance of its obligations under this Agreement, available to County at no cost to County to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against County, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee, or agent is a named adverse party.

D. ***No Third-Party Beneficiaries.*** Nothing express or implied in the terms and conditions of this Exhibit is intended to confer, nor shall anything herein confer, upon any person other than County or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

E. ***Interpretation.*** The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA regulations.

F. ***Regulatory References.*** A reference in the terms and conditions of this Exhibit to a section in the HIPAA regulations means the section as in effect or as amended.

G. ***Survival.*** The respective rights and obligations of Business Associate under Section VII.C of this Exhibit shall survive the termination or expiration of this Agreement.

H. ***No Waiver of Obligations.*** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Attachment 1
Business Associate Data Security Standards

I. General Security Controls.

A. Confidentiality Statement. All persons that will be working with County PHI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to County PHI. The statement must be renewed annually. The Business Associate shall retain each person's written confidentiality statement for County inspection for a period of six (6) years following contract termination.

B. Background Check. Before a member of the Business Associate's workforce may access County PHI, Business Associate must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk for theft of confidential data. The Business Associate shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

C. Workstation/Laptop Encryption. All workstations and laptops that process and/or store County PHI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. The encryption solution must be full disk unless approved by the County Information Security Office.

D. Server Security. Servers containing unencrypted County PHI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

E. Minimum Necessary. Only the minimum necessary amount of County PHI required to perform necessary business functions may be copied, downloaded, or exploited.

F. Removable Media Devices. All electronic files that contain County PHI data must be encrypted when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes, etc.). Must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher.

G. Antivirus Software. All workstations, laptops and other systems that process and/or store County PHI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

H. Patch Management. All workstations, laptops and other systems that process and/or store County PHI must have security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.

I. User IDs and Password Controls. All users must be issued a unique username for accessing County PHI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password. Passwords

are not to be shared. Must be at least eight characters. Must be a non-dictionary word. Must not be stored in readable format on the computer. Must be changed every 60 days. Must be changed if revealed or compromised. Must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

J. Data Sanitization. All County PHI must be sanitized using NIST Special Publication 800- 88 standard methods for data sanitization when the County PSCI is no longer needed.

II. System Security Controls.

A. System Timeout. The system must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

B. Warning Banners. All systems containing County PHI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

C. System Logging. The system must maintain an automated audit trail which can identify the user or system process which initiates a request for County PHI, or which alters County PHI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If County PHI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least six (6) years after occurrence.

D. Access Controls. The system must use role-based access controls for all user authentications, enforcing the principle of least privilege.

E. Transmission Encryption. All data transmissions of County PHI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end-to-end at the network level, or the data files containing County PHI can be encrypted. This requirement pertains to any type of County PHI in motion such as website access, file transfer, and E-Mail.

F. Intrusion Detection. All systems involved in accessing, holding, transporting, and protecting County PHI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

III. Audit Controls.

A. System Security Review. All systems processing and/or storing County PHI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning tools.

- B. Log Reviews.** All systems processing and/or storing County PHI must have a routine procedure in place to review system logs for unauthorized access.
- C. Change Control.** All systems processing and/or storing County PHI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity, and availability of data.

IV. Business Continuity / Disaster Recovery Controls.

- A. Disaster Recovery.** Business Associate must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic County PHI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. Data Backup Plan.** Business Associate must have established documented procedures to back-up County PHI to maintain retrievable exact copies of County PHI. The plan must include a regular schedule for making back-ups, storing back-ups offsite, an inventory of back-up media, and the amount of time to restore County PHI should it be lost. At a minimum, the schedule must be a weekly full back-up and monthly offsite storage of County data.

V. Paper Document Controls.

- A. Supervision of Data.** County PHI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. County PHI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. Escorting Visitors.** Visitors to areas where County PHI is contained shall be escorted and County Protected Health Information shall be kept out of sight while visitors are in the area.
- C. Confidential Destruction.** County PHI must be disposed of through confidential means, using NIST Special Publication 800-88 standard methods for data sanitization when the County PSCI is no longer needed.
- D. Removal of Data.** County PHI must not be removed from the premises of the Business Associate except with express written permission of County.
- E. Faxing.** Faxes containing County PHI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.
- F. Mailing.** County PHI shall only be mailed using secure methods. Large volume mailings of County Protected Health Information shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a County approved solution, such as a solution using a vendor product specified on the CSSI.

Exhibit D

ASSURANCES AND CERTIFICATIONS

Contractor agrees that programs and services receiving financial assistance from and through the Department of Health Care Services (“DHCS”) or Kings County Behavioral Health will be administered in accordance with the Health and Safety Code Sections 11750 *et seq.* and any other applicable state or federal requirements, including civil rights.

A. Contractor certifies and agrees that:

1. A working transition plan for services to persons with disabilities exists and is in use as defined in Title 9, Section 10800, *et seq.* of the California Code of Regulations.
2. All products, reports, preliminary findings, or data assembled or compiled by Contractor under this Agreement becomes the property of the State. The State reserves the right to authorize others to use or reproduce such materials.
3. All announcements of events, such as public meetings, hearings, or training courses, shall include a statement of advance notice for accommodations for any disabled, deaf, or hearing impaired individual.
4. Limited English Proficiency (“LEP”) - Contractor will take reasonable steps to ensure meaningful access to its programs, services, and information on the services the Contractor provides, free of charge. Additionally, the Contractor certifies that it has established and implemented as required by DHCS, policies and procedures for language assistance services that provide LEP persons with meaningful access, i.e. oral interpretation services, bilingual staff, telephone interpreter lines, written language services, community volunteers, etc.
5. Sexual contact shall be prohibited between participants/clients and the treatment/recovery program staff, including members to the Board of Directors. Service Providers shall include this policy prohibition as part of an overall clients’ rights statement given to the client at admission and shall include a statement in each employee personnel file that notes that the employee has read and understood the sexual contact prohibition. This policy shall remain in effect for six (6) months after a client is discharged from treatment services.

Exhibit D

Contractor further agrees to establish a complaint policy and procedure, which provides the following:

1. A procedure by which a person of any class of persons subjected to discrimination prohibited by Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 11135, et seq. of the California Government Code, or Title 9, Section 10800, et seq. of the California Code of Regulations may individually or by a representative file a written complaint. The subject complaint will clearly state under which law the complaint is filed.
2. A statement advising individuals that complaints may be filed with the County or the U.S. Department of Health and Human Services' Office for Civil Rights ("OCR").
3. A statement advising individuals that in cases where the complaint is filed initially with the OCR, the OCR may elect to investigate the complaint or request that the Civil Rights Officer for the County conduct the investigation.
4. Within the time limits procedurally imposed, the complainant shall be advised in writing as to the findings regarding the alleged complaint. In the same written notice, the complainant shall be advised that if he/she is not satisfied with the decision, an appeal may be filed with the U.S. Department of Health and Human Services' Office for Civil Rights.
5. Maintenance of records regarding:
 - (a) number of complaints filed;
 - (b) the nature of the complaint;
 - (c) the validity of the complaint; and
 - (d) corrective action taken.

Contractor shall adhere to the confidentiality of patient records as specified under State, Federal, and local laws, including, but not limited to, Title 45 of the Code of Federal Regulations, Parts 80 and 84, Title VI of the Civil Rights Act of 1964, and the privacy requirements of the "Privacy Rule" promulgated by the U.S. Department Health and Human Services at Title 45 of the Code of Federal Regulations, sections 160 through 164. Nothing in this paragraph shall preclude the parties from subsequently entering into a Business Associate Agreement if required by the Privacy Rule.

Exhibit D

Drug-Free Workplace under Government Code Section 8355

Contractor agrees that all program contractors of services receiving funds from and through the DHCS will provide an alcohol/drug free workplace by doing all of the following:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person or organization's workplace and specifying the actions that will be taken against employees for violations of said prohibition.
2. Establishing a drug-free awareness program to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace;
 - b. The person or organization's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs;
 - d. The penalties that may be imposed upon employees for drug abuse violations.
3. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement. (Govt. Code § 8350 et seq.)

Exhibit E
COMPLIANCE CRITERIA

**SECTION 1. SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (SABG)
AND DEPARTMENT OF HEALTH CARE SERVICES DRUG MEDICAL (DMC) CONTRACT
REQUIREMENTS**

GENERAL

1. Additional Contract Restrictions

This Contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress, or any statute enacted by the Congress, which may affect the provisions, terms, or funding of this Contract in any manner.

2. Hatch Act

Contractor agrees to comply with the provisions of the Hatch Act (USC, Title 5, Part III, Subpart F., Chapter 73, Subchapter III), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

3. No Unlawful Use or Unlawful Use Messages Regarding Drugs

Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol-related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC, Division 10.7, Chapter 1429, Sections 11999-11999.3). By signing this Enclosure, Contractor agrees that it will enforce, and will require its subcontractors to enforce, these requirements.

4. Limitation on Use of Funds for Promotion of Legalization of Controlled Substances

None of the funds made available through this Contract may be used for any activity that promotes the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled Substances Act (21 USC 812).

5. Debarment and Suspension

Contractor shall not subcontract with or employ any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1989., p. 235), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

The Contractor shall advise all subcontractors of their obligation to comply with applicable federal debarment and suspension regulations, in addition to the requirements set forth in 42 CFR Part 1001.

Exhibit E

If a Contractor subcontracts or employs an excluded party, DHCS has the right to withhold payments, disallow costs, or issue a CAP, as appropriate, pursuant to HSC Code 11817.8(h).

6. Restriction on Distribution of Sterile Needles

No SABG funds made available through this Contract shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless DHCS chooses to implement a demonstration syringe services program for injecting drug users.

7. Health Insurance Portability and Accountability Act (HIPAA) of 1996

All work performed under this Contract is subject to HIPAA, Contractor shall perform the work in compliance with all applicable provisions of HIPAA. As identified in Exhibit E, and F DHCS and Contractor shall cooperate to assure mutual agreement as to those transactions between them, to which this provision applies. Refer to Exhibit E for additional information.

A. Trading Partner Requirements

1. No Changes. Contractor hereby agrees that for the personal health information (Information), it will not change any definition, data condition or use of a data element or segment as proscribed in the Federal Health and Human Services (HHS) Transaction Standard Regulation (45 CFR 162.915 (a)).
2. No Additions. Contractor hereby agrees that for the Information, it will not add any data elements or segments to the maximum data set as proscribed in the HHS Transaction Standard Regulation (45 CFR 162.915 (b)).
3. No Unauthorized Uses. Contractor hereby agrees that for the Information, it will not use any code or data elements that either are marked “not used” in the HHS Transaction’s Implementation specification or are not in the HHS Transaction Standard’s implementation specifications (45 CFR 162.915 (c)).
4. No Changes to Meaning or Intent. Contractor hereby agrees that for the Information, it will not change the meaning or intent of any of the HHS Transaction Standard’s implementation specification (45 CFR 162.915 (d)).

B. Concurrence for Test Modifications to HHS Transaction Standards

Contractor agrees and understands that there exists the possibility that DHCS or others may request an extension from the uses of a standard in the HHS Transaction Standards. If this occurs, Contractor agrees that it will participate in such test modifications.

C. Adequate Testing

Contractor is responsible to adequately test all business rules appropriate to their types and specialties. If the Contractor is acting as a clearinghouse for enrolled providers, Contractor

Exhibit E

has obligations to adequately test all business rules appropriate to each and every provider type and specialty for which they provide clearinghouse services.

D. Deficiencies

Contractor agrees to correct transactions, errors, or deficiencies identified by DHCS, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. When Contractor is a clearinghouse, Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

E. Code Set Retention

Both parties understand and agree to keep open code sets being processed or used in this Contract for at least the current billing period or any appeal period, whichever is longer.

F. Data Transmission Log

Both parties shall establish and maintain a Data Transmission Log which shall record any and all Data Transmissions taking place between the Parties during the term of this Contract. Each party will take necessary and reasonable steps to ensure that such Data Transmission Logs constitute a current, accurate, complete, and unaltered record of any and all Data Transmissions between the parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the Data Transmission. The Data Transmission Log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the Data Transmission Log may be retrieved in a timely manner and presented in readable form.

8. Nondiscrimination and Institutional Safeguards for Religious Providers

Contractor shall establish such processes and procedures as necessary to comply with the provisions of USC, Title 42, Section 300x-65 and CFR, Title 42, Part 54.

9. Counselor Certification

Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be registered or certified as defined in CCR, Title 9, Division 4, Chapter 8. (Document 3H).

10. Cultural and Linguistic Proficiency

To ensure equal access to quality care by diverse populations, each service provider receiving funds from this Contract shall adopt the Federal Office of Minority Health Culturally and Linguistically Appropriate Service (CLAS) national standards as outlined online at:
<https://minorityhealth.hhs.gov/omh/browse.aspx?vl=2&vlid=53https://thinkculturalhealth.hhs.gov/clas/standards>

11. Intravenous Drug Use (IVDU) Treatment

Exhibit E

Contractor shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo AOD treatment (42 USC 300x-23 (45 CFR 96.126(e)).

- A. Routinely make available TB services to individuals receiving treatment.
- B. Reduce barriers to patients' accepting TB treatment.
- C. Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

13. Trafficking Victims Protection Act of 2000

Contractor and its subcontractors that provide services covered by this Contract shall comply with the Trafficking Victims Protection Act of 2000 (USC, Title 22, Chapter 78, Section 7104) as amended by section 1702 of Pub. L. 112-239.

14. Tribal Communities and Organizations

Contractor shall support County efforts to review population information available through Census, compare to information obtained in the California Outcome Measurement System for Treatment (CalOMS-Tx) to determine whether the population is being reached, and survey Tribal representatives for insight in potential barriers to the substance use service needs of the American Indian/Alaskan Native (AI/AN) population within a reasonable geographic area of the Contractor. Contractor shall support efforts to engage in regular and meaningful consultation and collaboration with elected officials of the tribe, Rancheria, or their designee for the purpose of identifying issues/barriers to service delivery and improvement of the quality, effectiveness, and accessibility of services available to AI/AN communities within the Contractor.

15. Marijuana Restriction

Grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. Treatment in this context includes the treatment of opioid use disorder. Grant funds also cannot be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders. See, e.g., 45 CFR. § 75.300(a) (requiring HHS to “ensure that Federal funding is expended . . . in full accordance with U.S. statutory . . . requirements.”); 21 USC § 812(c) (10) and 841 (prohibiting the possession, manufacture, sale, purchase or distribution of marijuana). This prohibition does not apply to those providing such treatment in the context of clinical research permitted by the DEA and under an FDA-approved investigational new drug application where the article being evaluated is marijuana or a constituent thereof that is otherwise a banned controlled substance under Federal law.

17. Adolescent Best Practices Guidelines

Contractor may utilize DHCS guidelines in developing and implementing youth treatment programs funded under this Enclosure The Adolescent Best Practices Guidelines can be found at:

Exhibit E

https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf

19. Perinatal Practice Guidelines

The Contractor will follow the Perinatal Practice Guidelines in developing and implementing perinatal treatment and recovery programs.

20. Byrd Anti-Lobbying Amendment (31 USC 1352)

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

21. Nondiscrimination in Employment and Services

Contractor certifies that under the laws of the United States and the State of California, Contractor will not unlawfully discriminate against any person.

22. Federal Law Requirements:

- A. Title VI of the Civil Rights Act of 1964, Section 2000d, as amended, prohibiting discrimination based on race, color, or national origin in federally-funded programs.
- B. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of housing.
- C. Age Discrimination Act of 1975 (45 CFR Part 90), as amended 42 USC Sections 6101 – 6107), which prohibits discrimination on the basis of age.
- D. Age Discrimination in Employment Act (29 CFR Part 1625).
- E. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting discrimination against the disabled in employment.
- F. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting discrimination against the disabled by public entities.
- G. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.

Exhibit E

- H. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), prohibiting discrimination on the basis of individuals with disabilities.
- I. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding nondiscrimination in employment under federal contracts and construction contracts greater than \$10,000 funded by federal financial assistance.
- J. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.
- K. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse.
- L. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A – E).

23. State Law Requirements:

- D. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).
- E. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135.
- F. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.
- G. No federal funds shall be used by the Contractor or its subcontractors for sectarian worship, instruction, or proselytization. No federal funds shall be used by the Contractor or its subcontractors to provide direct, immediate, or substantial support to any religious activity.

24. Nondiscrimination Notice, Nondiscrimination Statement, and Taglines (45 C.F.R. § 92.8)

- A. The Contractor shall post a DHCS-approved nondiscrimination notice and language taglines in at least the top 16 non-English languages in the State (as determined by DHCS), as well as large print, explaining the availability of free language assistance services, including written translation and oral interpretation to understand the information provided, and the toll-free and TTY/TDY telephone number of the Contractor's member/customer service unit, as follows:
 - i. In all conspicuous physical locations where the Contractor interacts with the public.
 - ii. In a conspicuous location on the Contractor's website that is accessible on the Contractor's home page, and in a manner that allows beneficiaries and prospective beneficiaries to easily locate the information.
 - iii. In all significant communications and significant publications targeted to beneficiaries, enrollees, applicants, and members of the public, except for significant publications and significant communications that are small-sized, such as postcards and tri-fold brochures.
- B. The Contractor shall post a DHCS-approved nondiscrimination statement and language

Exhibit E

taglines in at least the top two non-English languages in the State (as determined by DHCS), explaining the availability of free language assistance services, and the toll-free and TTY/TDY telephone number of the Contractor's member/customer service unit, as follows:

- i. In all significant publications and significant communications that are small-sized, such as postcards and tri-fold brochures.
- C. The Contractor's nondiscrimination notice, nondiscrimination statement, and language taglines must be in a conspicuously visible font size no smaller than 12 point. Any large print tagline required must be in a font size no smaller than 18 point, and must include information on how to request auxiliary aids and services, including the provision of the materials in alternative formats.

25. Information Access for Individuals with Limited English Proficiency

- A. Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.
- B. Contractor shall comply with the applicable provisions of Section 1557 of the Affordable Care Act (45 CFR Part 92), including, but not limited to, 45 CFR 92.201, when providing access to:
(a) materials explaining services available to the public, (b) language assistance, (c) language interpreter and translation services, or (d) video remote language interpreting services.

26. Noncompliance with Reporting Requirements

The Contractor agrees that DHCS has the right to withhold payments until the Contractor has submitted any required data and reports to DHCS, as identified in Exhibit A, Attachment I, Part III – Reporting Requirements, or as identified in Document 1F(a), Reporting Requirements Matrix for Counties.

27. Additional Contract Restrictions

Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for DHCS to withhold payments under this Contract or terminate all, or any type, of funding provided hereunder.

This Contract is subject to any additional restrictions, limitations, or conditions enacted by the federal or state governments that affect the provisions, terms, or funding of this Contract in any manner.

SECTION 2. ADDITIONAL DEPARTMENT OF HEALTH CARE SERVICES CONTRACT REQUIREMENTS FOR (SABG) AND DRUD MEDI-CAL (DMC)

Contractor must be compliant with the following SABG and DMC laws, regulations, and guidelines in addition to all Behavioral Health Bulletins, Information Notices, and Letters received by DHCS that notify the county and contractors of changes in policies or procedures at the Federal or State levels found at

Exhibit E

https://www.dhcs.ca.gov/formsandpubs/Pages/Behavioral_Health_Information_Notice.aspx. Additionally, Contractor must also be compliant with documents that may be incorporated by reference into this contract may not be physically attached to the contract, but can be found at DHCS' website:

<https://www.dhcs.ca.gov/provgovpart/Pages/DMC-Contracts.aspx>

1. Exhibit C - General Terms and Conditions
2. Exhibit E - Privacy and Information Security Provisions
3. Enclosure 2 - Program Specifications
4. Enclosure 3 - Budget Detail and Payment Provisions
5. Enclosure 5 - Special Terms and Conditions
6. Enclosure 5, Attachment I – Certification Regarding Lobbying
7. Enclosure 5, Attachment II – Certification Regarding Lobbying
8. Document 1A: Title 45, Code of Federal Regulations (CFR) 96, Subparts C and L, Substance Abuse Prevention and Treatment Block Grant Requirements
9. Document 1B: Title 42, CFR Charitable Choice Regulations
10. Document 1C: Driving-Under-the-Influence Program Requirements
11. Document 1F(a): County Reporting Requirement Matrix
12. Document 1G: Perinatal Practice Guidelines FY 2018-19 (and/or latest version)
13. Document 1K: Drug and Alcohol Treatment Access Report & Drug and Alcohol Treatment Access Report (DATAR) User Manual
14. Document 1P: Alcohol and/or Other Drug Program Certification Standards
15. Document 1V: Youth Treatment Guidelines
16. Document 2A: Sobky v. Smoley, Judgment, Signed February 1, 1995
17. Document 2C: Title 22, California Code of Regulations
18. Document 2F(a): Minimum Quality Drug Treatment Standards for DMC
19. Document 2F(b): Minimum Quality Drug Treatment Standards for SABG
20. Document 2P: County Certification - Cost Report Year-End Claim for Reimbursement
21. Document 2G: Drug Medi-Cal Billing Manual
22. Document 2K: Multiple Billing Override Certification (MC 6700) Document 2L(a): Good Cause Certification (6065A)
23. Document 2L(b): Good Cause Certification (6065B)
24. Document 2P: County Certification - Cost Report Year-End Claim for Reimbursement
Document 2P(a): Drug Medi-Cal Provider Cost Report Excel Workbook
25. Document 3G: California Code of Regulations (CCR) Title 9, Division 4, Chapter 4: Narcotic Treatment Programs
26. Document 3H: CCR Title 9, Division 4, Chapter 8: Certification of Alcohol and Other Drug Counselors
27. Document 3J: CalOMS Treatment Data Collection Guide
28. Document 3O: Quarterly Federal Financial Management Report (QFFMR)
29. Document 3S: CalOMS Treatment Data Compliance Standards
30. Document 3T: Non-Drug Medi-Cal and Drug Medi-Cal Local Assistance Funding Matrix
31. Document 3T(a): SAPT Authorized and Restricted Expenditures Information (April 2017)
32. Document 3V: Culturally and Linguistically Appropriate Services (CLAS) National Standards
33. Document 4A: Drug Medi-Cal Claim Submission Certification – County Contracted Provider – DHCS Form MC 100186 with Instructions

Exhibit E

34. Document 4B: Drug Medi-Cal Claim Submission Certification – County Operated Provider – DHCS Form MC 100187 with Instructions
35. Document 4D: Drug Medi-Cal Certification for Federal Reimbursement (DHCS 100224A)
36. Document 4E: Treatment Standards for Substance Use Diagnosis: A Guide for Services (Spring 2010)
37. Document 4F: Drug Medi-Cal (DMC) Services Quarterly Claim for Reimbursement of County Administrative Expenses (Form #MC 5312)
38. Document 5A: Confidentiality Agreement

National Standards for Culturally and Linguistically Appropriate Services (CLAS) in Health and Health Care

The National CLAS Standards are intended to advance health equity, improve quality, and help eliminate health care disparities by establishing a blueprint for health and health care organizations to:

Principal Standard:

1. Provide effective, equitable, understandable, and respectful quality care and services that are responsive to diverse cultural health beliefs and practices, preferred languages, health literacy, and other communication needs.

Governance, Leadership, and Workforce:

2. Advance and sustain organizational governance and leadership that promotes CLAS and health equity through policy, practices, and allocated resources.
3. Recruit, promote, and support a culturally and linguistically diverse governance, leadership, and workforce that are responsive to the population in the service area.
4. Educate and train governance, leadership, and workforce in culturally and linguistically appropriate policies and practices on an ongoing basis.

Communication and Language Assistance:

5. Offer language assistance to individuals who have limited English proficiency and/or other communication needs, at no cost to them, to facilitate timely access to all health care and services.
6. Inform all individuals of the availability of language assistance services clearly and in their preferred language, verbally and in writing.
7. Ensure the competence of individuals providing language assistance, recognizing that the use of untrained individuals and/or minors as interpreters should be avoided.
8. Provide easy-to-understand print and multimedia materials and signage in the languages commonly used by the populations in the service area.

Engagement, Continuous Improvement, and Accountability:

9. Establish culturally and linguistically appropriate goals, policies, and management accountability, and infuse them throughout the organization's planning and operations.
10. Conduct ongoing assessments of the organization's CLAS-related activities and integrate CLAS-related measures into measurement and continuous quality improvement activities.
11. Collect and maintain accurate and reliable demographic data to monitor and evaluate the impact of CLAS on health equity and outcomes and to inform service delivery.
12. Conduct regular assessments of community health assets and needs and use the results to plan and implement services that respond to the cultural and linguistic diversity of populations in the service area.
13. Partner with the community to design, implement, and evaluate policies, practices, and services to ensure cultural and linguistic appropriateness.
14. Create conflict and grievance resolution processes that are culturally and linguistically appropriate to identify, prevent, and resolve conflicts or complaints.
15. Communicate the organization's progress in implementing and sustaining CLAS to all stakeholders, constituents, and the general public.



The Case for the National CLAS Standards

Health equity is the attainment of the highest level of health for all people.¹ Currently, individuals across the United States from various cultural backgrounds are unable to attain their highest level of health for several reasons, including the social determinants of health, or those conditions in which individuals are born, grow, live, work, and age,² such as socioeconomic status, education level, and the availability of health services.³

Though health inequities are directly related to the existence of historical and current discrimination and social injustice, one of the most modifiable factors is the lack of culturally and linguistically appropriate services, broadly defined as care and services that are respectful of and responsive to the cultural and linguistic needs of all individuals.

Health inequities result in disparities that directly affect the quality of life for all individuals. Health disparities adversely affect neighborhoods, communities, and the broader society, thus making the issue not only an individual concern but also a public health concern. In the United States, it has been estimated that the combined cost of health disparities and subsequent deaths due to inadequate and/or inequitable care is \$1.24 trillion.⁴

Culturally and linguistically appropriate services are increasingly recognized as effective in improving the quality of care and services.^{5,6} By providing a structure to implement culturally and linguistically appropriate services, the National CLAS Standards will improve an organization's ability to address health care disparities.

The National CLAS Standards align with the HHS Action Plan to Reduce Racial and Ethnic Health Disparities⁷ and the National Stakeholder Strategy for Achieving Health Equity,⁸ which aim to promote health equity through providing clear plans and strategies to guide collaborative efforts that address racial and ethnic health disparities across the country.

Similar to these initiatives, the National CLAS Standards are intended to advance health equity, improve quality, and help eliminate health care disparities by providing a blueprint for individuals and health and health care organizations to implement culturally and linguistically appropriate services. Adoption of these Standards will help advance better health and health care in the United States.

Of all the forms of inequality, injustice in health care is the most shocking and inhumane.

— Dr. Martin Luther King, Jr.

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