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Exempt From Filing Fees Pursuant to Gov. Code, § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

MIND OC, a California nonprofit corporation,

Plaintiff,

vs.

COUNTY OF ORANGE, a political
subdivision of the State of California, and
DOES 1 through 10, inclusive,

Defendant,

) Case No. 30-2024-01442012-CU-CO-CJC
) Assigned for All Purposes to:
) Judge Bradley S. Erdosi, Dept. C27

**DEFENDANT COUNTY OF
ORANGE'S CROSS-COMPLAINT
FOR MIND OC'S:**

- 1. BREACH OF CONTRACT –
GROUND LEASE;**
- 2. BREACH OF CONTRACT – INN;**
- 3. BREACH OF CONTRACT – MSA;**
- 4. BREACH OF FIDUCIARY DUTY;**
- 5. BREACH OF IMPLIED
COVENANT OF GOOD FAITH
AND FAIR DEALING;**
- 6. VIOLATION OF CONFLICT OF
INTEREST LAWS (Gov. Code, §
1090);**
- 7. VIOLATION OF COMMON LAW
DOCTRINE AGAINST
CONFLICTS OF INTEREST;**

**8. FALSE CLAIMS ACT;
9. CONSTRUCTIVE FRAUD;
10. UNFAIR BUSINESS PRACTICES
(Bus. & Prof. Code, § 17200, et seq.);
11. UNJUST ENRICHMENT;
12. MONEY HAD AND RECEIVED;
13. ACCOUNTING;
14. DECLARATORY RELIEF**

MIND OC, a California nonprofit corporation,
and ROES 1 through 50, inclusive,

Cross-Defendants,

Complaint Filed on: November 22, 2024
Trial Date: TBD

Cross-Complainant, COUNTY OF ORANGE (“County” or “COUNTY”), hereby asserts this compulsory Cross-Complaint.

INTRODUCTION

1. This Cross-Complaint addresses tens of millions of dollars of taxpayer funds – public monies, protected pursuant to various statutes, public policies and duties imposed on the County and those who partner with it to fulfill governmental functions. The County serves as a steward of the public trust, and operates under various statutes, public policies and duties that define, mandate, limit and inform its conduct and responsibilities. These same principles define, mandate, limit, and inform the conduct and responsibilities of persons and entities that transact business with the County, act on behalf of, and at the direction of, the County, and are charged with fulfilling the County’s public functions.

2. Among the County's mandates is the duty to provide public health services to its residents, including vulnerable and disadvantaged populations, pursuant to Welfare and Institutions Code section 17000 *et seq.*

3. In 2016, the County identified the development of a public wellness hub as a strategic, County priority to address urgent mental health and substance use needs for Orange County residents. Indeed, in its 2016 Strategic Financial Plan, the County identified the creation of a campus-like setting for its Health Care Agency (“HCA”) to deliver better, integrated health

1 services, improved outcomes and better community relations, and endeavored to locate a site for
2 this strategic priority for the County and its HCA. This became known as the “Be Well” concept.
3 In December 2017, the County identified an office building located at 265 S. Anita Drive, Orange
4 (the “Orange Campus”) meeting the operational criteria of HCA to provide central mental health
5 services. In February 2018, the County approved the purchase of the Orange Campus.

6 4. In its complaint filed herein, Plaintiff/Cross-Defendant Mind OC (“Mind OC”)
7 alleges, among other things: (i) its creation at the request of the County and its Health Care
8 Agency, (ii) a joint plan with the County, (iii) the establishment of a public private partnership
9 with the County, (iv) the intent of the County and Mind OC in the venture described in the
10 complaint herein, and in this Cross-Complaint, of a joint plan, collaboration and objective to
11 provide the services herein alleged, through and including the Ground Lease and other, joint
12 efforts to establish a public private partnership and venture, all for the purposes of delivering and
13 establishing a centralized, County mental health program, via regional wellness hubs to address
14 the mental health crisis and substance use disorders, and in accordance with, among other things,
15 statutes laws and policies binding the County and the County mandate herein alleged, and, in turn,
16 Mind OC as its partner in the venture. The intended purpose of the foregoing, agreed,
17 acknowledged, assumed and accepted, was to fulfill the County’s mandates and duties, as alleged
18 herein. In its complaint, Mind OC further alleges its mission and goals are accomplished through
19 its joint plan with the County to establish a regional wellness hub for mental health crisis and
20 substance use disorder treatment services and identifies the County’s substantial role in
21 developing the Orange Campus by partnering with Plaintiff to develop a wellness hub at the
22 Orange Campus.

23 5. With assurances from Mind OC, and as alleged herein, the County entrusted in
24 excess of \$64.5 million in public funds and property to Mind OC over the course of the venture
25 to achieve and fulfill the County’s mandate described herein and its duty to protect and serve its
26 most vulnerable residents.

27 **PARTIES**

28 6. Defendant/Cross-Complainant COUNTY, is, and was at all relevant times to this

1 Cross-Complaint, a political subdivision of the State of California. The Health Care Agency
2 (“HCA”) is a governmental agency in and for the County of Orange.

3 7. Plaintiff/Cross-Defendant Mind OC, is, and was at all relevant times to this Cross-
4 Complaint, a California public benefit corporation (4089594) formed on December 8, 2017, with
5 its principal place of business at 18650 MacArthur Blvd. #350, Irvine, CA 92612.

6 8. COUNTY is ignorant of the true names and capacities of cross-defendants sued
7 herein as ROES 1 through 50, inclusive, and therefore sue these cross-defendants by such
8 fictitious names. COUNTY is informed and believes, and based thereon alleges that Cross-
9 Defendants, including ROES 1 through 50 are responsible in some manner for the acts, omissions,
10 damages and/or injuries from the agency, relationships, ventures, partnerships and agreements
11 herein alleged. COUNTY will amend this Cross-Complaint to substitute the true names and
12 capacities of ROES 1 through 50 when ascertained. Cross-Defendants Mind OC and ROES 1
13 through 50, inclusive, are referred to collectively herein as “Cross-Defendants.”

14 9. Upon information and belief, COUNTY further alleges that, at all relevant times
15 herein, each Cross-Defendant, including those named as ROES, was the agent, servant, employee,
16 partner, joint venturer, co-conspirator, trustee, beneficiary and/or alter ego of the remaining and/or
17 each, other Cross-Defendant, acting within the course and scope of that relationship and/or status,
18 and that each Cross-Defendant ratified, approved, authorized, benefited, has been enriched by
19 and/or is otherwise responsible for, and participated in, the acts, conduct and/or omissions of the
20 other Cross-Defendants, and/or has been unjustly enriched by the wrongful conduct alleged
21 herein.

22 **JURISDICTION AND VENUE**

23 10. This Court has jurisdiction over this action pursuant to Section 10 of Article VI of
24 the California Constitution and the California Code of Civil Procedure section 1060. Venue is
25 proper in the Superior Court of Orange County under California Code of Civil Procedure section
26 395 because the property and/or agreements alleged were entered into in Orange County, and the
27 acts and/or omission herein alleged occurred in Orange County. Additionally, Mind OC filed the
28 underlying complaint in this Court, and this Cross-Complaint arises from the same venture,

relationships, and agreements that are the subject of that action.

STATUTES

A. The Mental Health Services Act

11. Passed by California voters in 2004, the Mental Health Services Act (“MHSA”) transformed the public mental health system by expanding services for children, adults, and seniors with serious mental illnesses. The MHSA imposes mandatory duties upon counties to implement mental health programs, funded by a one percent tax on personal income exceeding \$1 million per year and designed to address a broad continuum of prevention, early intervention, and service needs. The Mental Health Services (“MHS”) Fund, established pursuant to Welfare and Institutions Code section 5890, provides funds to counties to implement MHSA programs. The State Controller distributes MHS Funds to counties on a monthly basis to plan for and provide mental health programs outlined in each county’s three-year program and expenditure plan or annual update. MHS Funds are held in public trust and must be expended in the most cost-effective manner. Services must be provided in accordance with recommended best practices, subject to local and state oversight to ensure accountability to taxpayers and to the public.

12. In May 2018, the County entered into a Performance Contract with the California Department of Health Care Services (“DHCS”) to access MHSA funds and other applicable grants. The Performance Contract sets forth conditions and requirements, including strict auditing obligations, that the County must meet to receive funding for community mental health services and related programs. To this end, DHCS monitors the County’s use of those funds to ensure compliance with MHSA requirements and has broad authority to investigate and audit expenditures, examine books and records, and inspect premises during normal working hours. (Gov. Code §§ 11180-11182; Welf. & Inst. Code, §§ 5614, 5651, subd. (b)(10), 5717, subd. (b), 5897, subd. (d), & 14124.2, subd. (a).)

13. These oversight and audit requirements implement fundamental public policy principles governing stewardship of public funds: transparency in financial reporting, accountability through independent oversight, accurate documentation of expenditures, and verification that public dollars serve their intended purposes and reach their intended beneficiaries.

Entities receiving public funds, including nonprofits, are bound by these principles, owe duties to disclose, account, and provide transparency, and must ensure funds serve public purposes efficiently, effectively, and responsibly. Public funds must not be diverted for personal benefit, self-interest, or private gain. When entities engage in fraud, false billing, or systematic misuse of public funds, they undermine not only the specific programs involved but also the broader public trust, and they expose the County to potential audit findings, state disallowances, and federal sanctions.

B. Professional Licensing Requirements

14. Mental health service facilities are subject to licensing and certification requirements depending on the services performed. The California Department of Health Care Services requires facility licensing or certification for entities operating treatment facilities for substance use disorders (Health & Safety Code §§ 11832.3, 11834.01; Title 9 CCR, Division 4, Chapters 5 and 8) and for entities operating treatment facilities for non-substance-use-disorder purposes that bill Medi-Cal (Health & Safety Code § 1250; Title 22 CCR; Welf. & Inst. Code § 5675; Title 9 CCR). All applicable mental health facility licensing and certification requirements are administered by DHCS's Mental Health Licensing and Certification Branch.

15. These licensing requirements serve critical public policy purposes: ensuring service providers possess necessary qualifications and competence; protecting vulnerable populations from unqualified practitioners; maintaining professional standards; and providing accountability mechanisms through licensing boards. California law prohibits unlicensed individuals and entities from providing services requiring licensure and provides that payments made for unlicensed services are recoverable.

PUBLIC POLICIES

16. The County's exercise of its governmental functions is instructed by constitutional mandates and fundamental public policy principles that also bound Mind OC. Under the California Constitution, counties function as political subdivisions of the State, exercising powers delegated by the Constitution and statutes, and acting as agents of the sovereign on behalf of the people. (Cal. Const., art. XI.) Government officials are obligated to place loyalty to the

1 Constitution and ethical principles above private gain. (Cal. Const., art. XX, § 3.) As stewards of
2 the public trust, government officials and their partners managing public funds must conduct
3 themselves in a manner above reproach, avoid even the appearance of conflicts of interest, and
4 refrain from engaging in or abetting fraud.

5 **A. Prohibition on Conflicts of Interest and Government Code Section 1090**

6 17. Central to these duties are California's conflict of interest laws, which strictly
7 prohibit public officers and employees from having a personal interest in matters they influence.
8 Violations require the voiding of any action taken under the direction or with the involvement of
9 the self-interested public officer or employee, and the disgorgement of any monies parted with by
10 the affected public agency. The standard imposed is absolute. In determining whether a conflict
11 of interest exists, courts consider all aspects of the transaction including the "negotiations,
12 discussions, reasoning, planning and give and take which goes beforehand in the making of the
13 decision to commit oneself." *Stigall v. City of Taft* (1962) 58 Cal.2d 565, 571. Courts "must
14 disregard the technical relationship of the parties and look behind the veil which enshrouds their
15 activities in order to discern the vital facts. However devious and winding the trail may be which
16 connects the officer with the forbidden contract, if it can be followed and the connection made, a
17 conflict of interest is established." *People v. Honig* (1996) 48 Cal.App.4th 289, 315; *Eden*
18 *Township Healthcare Dist. v. Sutter Health* (2011) 202 Cal.App.4th 208, 221.

19 18. Government Code section 1090 codifies this prohibition by providing that public
20 officers or employees shall not be financially interested in any contract made by them in their
21 official capacity. Section 1090 is broadly interpreted to eliminate temptation, avoid the appearance
22 of impropriety, and ensure undivided allegiance to the public. The term "financially interested"
23 includes any pecuniary benefit, whether direct or indirect, and the defining characteristic is
24 whether it has the potential to divide an official's loyalties and compromise representation of the
25 public interest. Violation of section 1090 does not require actual influence or gain; merely placing
26 oneself in a position where the possibility of such influence exists is sufficient. The consequences
27 are harsh: contracts made in violation of section 1090 are void from inception, and the public
28 agency is entitled to recover any consideration paid without restoring benefits received. No ground

1 exists for equitable considerations, presumptions, or estoppels.

2 19. The common law doctrine against conflicts of interest coexists with section 1090
3 and is broader in scope. While section 1090 governs financial conflicts, the common law prohibits
4 public officials from placing themselves in any position where their private, personal interests
5 may conflict with their official duties, whether financial or nonfinancial. The public is entitled to
6 have its representatives perform their duties free from any personal or pecuniary interest that
7 might affect their judgment. Public policy forbids sustaining action founded upon involvement of
8 an official in any matter that directly or immediately affects that official individually. A finding
9 of self-interest sufficient to invalidate action need not be based upon actual proof of dishonesty,
10 but may be warranted whenever a public official, by reason of personal interest, is placed in a
11 situation of temptation to serve personal purposes to the prejudice of those the law authorizes the
12 official to represent. Where the involvement of an interested official is necessary to an action,
13 such action is void, irrespective of how beneficial it may be. The consequences of violating the
14 common law are identical to section 1090: the public agency is entitled to recover any
15 consideration paid without restoring benefits received.

16 **B. Prohibition Against Gifts of Public Funds**

17 20. Equally fundamental is the constitutional prohibition against gifts of public funds.
18 Article XVI, Section 6 of the California Constitution forbids a public agency from making any
19 gift of public funds or lending its public credit to any person or entity unless the funds are used
20 for a public purpose with fair consideration to the public. *County of Alameda v. Janssen* (1940)
21 16 Cal.2d 276. Public funds cannot be used to enrich private parties without commensurate public
22 benefit.

23 21. Each of the foregoing constitutional mandates, public policies, and accountability
24 mechanisms governs the relationships and transactions, described herein. These principles bind
25 both the County and Mind OC as partners using public funds to effectuate governmental purposes.
26 Mind OC, acting on the County's behalf and as a public-private partner in the joint plan to
27 implement the County's mental health system at the Orange Campus, was obligated to ensure
28 compliance, maintain transparency and accountability, including the obligation to ensure funds

1 served their intended public purposes and in a cost-effective manner, rather than for private
2 enrichment. Expressly and impliedly, by its words and conduct, Mind OC accepted and agreed to
3 these principles, terms and duties in furtherance of the County's mandate to provide mental health
4 services.

5 **GENERAL ALLEGATIONS**

6 **A. Background - County's Mental Health Mission and Creation of the Venture**

7 22. The Orange County Health Care Agency ("HCA") is the County's public health
8 authority responsible for overseeing, administering, and coordinating programs that protect and
9 promote the health and safety of individuals and families in Orange County. As part of its statutory
10 and public health responsibilities, HCA's mission is to advance community health through
11 assessment and planning, prevention and education, and treatment and care, all carried out in
12 partnership with the community. This mission establishes the standards and expectations
13 governing all entities collaborating with the County on behavioral health initiatives.

14 23. In 2016, HCA's Behavioral Health Services ("BHS") division identified
15 development of a public wellness hub as a strategic priority to address urgent mental health and
16 substance use needs for Orange County residents. On December 7, 2017, the Orange County
17 Board of Supervisors approved the use of MHS Funds to purchase the Orange Campus for the
18 purpose of serving as the County's envisioned public wellness hub. In January 2019, the Board
19 approved an additional \$16.6 million in MHS Funds for construction of a new 60,000 square foot
20 facility, with the remainder of construction costs shared by CalOptima (\$11.4 million) and Orange
21 County hospitals (\$12 million).

22 24. On December 8, 2017, Mind OC was formed as a California nonprofit public benefit
23 corporation to serve as the County's partner in developing, constructing, and managing the Orange
24 Campus on behalf of the County for the benefit of Orange County residents in need of behavioral
25 health services. Mind OC understood HCA's mission and was created as an active participant in
26 advancing that mission.

27 25. Beginning in early 2019, the County and Mind OC implemented the joint plan to
28 establish regional wellness hubs for mental health crisis and substance use disorder treatment

1 services to be provided by County service providers at County-owned health care campuses.
2 Starting with the Ground Lease, as hereinafter alleged, the County leased the Orange Campus to
3 Mind OC to facilitate the County's behavioral health mission and the venture.

4 26. By joining the venture herein alleged, and in agreeing to act as the County's partner
5 and agent in receiving and managing public trust dollars to implement the County mental health
6 services herein described, Mind OC expressly and impliedly accepted the statutory obligations,
7 accountability mechanisms and public policy requirements governing the County and the venture
8 and related duties. In reliance on those commitments, the County entrusted Mind OC, in good
9 faith, with approximately \$64.5 million in public funds and public property. Mind OC understood,
10 acknowledged, agreed and accepted obligations to ensure MHSA and other public funds were
11 used for their intended purposes and expended cost-effectively; maintain accurate records and
12 submit to County and state audits; provide truthful financial reporting; document that charges
13 were for allowable costs; obtain and maintain required professional licenses for mental health
14 services; act in good faith, avoid conflicts of interest and avoid participation in transactions
15 involving financial interests of County officials; and ensure public funds served vulnerable
16 populations in a cost-effective manner rather than enriching Mind OC.

17 27. By its words, conduct and actions, Mind OC expressly and impliedly understood,
18 agreed, acknowledged and assumed the County's direction, collaboration, oversight and approval
19 as integral to the venture and management of the County mental health campus, as herein alleged.

20 **B. Agreements in Furtherance of the Venture**

21 **1. Funding Agreement and Ground Lease**

22 28. On March 1, 2019, the County and Mind OC entered into a funding agreement under
23 which Mind OC would oversee construction of the Orange Campus without the cost of
24 construction. A true and correct copy of the Funding Agreement is attached hereto as Exhibit 1.

25 29. On June 17, 2019, the County executed an agreement entitled "Ground Lease" with
26 Mind OC leasing the Orange Campus, with the parties acknowledging in the Recitals and section
27 10.7 that Mind OC understood and agreed the Ground Lease was premised upon the parties
28 entering into multiple, other contracts for services to meet the objectives of the venture and

1 sufficient to sublease all rentable space in the campus at Mind OC's direct overhead cost at the
2 campus. In that regard, the County leased the Orange Campus to Mind OC for one dollar per year
3 — a publicly subsidized rate premised on Mind OC's nonprofit status, and for the purpose of
4 passing through the cost savings to subsidize rent for the County's service providers via the
5 subleases jointly and collaboratively effected by Mind OC and the County. In exchange, Mind
6 OC agreed to terms and County direction, collaboration, oversight and approval structured to
7 facilitate subsidized, affordable rents to County service providers via subleases, integral to the
8 venture to bring affordable and cost-effective services to the campus and in alignment with the
9 County shouldering the rent costs of the providers paid with County tax dollars. A true and correct
10 copy of the Ground Lease (excluding all exhibits thereto) is attached hereto as Exhibit 2.

11 30. Pursuant to section 10.7 of the Ground Lease, Mind OC agreed that sublease rent
12 would be "intended...in aggregate, [to] cover the costs of the building and the responsibilities of
13 [Mind OC]." In furtherance of the venture, section 10.7.1 mandates that all proposed sublease
14 agreements, including rent terms, require prior written approval of the County's Chief Real Estate
15 Officer ("CEO-RE"). Section 4.2.1 limited Mind OC's permitted uses to behavioral health
16 services. Sections 4.1, 4.4, 6.4, and 15.4 required Mind OC to provide its Policies and Procedures
17 for approval by the CEO-RE and to maintain the facility consistent with the law. Section 18.27
18 further required Mind OC to "act reasonably and in good faith and take no action which might
19 result in the frustration of [the County's] reasonable expectations concerning the benefits to be
20 enjoyed under this Lease."

21 31. In or around January 2021, the Orange Campus officially opened its doors to the
22 public. By approximately mid-2024, the County discovered that Mind OC breached the Ground
23 Lease by: occupying five suites for its own undisclosed business purposes in violation of permitted
24 uses; having property management staff check in patients and screen phone calls over the
25 County's objections and in violation of standard patient privacy protocols; failing to present
26 subleases to the CEO-RE for review and written approval prior to entering into these agreements
27 as required by section 10.7; and charging the County's service providers almost double its
28 operating expenses to sublease space, amounting to over \$2 million annually in excess of Mind

1 OC's property management costs. Specifically, with 57,303 square feet of rental space at the
2 Orange Campus, Mind OC charged excess rent of \$2,069,784.36 per year or \$172,482.03 per
3 month, totaling approximately \$6,554,317.14 over the life of the lease.

4 32. On September 26, 2024, the County sent Mind OC a Notice of Default pertaining
5 to the Ground Lease. Mind OC never cured these defaults. The County followed up with a
6 November 15, 2024 Notice of Continuing Default and a February 10, 2025 Updated Notice
7 Regarding Ongoing Ground Lease Default. Again, Mind OC failed to cure. On February 26, 2025,
8 the County sent a letter terminating the Ground Lease indicating that Mind OC was in default of
9 sections 2.3, 4.1, 4.2.1, 4.2.4, 4.4, 4.6, 6.4, 10.7, 10.7.1, 11.1.3, 15.1.1, 15.1.2, 15.4, and 18.27.

10 33. During the lifespan of the Ground Lease, the County fulfilled all requirements and
11 paid all amounts invoiced. Following termination, the County has continued to pay certain
12 amounts to maintain continuity of behavioral health services, without waiving any rights to
13 recover funds wrongfully obtained by Mind OC.

14 34. Mind OC's conduct constitutes breach of contract and violates Article XVI, Section
15 6 of the California Constitution, which prohibits gifts of public funds to private parties without
16 legitimate public purpose and fair consideration. The \$6.5 million Mind OC served no public
17 purpose — it was excess charges extracted from public property at taxpayer expense.

18 **2. Innovation Project Contract**

19 35. On October 15, 2019, in furtherance of the venture, the County entered into a sole-
20 source contract with Mind OC for the Behavioral Health System Transformation Innovation
21 Project ("INN"), under which Mind OC would be paid up to \$7.7 million from MHSA funds. In
22 exchange, Mind OC was required to collaborate with the community, stakeholders, state agencies,
23 and others to create a performance-based contract template that would integrate public and private
24 behavioral health systems of care, allowing for braiding of funds from any source. The original
25 term was set to expire on June 30, 2022, but was extended to June 30, 2023. A true and correct
26 copy of the INN Contract is attached hereto as Exhibit 3.

27 36. Under the INN Contract, Mind OC was required to maintain records, make
28 statistical reports, provide source documentation supporting all invoices, meet or exceed identified

1 performance outcome measures, and deliver seven primary deliverables with seven sub-
2 deliverables. Mind OC was also required to provide specific staffing totaling 5.94 FTE.

3 37. Among other terms, Mind OC breached the following INN Contract provisions:
4 Exhibit A, § III(C) [invoices must be supported by source documentation]; § IV [maintain records
5 and statistical reports as required by HCA and DHCS]; § V(C) [meet or exceed performance
6 outcome measures]; § V(F) [provide specified staffing totaling 5.94 FTE]. As to deliverables
7 under §§ V(B) and V(C): Deliverable 1 [30 local planning meetings annually; Mind OC held only
8 33 over four years]; Deliverable 1.a [operationalize community-identified values into quantified
9 outcome metrics; Mind OC provided recycled concepts without supporting data]; Deliverable 2.a
10 [explore feasibility of universal reimbursement rate structure; no work product from contracted
11 subject matter experts provided]; Deliverable 2.b [propose fund-braiding strategies across public,
12 private, and nonprofit sectors; strategies provided were neither new nor INN-specific];
13 Deliverable 2.c [identify provider qualifications forming foundation for culturally responsive
14 network; Mind OC substituted an incomplete third-party directory]; Deliverable 2.d [develop
15 methods to incentivize community-defined service delivery; no data or methods provided];
16 Deliverable 3 [four meetings with local private insurance plans; no supporting documentation of
17 discussions or outcomes]; Deliverable 3.a [explore universal reimbursement feasibility with
18 private insurers; Mind OC recycled Deliverable 2.a submission without supporting work product];
19 Deliverable 4 [develop stakeholder-driven blueprint and contract boilerplates braiding funds and
20 community-defined metrics; Mind OC referenced an HCA-drafted MSA to which it contributed
21 nothing]; Deliverable 4.a [streamline reporting processes for participating agencies; Mind OC
22 self-reported inability to complete]; Deliverable 5 [provide technical assistance to local providers
23 for new contracting standards; Mind OC improperly tied performance to the independent MSA];
24 Deliverable 6 [quarterly stakeholder updates and annual MHSAAC progress reports; quarterly
25 updates not provided as specified]; Deliverable 7 [track all deliverables including community
26 engagements, participants, and demographics; Mind OC provided a spreadsheet lacking work
27 product, meeting substance, and demographic data]; § V(B) [obtain HCA pre-approval for all
28 advertising, social media, and marketing of community engagement events; no such approvals

1 obtained].

2 38. Mind OC breached the INN Contract by failing to deliver multiple deliverables.
3 Among Mind OC's breaches were failures related to community engagement, outcome metrics,
4 funding strategies, and provider network development. Mind OC also failed to: facilitate required
5 planning meetings; operationalize community input into measurable outcomes; explore universal
6 reimbursement structures; propose fund-braiding strategies across sectors; identify qualifications
7 for culturally responsive providers; develop methods to increase access for underserved
8 populations; and obtain required County approval for advertisements, social media postings, and
9 printed or electronic communications marketing community engagement events. One of the most
10 telling examples of Mind OC's failure to perform is that despite invoicing the County for over \$7
11 million through April 2023, Mind OC fell short of its contractual obligations — and when
12 questioned, attempted to substitute the MSA itself, a document drafted by the County, as its
13 primary deliverable. When that gambit failed, Mind OC provided a purported "Final Report" that
14 did not meaningfully address the requirements of the INN Contract, let alone satisfy them.

15 39. In addition, Mind OC invoiced the County for required staffing. The County is
16 informed and believes, and thereon alleges, that not only did Mind OC fail to properly staff the
17 INN as required but rather sought the County to pay salaries of staff not involved in the INN.

18 40. Throughout the INN's lifespan, Mind OC submitted invoices that were paid by the
19 County in full totaling \$7,426,952.48. The County is informed and believes that Mind OC was
20 aware the invoices were inaccurate, and that Mind OC knew or should have known that services
21 claimed were not provided and work required was not performed but nevertheless invoiced the
22 County and received full payment. This fraudulent billing violated not only contractual
23 obligations, but also the terms of the venture, along with the requirements of applicable law,
24 including those related to the misuse of public trust funds designated exclusively for mental health
25 services under the MHSA.

26 3. Master Services Agreement

27 41. When the Orange Campus opened in or around January 2021, the Ground Lease
28 limited Mind OC's responsibilities to property management. Over time, as the venture developed,

1 Mind OC pushed to expand its role and take over HCA's statutory responsibilities for managing
2 behavioral health services at the campus. In or around June 2022, upon information and belief, in
3 that regard, then-Supervisor Andrew Do pressured HCA staff to draft an agreement allowing Mind
4 OC to assume these duties. A true and correct copy of the MSA is attached hereto as Exhibit 4.

5 42. Despite these concerns, on October 1, 2022, the County and Mind OC entered into
6 a Master Services Agreement ("MSA") for Mind OC to manage the provision of Mental Health
7 and Recovery Services at the Orange Campus for a total of \$63,832,280. Under the MSA, Mind
8 OC assumed HCA's role in overseeing service providers and contracting directly with them,
9 subject to County direction, collaboration, oversight and approval. The County then no longer
10 contracted directly with providers; instead, Mind OC hired and managed them, billing the County
11 lump sums that included provider costs, rent, and premiums covering Mind OC's administrative
12 overhead, facility reserves, and contingency funds. The MSA effectively delegated HCA's quality
13 assurance and monitoring functions to Mind OC, subject to County direction, collaboration,
14 oversight and approval.

15 43. The MSA allocated \$4.4 million in facility reserve funds to Mind OC over three
16 periods, requiring Mind OC to obtain prior written approval from the County CEO or CFO before
17 using these reserves. Of that amount, the County paid \$2.9 million. The MSA required Mind OC
18 to submit detailed cost reports within 45 days of each period and mandated that if Mind OC failed
19 to submit accurate and complete cost reports within 180 days of termination, Mind OC must
20 reimburse all amounts paid during the contract term.

21 44. Despite intensive onsite technical support from HCA staff stationed daily at the
22 Orange Campus, Mind OC failed to meet its responsibilities. In July 2024, HCA's routine
23 administrative audit identified thirty-eight deficiency findings placing the County at significant
24 risk in fiscal management, client care, and state regulatory compliance. Critical failures included:
25 Mind OC staff not completing required trainings, placing HCA out of compliance with state
26 regulations; failure to report required performance measures; inadequate quality assurance
27 structure and staffing; errors in provider monitoring; untimely reports to the state; and failure to
28 meet the 25% private insurance requirement, achieving only 3%.

45. In addition, Mind OC's operation of the Orange Campus gave rise to multiple violations of HIPAA and 42 CFR Part 2, which governs the confidentiality of substance use disorder patient records. Mind OC had no lawful basis to access confidential patient information on the premises. Nevertheless, Mind OC allowed its property management staff to operate the lobby, screen phone calls, and check in patients — exposing confidential patient records to personnel with no clinical training or authorization — and installed cameras throughout service provider areas without adequate policies or procedures governing their use. The County raised these concerns repeatedly; Mind OC refused to cure them.

46. As a result of these material breaches, the County terminated the MSA on August 29, 2024, effective September 30, 2024. From the MSA's start until termination, the County paid Mind OC \$41.2 million, including facility reserves and excessive rent for subleased providers. Following termination, Mind OC failed to provide complete and adequate cost reports within the required 180 days. As of May 2025, Mind OC has failed to update its incomplete cost reports and has refused to return \$2.9 million in facility reserve funds received from the County but never used. With both the MSA terminated in September 2024 and the Ground Lease terminated in February 2025, no active contracts remain between the parties as to the Orange Campus, yet Mind OC continues to withhold public funds that belong to the County.

47. This conduct improperly delegated the County's non-delegable duty to monitor public funds and ensure service quality. These public trust dollars belong to the County and must be returned for mental health services.

4. Equity Assessment Services Contract

48. On December 1, 2020, the County entered into a contract with Mind OC for Provision of Behavioral Health Equity Assessment Services ("EAS") for the term December 1, 2020, through November 30, 2022. Under the EAS Contract, Mind OC was entrusted with MHS Funds to conduct at least twenty-four community-driven listening sessions identifying gaps in behavioral health access for vulnerable populations to inform County MHSA planning. The EAS contained strict protections: prohibitions against submitting false or fraudulent billing, offering of gifts or payments that could influence County officials, and required Mind OC to coordinate

1 with County staff on methodology, to provide detailed reports with documentation, to obtain
2 County approval before delegating responsibilities, and to submit complete cost reports within
3 180 days of termination or reimburse all public funds received. A true and correct copy of the
4 EAS Contract is attached hereto as Exhibit 5.

5 49. Mind OC violated these protections. Despite these express prohibitions, Mind OC
6 subcontracted with Talentgate, Inc., a company owned and operated by Josephine Batres, the
7 fiancée and later wife of Christopher Wangsaporn, chief of staff for Supervisor Andrew Do.¹

8 50. In October 2024, Supervisor Do stepped down and pled guilty to Conspiracy to
9 Commit Bribery Concerning Programs Receiving Federal Funds for steering more than \$10
10 million in federal and County funds to Viet America Society. He was sentenced to 60 months in
11 federal prison. Federal indictment records reveal that Mr. Wangsaporn assisted Supervisor Do in
12 processing paperwork for contracts, grants, and required reports and invoices, and would edit
13 contract terms to make them more favorable to VAS. Ms. Batres herself received tens of thousands
14 of dollars for consulting services from VAS. The County is informed and believes, and thereon
15 alleges, that Mr. Wangsaporn and Ms. Batres have been named as unindicted co-conspirators in
16 connection with their VAS transactions.

17 51. This background calls into question Mind OC's formation and its relationship with
18 the County in the venture. Upon information and belief, the EAS is not an isolated act and is
19 emblematic of conflicts of interest that cloud the venture from its inception.

20 52. Between February 2021 and November 2022, Mind OC submitted invoices to the
21 County totaling \$275,000 under the EAS. Mind OC then paid Ms. Batres through Talentgate
22 \$256,851.18 between February 2021 and February 2023—including three payments totaling
23 \$30,000 made after the EAS had expired, for work purportedly performed in December 2022,
24 January 2023, and February 2023. Upon information and belief, neither Mind OC nor Ms. Batres
25 performed the services required under the contract. When the County later requested supportive
26

27
28 ¹ Talentgate had been incorporated on July 20, 2020, just before the EAS was awarded. Ms. Batres and Mr.
Wangsaporn married in December 2021, approximately one year into the two-year EAS term, while Talentgate
continued receiving public funds under the EAS Contract.

documentation of services rendered, Mind OC failed to provide evidence of the required listening sessions or fulfillment of the contract. Instead, Mind OC provided unrelated materials: agendas for three AAPI listening sessions that occurred in 2023 (after the EAS Contract expired); invitations to “Be Well OC” meetings organized by others; HCA’s own monthly provider update meetings; and a 16-page 2023 “Diversity, Equity & Inclusion Strategic Plan” written by Ms. Batres for Mind OC’s CEO—none of which related to the contracted work.

53. While Mind OC billed the County \$275,000 in MHSA public trust funds and paid nearly all of it to Ms. Batres, Mind OC provided no evidence that the contracted services were ever performed. Mind OC promised an investigation into the misappropriation, a promise that, to date, has gone unfulfilled.

C. Licensing Violations

54. Upon information and belief, and as thereon alleged, Mind OC operated without required professional licensing throughout its relationship with the County. Upon further information and belief, Mind OC operated mental health treatment services and substance use disorder programs without securing mandatory DHCS licensing or certification from the Mental Health Licensing and Certification Branch as required by applicable law. Among other things, California law prohibits unlicensed individuals and entities from providing services requiring licensure and provides that payments made for unlicensed services are recoverable.

FIRST CAUSE OF ACTION

(Breach of Contract as to Ground Lease)

(Against All Cross-Defendants)

55. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 54 as though fully set forth here.

56. On June 17, 2019, the County and Mind OC entered into a document entitled “Ground Lease” whereby Mind OC leased the Orange Campus from the County for a term of 60 years at one dollar per year, in accordance with the venture.

57. The Ground Lease required Mind OC to: (a) obtain review and written approval from the CEO-RE before entering into subleases (Sections 4.1, 4.2.1, 4.2.4, and 10.7); (b) charge

subtenants only reasonable rates covering Mind OC's overhead costs (Section 10.7); and (c) limit its occupancy to designated units (Sections 4.1, 4.2.1, 4.2.4, and 10.7).

58. The County performed all obligations required under the Ground Lease, including providing service providers to occupy the Orange Campus and paying all amounts invoiced.

59. Mind OC breached the Ground Lease by, among other things:

(a) Failing to present subleases to the CEO-RE for review and written approval prior to entering into sublease agreements as required;

(b) Charging the County's service providers, and therefore the County, excessive rent approximately double Mind OC's operating expenses and well beyond market rate, in violation of Sections 10.7 and 18.27. Mind OC charged excess rent of approximately \$2,069,784.36 per year, or \$172,482.03 per month;

(c) Occupying more units than permitted under the Ground Lease in violation of Sections 4.1, 4.2.1, 4.2.4, and 10.7; and

(d) Undermining patient privacy at the Orange Campus by continuing to allow property management staff to operate the lobby, screen phone calls, and check in patients, and by installing cameras in service provider areas, all over the County's objections, and by failing to provide updated policies and procedures to address these and other security/patient privacy issues.

60. The County terminated the Ground Lease effective February 26, 2025, based on Mind OC's material breaches.

61. As a direct and proximate result of Mind OC's breaches, the County has sustained damages in an amount to be proven at trial but no less than \$6,554,317.14 in total excess rent Mind OC charged over the period of the Ground Lease, continuing at a rate of approximately \$2,069,784.36 per year, plus interest.

SECOND CAUSE OF ACTION

(Breach of Contract as to INN Contract)

(Against All Cross-Defendants)

62. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 61 as though fully set forth here.

63. On October 15, 2019, the County and Mind OC entered into the INN Contract for a total of \$7,700,000 of an approved \$18,000,000. The INN Contract was set to expire on June 30, 2022, and was extended until June 30, 2023.

64. Under the INN Contract, Mind OC was required to deliver fourteen specific deliverables related to behavioral health system transformation, including: facilitating local community planning meetings; providing technical assistance to local providers; streamlining reporting processes; and developing a comprehensive template for service delivery standards.

65. The County performed all obligations required under the INN Contract, including paying all invoices submitted by Mind OC totaling over \$7,000,000.

66. Mind OC breached the INN Contract by failing to deliver required services and deliverables. Of fourteen deliverables, Mind OC fully met only two, failed to meet three, and only partially met nine. Specifically, Mind OC failed to:

- (a) Conduct required local community planning meetings with community members;
- (b) Provide technical assistance for local providers to prepare for new contracting and performance standards;
- (c) Streamline reporting processes so participating agencies could comply with multiple sets of regulations and new performance outcomes standards;
- (d) Deliver the required comprehensive template. Despite invoicing the County for over \$7,000,000 through April 2023, Mind OC was not even close to delivering on its promises and attempted to use the MSA drafted by the County as the deliverable. Instead of the required template, Mind OC ultimately provided a “Final Report” that did not address the INN Contract requirements;
- (e) Facilitate required planning meetings focused on INN initiatives;
- (f) Operationalize community input into quantified outcome metrics;
- (g) Explore feasibility of universal reimbursement structures for equal access;
- (h) Propose strategies to braid funds across public, private, and philanthropic sectors;
- (i) Identify service provider qualifications for culturally responsive provider networks;
- (j) Develop methods to incentivize service delivery based on community-defined

standards; and

(k) Obtain required County approval for advertisements, social media, and communications marketing community engagement events as required by Exhibit A, Section V(B).

67. As a direct and proximate result of Mind OC's breaches, the County has sustained damages in an amount to be proven at trial, including payments for deliverables not provided and services not performed.

THIRD CAUSE OF ACTION

(Breach of Contract as to MSA)

(Against All Cross-Defendants)

68. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 67 as though fully set forth here.

69. On October 1, 2022, the County and Mind OC entered into the MSA for Mind OC to manage the provision of Mental Health and Recovery Services at the Orange Campus for a total of \$63,832,280.

70. Under the MSA, Mind OC was required to: (a) ensure Mind OC staff completed required trainings to maintain the County's state compliance; (b) report on required performance outcome measures; (c) maintain appropriate quality assurance/quality improvement structure and staffing; (d) monitor service providers and provide timely reports to the state; (e) achieve 25% private insurance customer rate; (f) submit accurate and complete individual and/or consolidated cost reports within 45 days of each period or termination per Section VIII(A); (g) return facility reserve funds totaling \$2,915,736 upon termination per contract terms; and (h) obtain prior written approval from the County CEO or CFO before using facility reserves and facility operations contingency funds per Exhibit A, Section II.

71. The County performed all obligations required under the MSA, including: paying all invoices submitted by Mind OC totaling \$41,224,929.35; providing intensive onsite technical support with HCA staff stationed daily at the Orange Campus; and providing weekly quality assurance/quality improvement meetings with Mind OC staff.

1 72. Mind OC materially breached the MSA as follows:

2 (a) Mind OC staff did not complete required trainings, placing HCA out of compliance
3 with the state;

4 (b) Mind OC did not report on several requested performance outcome measures
5 required by the contract;

6 (c) Mind OC did not have appropriate structure or staffing for its QA/QI section;

7 (d) Mind OC made errors in monitoring service providers and reports were not timely
8 provided to the state, further risking HCA's compliance with state requirements;

9 (e) Mind OC did not meet the requirement of having 25% private insurance customers,
10 achieving only approximately 3%;

11 (f) Mind OC failed to submit accurate and complete cost reports within 180 days of
12 termination as required by Section VIII(A)(3), which requires Mind OC to reimburse all amounts
13 paid by the County during the contract term;

14 (g) Mind OC has refused to return facility reserve funds totaling \$2,915,736 despite
15 contractual obligations requiring their return upon termination; and

16 (h) Mind OC charged the County excessive rent for service providers during the MSA
17 period, resulting in additional undisclosed profits beyond amounts properly billable under the
18 contract.

19 73. In July 2024, HCA Quality Management Services conducted a routine
20 administrative audit that identified thirty-eight total deficiency findings in Mind OC's
21 performance, placing HCA and the County at significant risk in fiscal management, client care,
22 and compliance with state regulations.

23 74. As a direct and proximate result of Mind OC's material breaches, the County
24 terminated the MSA on August 29, 2024, with an effective termination date of September 30,
25 2024.

26 75. As a direct and proximate result of Mind OC's breaches, the County has sustained
27 damages in an amount to be proven at trial but no less than \$2,915,736 in facility reserve funds
28 that Mind OC refuses to return, plus additional amounts for: failure to perform required services

1 resulting in 38 compliance deficiencies; exposure to state regulatory sanctions; costs of providing
2 intensive technical support Mind OC should have provided; and harm to the County's reputation
3 and ability to fulfill its statutory duties as MHSA administrator, plus interest, in accordance with
4 proof at trial.

5 **FOURTH CAUSE OF ACTION**

6 **(Breach of Fiduciary Duty)**

7 **(Against All Cross-Defendants)**

8 76. COUNTY hereby realleges and incorporates by this reference the allegations of
9 Paragraphs 1 through 75 as though fully set forth here.

10 77. As Mind OC alleges in its complaint, Cross-Defendants and the County formed a
11 venture, partnership and/or agency relationship and as herein alleged, including to deliver mental
12 health services on behalf of the County. In so doing, the County entrusted Cross-Defendants with
13 millions of dollars in public funds and property — funds and property that carried with them the
14 obligation to act with the utmost loyalty and good faith, to fulfill their nonprofit role, and never
15 to take advantage of the County or the public whose funds and property were placed in their care
16 and entrusted to them.

17 78. Cross-Defendants owed a fiduciary duty to County, including fiduciary duties of
18 the utmost loyalty, honesty, and fair dealing — including the duties to act in the venture's best
19 interests rather than for self-enrichment, to deliver cost-effective services in the venture to meet
20 the County mandate, including but not limited to, pass through of the County subsidized rents to
21 subtenants, to disclose all material information affecting the venture, to refrain from self-dealing
22 at the expense of the County and the public, and to account for any profits or benefits obtained
23 through the venture.

24 79. Cross-Defendants breached those fiduciary duties by exploiting the venture and its
25 interrelated agreements by extracting unauthorized benefits and/or profits, engaging in
26 undisclosed self-dealing, submitting false billings, and converting public funds — all while
27 concealing their misconduct from the County. Rather than acting in furtherance of the venture,
28 Cross-Defendants treated the venture's contracts public property and public funds as private profit

opportunities and breached the venture and interrelated agreements as alleged herein, including by: charging and seeking to charge excessive rents above cost, retaining approximately \$6.5 million in windfall sublease profits without disclosure; generating more than \$2 million per year in undisclosed excess charges under the MSA; refusing to return \$2.9 million in facility reserves held in trust; accepting \$275,000 in venture funds, disbursing the bulk of these public funds to Ms. Batres, the wife of the chief of staff for Supervisor Do, and failing to performing contracted services; submitting false and/or inaccurate invoices for work never performed; operating without required professional licenses or certifications; and in failing to comply with the venture in the 38 compliance deficiencies identified herein and placing the County at risk of state regulatory violations.

80. Cross-Defendants' breaches of fiduciary duty damaged the County in an amount to be proven at trial, including loss of approximately \$6.5 million in excessive sublease profits; ongoing losses exceeding \$2 million per year in excess charges; loss of \$2.9 million in unreturned facility reserves; loss of \$275,000 for unperformed services; additional amounts for work not completed under the INN Contract; exposure to state regulatory sanctions; and impairment of the County's statutory duties as steward of MHSA public trust funds. Cross-Defendants must account to the County for all profits and benefits wrongfully obtained, and the County is entitled to disgorgement of all such amounts according to proof at trial.

FIFTH CAUSE OF ACTION

(Breach of Implied Covenant of Good Faith and Fair Dealing)

(Against All Cross-Defendants)

81. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 80 as though fully set forth here.

82. As Mind OC alleges in its complaint, the County and Cross-Defendants formed a venture, partnership, and/or agency relationship and as alleged herein, including to deliver mental health services on behalf of the County. This venture, and the interrelated agreements were intimately intertwined in the operation of the venture for the shared purpose of delivering County behavioral health services to vulnerable Orange County residents using MHSA public trust funds,

1 subject to County direction, oversight, collaboration and approval. The venture, along with each
2 of those agreements, gave rise to an implied covenant of good faith and fair dealing to act in good
3 faith, with utmost loyalty, consistently with the County's mandate and duties, and the law, and in
4 the best interest in the venture, and to refrain from conduct (acts or omissions) that would deprive
5 the County of the benefit of the venture.

6 83. The County performed all or substantially all of the significant things required, or
7 the County was otherwise excused from so performing meeting all conditions for performance
8 by Cross-Defendants.

9 84. Cross-Defendants breached the implied covenant by exploiting the venture and the
10 interrelated agreements by extracting unauthorized benefits and/or profits, engaging in
11 undisclosed self-dealing, submitting false billings, and converting public funds — all while
12 concealing their misconduct from the County. Rather than acting in furtherance of the venture,
13 Cross-Defendants treated the venture's contracts public property and public funds as private profit
14 opportunities and breached the venture and interrelated agreements as alleged herein, including
15 by: charging and seeking to charge excessive rents above cost, retaining approximately \$6.5
16 million in windfall sublease profits without disclosure; generating more than \$2 million per year
17 in undisclosed excess charges under the MSA; refusing to return \$2.9 million in facility reserves
18 held in trust; accepting \$275,000 in venture funds, disbursing the bulk of these public funds to
19 Ms. Batres, the wife of the chief of staff for Supervisor Do, and failing to performing contracted
20 services; submitting false and/or inaccurate invoices for work never performed; operating without
21 required professional licenses or certifications; and in failing to comply with the venture in the
22 38 compliance deficiencies identified herein and placing the County at risk of state regulatory
23 violations.

24 85. As a direct result, the County suffered damages in an amount to be proven at trial,
25 including loss of approximately \$6.5 million in excessive sublease profits; ongoing losses
26 exceeding \$2 million per year in excess charges; loss of \$2.9 million in unreturned facility
27 reserves; loss of \$275,000 for unperformed services; additional amounts for work not completed
28 under the INN Contract; exposure to state regulatory sanctions; and impairment of the County's

1 statutory duties as steward of MHSA public trust fund.

2 **SIXTH CAUSE OF ACTION**

3 **(Violation of Government Code Section 1090)**

4 **(Against all Cross-Defendants)**

5 86. COUNTY hereby realleges and incorporates by this reference the allegations of
6 Paragraphs 1 through 85 as though fully set forth here.

7 87. Government Code section 1090 provides that officers or employees of a public
8 agency “shall not be financially interested in any contract made by them in their official capacity,
9 or by any body or board of which they are members.” Section 1090 extends to public officials
10 with direct or indirect interest in a transaction (*Thomson v. Call*, 38 Cal.3d 633 (1985), and applies
11 when there is an appearance of conflict, not just actual impropriety (*City of Imperial Beach v.*
12 *Bailey*, 103 Cal.App.3d 191 (1980). The term “contract” is defined broadly to include transactions
13 that may not traditionally be thought of as contracts. (See, e.g., *Ho People v. Honig*, 48 Cal. App.
14 4th 289, 304 (1996) (applying section 1090 to grants); 89 Op. Cal. Atty. Gen. 258 (2006) (applying
15 section 1090 to a city council’s contribution to a nonprofit).

16 88. The term “employee” under section 1090 is similarly expansive and is not limited
17 to formal employees of a public agency, but rather, it encompasses consultants, contractors,
18 partners, agents, and the like, who participate in making a public contract and stand to benefit
19 from it. (See, e.g., *Davis v. Fresno Unified School Dist.* (2015) 237 Cal.App.4th 261, 301.)
20 Further, Section 1090 does not require realized profit or completed financial benefit. The
21 prohibition reaches contracts made while an official holds a contingent, expectancy, or indirect
22 financial interest. The appearance of a conflict, not actual impropriety, triggers the prohibition.

23 89. Christopher Wangsaporn was the chief of staff to County Supervisor Andrew Do,
24 making him an employee or agent of the County within the meaning of section 1090.

25 90. Mr. Wangsaporn was financially interested in the Equity Assessment Services
26 Contract (“EAS”) between the County and Mind OC because his then-fiancée Josephine Batres,
27 through her company Talentgate, Inc., received \$256,851.18 in payments from Mind OC under
28 that contract.

1 91. On information and belief, Mr. Wangsaporn influenced the County's execution of
2 the EAS Contract with Mind OC and Mind OC's subsequent subcontract with Talentgate. The
3 County is informed and believes that Mr. Wangsaporn assisted in processing paperwork for
4 contracts, edited contract terms, and facilitated payments to entities connected to Supervisor Do's
5 office, as evidenced by his role in the Viet America Society fraud for which Supervisor Do was
6 convicted and sentenced to 60 months in federal prison.

7 92. The EAS Contract is therefore void under Government Code section 1090.

8 93. Pursuant to section 1092, Mind OC must forfeit and pay to the County all
9 compensation, consideration, or benefit received under the void contract.

10 94. Mind OC qualifies as an "employee" of the County within the meaning of
11 Government Code section 1090 and participated in making the very contracts from which it
12 benefited. Mind OC served in a consultant capacity to the County with respect to the healthcare
13 operations and real property at issue. On information and belief, Mind OC participated in
14 designing and shaping the terms of agreements with the County — including the rent structure,
15 the operational scope transferred to Mind OC, the billing and overhead provisions, and the facility
16 reserve arrangements — before those agreements were finalized and executed.

17 95. As a consultant who participated in designing and developing the plans and
18 specifications for a project later awarded to that same consultant qualifies as an "employee" for
19 purposes of section 1090 and is deemed to have "participated in making" the resulting contract,
20 upon information and belief, Mind OC exercised influence over the making of a contract from
21 which it stood to benefit, participated in shaping the operational and financial structure of
22 agreements and the venture herein alleged execution or agreement, while standing to benefit
23 substantially.

24 96. As a result, Mind OC held a direct financial interest in the venture and the
25 interrelated agreements in violation of section 1090, rendering the venture and agreements void.

26 97. The County is therefore entitled to recover all consideration paid and provided
27 without restoring benefits received, in accordance with proof at trial, including: approximately
28 \$6,554,317.14 in historical excess rents under the Ground Lease plus ongoing excess at

1 approximately \$2,069,784.36 per year through termination; \$2,915,736 in facility reserves
2 wrongfully retained under the MSA; \$7,426,952.48 paid under the INN Contract for undelivered
3 services; \$275,000 paid under the EAS Contract (or damages for Mind OC's temporary use of
4 these funds); and potentially all amounts paid to Mind OC under all agreements, totaling
5 approximately \$64.5 million, given the pervasive conflicts that infected the entire relationship.

6 98. In addition, the County seeks restitution of all public property conveyed to or held
7 by Mind OC in furtherance of the venture, including the Orange Campus and all improvements
8 thereon, and the return of any other property or assets obtained by Mind OC through the void
9 agreements or in violation of Cross-Defendants' obligations to the venture and the County.

10 **SEVENTH CAUSE OF ACTION**

11 **(Violation of Common Law Doctrine Against Conflicts of Interest)**

12 **(Against all Cross-Defendants)**

13 99. COUNTY hereby realleges and incorporates by this reference the allegations of
14 Paragraphs 1 through 98 as though fully set forth here.

15 100. The common law doctrine against conflicts of interest prohibits public officials from
16 placing themselves in a position where their private, personal interests may conflict with their
17 official duties. (*Clark v. City of Hermosa Beach* (1996) 48 Cal.App.4th 1152, 1170-1171 & fn. 18
18 [common law extends to noneconomic conflicts of interest].) Although Government Code section
19 1090 et seq. codifies the common law rule prohibiting public officials from holding a financial
20 interest in contracts they make in their official capacities, the two are not coextensive. The
21 statutory scheme focuses specifically on financial conflicts of interest, while the common law rule
22 reaches further — encompassing both financial and nonfinancial interests that could result in
23 divided loyalty. (*Davis v. Fresno Unified School Dist.* (2015) 237 Cal.App.4th 261, 301.)
24 Accordingly, the common law doctrine against conflicts of interest coexists with Government
25 Code section 1090, and it prohibits a broader range of conflicts of interest.

26 101. Mind OC, while serving as the County's agent and joint venture partner charged
27 with implementing governmental functions, placed itself in positions where its private interests
28 conflicted with its official duties to the County and to the vulnerable populations it was charged

1 with serving. Rather than acting in furtherance of the venture, Cross-Defendants treated the
2 venture's contracts public property and public funds as private profit opportunities and breached
3 the venture and interrelated agreements as alleged herein, including by: charging and seeking to
4 charge excessive rents above cost, retaining approximately \$6.5 million in windfall sublease
5 profits without disclosure; generating more than \$2 million per year in undisclosed excess charges
6 under the MSA; refusing to return \$2.9 million in facility reserves held in trust; accepting
7 \$275,000 in venture funds, disbursing the bulk of these public funds to Ms. Batres, the wife of the
8 chief of staff for Supervisor Do, and failing to performing contracted services; submitting false
9 and/or inaccurate invoices for work never performed; operating without required professional
10 licenses or certifications; and in failing to comply with the venture in the 38 compliance
11 deficiencies identified herein and placing the County at risk of state regulatory violations.

12 102. Any agreements made in violation of the common law prohibition against conflicts
13 of interest are void. Because the venture and interrelated agreements were made in violation of
14 the common law prohibition against conflicts of interest, they are void.

15 103. As a result of these violations, the County is entitled to recover all consideration
16 paid and provided without restoring benefits received, in accordance with proof at trial, including:
17 approximately \$6,554,317.14 in historical excess rents under the Ground Lease plus ongoing
18 excess at approximately \$2,069,784.36 per year through termination; \$2,915,736 in facility
19 reserves wrongfully retained under the MSA; \$7,426,952.48 paid under the INN Contract for
20 undelivered services; \$275,000 paid under the EAS Contract (or damages for Mind OC's
21 temporary use of these funds); and potentially all amounts paid to Mind OC under all agreements,
22 totaling approximately \$64.5 million, given the pervasive conflicts that infected the entire
23 relationship.

24 104. In addition, the County seeks restitution of all public property conveyed to or held
25 by Mind OC in furtherance of the venture, including the Orange Campus and all improvements
26 thereon, and the return of any other property or assets obtained by Mind OC through the void
27 agreements or in violation of Cross-Defendants' obligations to the venture and the County.
28

EIGHTH CAUSE OF ACTION**(VIOLATION OF FALSE CLAIMS ACT Cal. Gov. Code §§ 12651, *et seq.*)****(Against All Cross-Defendants as to INN and EAS)**

105. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 104 as though fully set forth here.

106. Mind OC presented claims for payment to the County under the INN Contract and EAS Contract.

107. The claims were false or fraudulent because: (a) under the INN, Mind OC invoiced for deliverables and services not performed or grossly overstated; and (b) under the EAS, Mind OC invoiced \$275,000 for twenty-four community listening sessions that were never conducted and for which Mind OC could produce no documentation.

108. Mind OC knew the claims were false or fraudulent, or acted in deliberate ignorance or reckless disregard of the truth or falsity of the information.

109. The County approved and paid the claims.

110. As a result, the County was harmed in an amount to be proven at trial, including payments under the INN and \$275,000 under the EAS.

111. Pursuant to Government Code section 12651(a), the County is entitled to recover: (a) three times the amount of damages sustained; (b) civil penalties of not less than \$5,500 and not more than \$11,000 for each false claim; and (c) costs of this action.

NINTH CAUSE OF ACTION**(Constructive Fraud- Cal. Civ. Code, § 1573)****(Against All Cross-Defendants)**

112. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 111 as though fully set forth here.

113. Civil Code section 1573 defines constructive fraud as: (1) any breach of duty which, without actually fraudulent intent, gains an advantage to the person in fault by misleading another to his prejudice; or (2) any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud.

1 114. As alleged herein, the County and Cross-Defendants formed a venture, partnership,
2 and/or agency relationship to develop, manage, and operate the Orange Campus for County
3 behavioral health services. In reposing trust and confidence in Cross-Defendants and entrusting
4 them with millions of dollars in public funds and property, the County relied on Cross-Defendants'
5 commitment to act with the utmost loyalty and good faith.

6 115. Cross-Defendants breached those duties and gained financial advantages at the
7 County's expense by misleading the County about costs, services performed, their self-dealing
8 and its intent in effecting the venture for its intended purpose, as herein alleged. Rather than acting
9 in furtherance of the venture's purpose, Cross-Defendants exploited their position of trust to
10 enrich themselves, including by: retaining approximately \$6.5 million in windfall sublease profits
11 while representing to the County they were charging only reasonable overhead rates; generating
12 more than \$2 million per year in undisclosed excess charges under the MSA through invoices
13 Cross-Defendants knew were inaccurate; refusing to return \$2.9 million in facility reserves held
14 in trust while misleading the County about their intentions and obligations; accepting \$275,000 in
15 venture funds, disbursing the bulk to Ms. Batres, the wife of the chief of staff for Supervisor Do,
16 and performing none of the contracted services while concealing this from the County; and
17 submitting false invoices under the INN Contract for deliverables and services not performed.

18 116. By virtue of their fiduciary duties arising under the venture, Cross-Defendants were
19 obligated to act in good faith, submit accurate invoices, and fulfill their responsibilities with
20 integrity. The County reasonably relied on Cross-Defendants' discharge of those obligations in
21 continuing to entrust them with public funds and property throughout the venture. As a direct
22 result of Cross-Defendants' breaches, the County suffered damages in an amount to be proven at
23 trial, including loss of approximately \$6.5 million in excessive sublease profits; ongoing losses
24 exceeding \$2 million per year in excess charges under the MSA; loss of \$2.9 million in unreturned
25 facility reserves; loss of \$275,000 for unperformed services under the EAS; and additional
26 amounts for work not completed under the INN Contract.

27
28

1 **TENTH CAUSE OF ACTION**

2 **(Unfair Business Practices-Bus. & Prof. Code, § 17200, et seq.)**

3 **(Against All Cross-Defendants)**

4 117. COUNTY hereby realleges and incorporates by this reference the allegations of
5 Paragraphs 1 through 116 as though fully set forth here.

6 118. California Business and Professions Code sections 17200, et seq. (“Unfair
7 Competition Law or “UCL”) prohibits any unlawful, unfair or fraudulent business practice. Under
8 the UCL, a business practice is “unfair” if it offends an established public policy or is immoral,
9 unethical, oppressive and that fairness is determined by weighing the reasons, justifications, and
10 motives of the practice against the gravity of harm to the victims.

11 119. As alleged herein, Mind OC engaged in unlawful business practices by violating
12 Government Code section 1090 through prohibited financial interests in public contracts, violating
13 the False Claims Act through submission of false invoices, violating Business and Professions
14 Code sections 7031 and 10131 by operating without required contractor and real estate broker
15 licenses, violating Welfare and Institutions Code sections 5890, et seq. by misusing MHSA public
16 trust funds, violating Article XVI, Section 6 of the California Constitution by receiving gifts of
17 public funds without serving an overriding public purpose, and breaching contractual obligations
18 under multiple agreements with the County.

19 120. In addition to these statutory violations, Cross-Defendants’ conduct violated
20 fundamental public policies and caused substantial injury to the County and its residents. Mind
21 OC exploited public property leased for one dollar to extract millions in profits, breaching
22 fiduciary duties owed as the County’s venture partner through self-dealing and secret profits,
23 refusing to return \$2,915,736 in facility reserve funds despite contractual obligations, submitting
24 false invoices for services not performed, operating without required professional licenses while
25 charging for licensed services, and systematically misusing MHSA funds dedicated by voters for
26 vulnerable populations. This conduct offends established public policies protecting public funds,
27 preventing self-dealing by fiduciaries, ensuring proper MHSA stewardship, requiring professional
28 licensing, and enforcing fiduciary duties in joint ventures.

121. In addition to being unlawful and unfair, Mind OC's conduct was fraudulent because it was likely to deceive the County and did in fact deceive the County. Mind OC represented through invoices that it charged reasonable overhead rates when charging excessive rates and retaining millions in profits, representing it performed services when work was not done, representing compliance with contractual and regulatory obligations while accumulating thirty-eight deficiencies, issuing the \$275,000 payment to the then-fiancée of a County official under the EAS, and operating without required licenses.

122. All of this misconduct occurred in the context of a business relationship between the parties. Mind OC operated as a business providing services to the County for approximately \$64.5 million, and its unlawful, unfair, and fraudulent conduct occurred throughout the course of this business relationship, constituting business acts or practices under the UCL.

123. Pursuant to the UCL, the County is entitled to an order of disgorgement against Mind OC, as well as restoration to the County of all revenues associated with Mind OC's unfair, and illegal activities related to the Agreements, or such portion of those revenues as the Court finds equitable.

ELEVENTH CAUSE OF ACTION

(Unjust Enrichment)

(Against All Cross-Defendants)

124. COUNTY hereby realleges and incorporates by this reference the allegations of Paragraphs 1 through 123 as though fully set forth here.

125. As alleged herein, the County and Cross-Defendants formed a venture, partnership, and agency relationship to develop, manage, and operate the Orange Campus for County behavioral health services. To give effect to that venture, the County conferred substantial benefits on Cross-Defendants — including leasing multi-million dollar public property for one dollar per year under the Ground Lease, paying over \$41 million under the Master Services Agreement, and paying over \$7 million under the INN Contract — in reliance on Cross-Defendants' commitment to use those benefits in furtherance of the venture's public purpose.

126. Cross-Defendants accepted those benefits with full knowledge of their value and of

1 the obligations they carried. Rather than applying them to the venture's purpose, Cross-
2 Defendants exploited their position to retain and convert those benefits for private gain, including
3 by: retaining approximately \$6.5 million in windfall sublease profits and continuing to extract
4 excess rent exceeding \$2 million per year by converting public property leased for essentially
5 nothing into a private profit center; refusing to return \$2.9 million in facility reserves held in trust
6 while failing to perform the services for which they were paid; and accepting full payment under
7 the INN Contract while delivering only 2 of 14 required deliverables and wholly failing to deliver
8 the comprehensive work products the County paid for.

9 127. Under these circumstances, it would be inequitable for Cross-Defendants to retain
10 the benefits conferred without paying their value. The County is entitled to restitution in an
11 amount to be proven at trial, including recovery of approximately \$6.5 million in initial excess
12 sublease profits plus ongoing excess exceeding \$2 million per year; \$2.9 million in unreturned
13 facility reserves; payments made under the MSA for services not performed; and payments made
14 under the INN Contract for deliverables not delivered

15 **TWELFTH CAUSE OF ACTION**

16 **(Money Had and Received)**

17 128. COUNTY hereby realleges and incorporates by this reference the allegations of
18 Paragraphs 1 through 127 as though fully set forth here.

19 129. As alleged herein, the County and Cross-Defendants formed a venture, partnership,
20 and/or agency relationship to develop, manage, and operate the Orange Campus for County
21 behavioral health services. In furtherance of that venture, the County transferred substantial funds
22 to Cross-Defendants — through direct payments under the MSA, INN Contract, and EAS
23 Contract, and through pass-through payments under the Ground Lease — in reliance on Cross-
24 Defendants' commitment to apply those funds to the venture's public purpose. Each of those
25 transfers was made under circumstances where equity and good conscience require Cross-
26 Defendants to return funds not applied to their intended purpose.

27 130. Cross-Defendants received and retained those funds in violation of that obligation,
28 including by: accepting a lease of multi-million dollar public property for one dollar per year —

1 a nominal consideration the County extended in furtherance of the venture's purpose of providing
2 subsidized space to behavioral health service providers — and instead charging subtenants
3 excessive, unapproved rents far beyond overhead costs, retaining approximately \$6.5 million in
4 windfall profits from the initial lease period plus continuing excess rents of approximately \$2
5 million per year; refusing to return approximately \$2.9 million in facility reserve funds held for a
6 specific purpose under the MSA, which Cross-Defendants also failed to fulfill; accepting
7 \$275,000 under the EAS Contract — a contract void under Government Code section 1090 due
8 to a prohibited conflict of interest — disbursing the bulk of those funds to Ms. Batres, the wife of
9 the chief of staff for Supervisor Do, performing none of the contracted services, and returning the
10 funds only after the County inquired; and receiving over \$7 million under the INN Contract while
11 failing to deliver the majority of required services and invoicing for work not performed and
12 staffing not dedicated to the project.

13 131. In equity and good conscience, the funds Cross-Defendants received and retained
14 belong to the County. The County has demanded their return and Cross-Defendants have refused.
15 The total amount to be recovered is to be proven at trial, and includes at minimum: \$2,915,736 in
16 unreturned facility reserves; approximately \$6,554,317.14 in historical excess Ground Lease rents
17 plus continuing excess rents through the date of termination; amounts paid under the INN Contract
18 for undelivered services; and any damages attributable to Cross-Defendants' use of the \$275,000
19 in void EAS Contract funds during the period before their return. Cross-Defendants' retention of
20 these funds constitutes money had and received, and the County is entitled to restitution.

21 **THIRTEENTH CAUSE OF ACTION**

22 **(Accounting)**

23 **(Against All Cross-Defendants as to All Agreements)**

24 132. COUNTY hereby realleges and incorporates by this reference the allegations of
25 Paragraphs 1 through 131 as though fully set forth here.

26 133. The parties agreed on balances due through Cross-Defendants' submission of
27 invoices and the County's payment of those invoices. The County paid Cross-Defendants
28 approximately and aggregate \$64.5 million under the venture and the underlying contracts.

1 134. By submitting invoices and accepting payment, Cross-Defendants promised to
2 apply the funds to the venture's purpose — providing behavioral health services to vulnerable
3 populations — and to charge only amounts permitted by the venture and its implementing
4 agreements, and to return funds held in trust when required.

5 135. Cross-Defendants failed to deliver services for which Cross-Defendants were paid,
6 charged excessive amounts beyond the limits of the venture and its implementing agreements, and
7 refuse to return funds held in trust, including, but not limited to, \$2,915,736 in facility reserves
8 under the MSA.

9 136. The County performed all of its obligations under the venture and its implementing
10 agreements. As a direct result of Cross-Defendants' failures, amounts are now due and unpaid in
11 an amount to be proven at trial, representing a substantial portion of the approximately \$64.5
12 million paid to Cross-Defendants in furtherance of the venture.

13 **FOURTEENTH CAUSE OF ACTION**

14 **(Declaratory Relief)**

15 137. COUNTY hereby realleges and incorporates by this reference the allegations of
16 Paragraphs 1 through 136 as though fully set forth here.

17 138. As alleged herein, the County and Cross-Defendants formed a venture, partnership,
18 and agency relationship to develop, manage, and operate the Orange Campus for County
19 behavioral health services. To give effect to that venture, the parties entered into a series of
20 interrelated implementing agreements — the Ground Lease, MSA, INN Contract, and EAS
21 Contract. An actual controversy exists concerning the parties' rights and obligations under the
22 venture and its implementing agreements.

23 139. Mind OC filed the underlying complaint seeking to enforce the Ground Lease,
24 contending it remains valid and the County wrongfully terminated Mind OC's rights thereunder.
25 The County contends that the Ground Lease — and the venture it was designed to further — is
26 void and unenforceable due to: (a) Government Code section 1090 violations infecting the venture
27 and all implementing agreements; (b) Cross-Defendants' material breaches, including
28 unauthorized subletting and retention of approximately \$6.5 million in excessive profits; (c)

1 constitutional prohibition on gifts of public funds, among other public policy concerns; (d) MHSA
2 violations; and (e) breach of fiduciary duties owed to the County as venture partners. The County
3 further contends it properly terminated the Ground Lease, and Mind OC has no enforceable rights
4 under it or the venture.

5 140. While the MSA, INN Contract, and EAS Contract have terminated or expired, an
6 actual controversy exists concerning whether they — and the venture — are void ab initio and the
7 County's right to recover all funds paid and all properties conveyed under the venture and its
8 implementing agreements. The County contends: (a) the EAS Contract is void under Government
9 Code section 1090 and has contaminated the venture and all implementing agreements; (b) Cross-
10 Defendants breached the MSA by refusing to return \$2.9 million in facility reserves and failing to
11 perform required services; (c) Cross-Defendants breached the INN Contract through false billing;
12 (d) Cross-Defendants breached the EAS Contract by billing for unperformed services; (e) the
13 venture and all implementing agreements violated MHSA restrictions; and (f) Cross-Defendants
14 breached their fiduciary duties to the County throughout the venture.

15 141. The County seeks declarations that: (a) the Ground Lease is void and/or properly
16 terminated, and Cross-Defendants have no enforceable rights under it or the venture; (b) the
17 venture and all interrelated agreements are void ab initio; (c) the County is entitled to recover all
18 funds, consideration, and properties restituted in furtherance of the venture, including
19 approximately \$64.5 million paid to Cross-Defendants; (f) Cross-Defendants are not entitled to
20 the relief sought in their complaint; and (f) such other relief as the Court deems proper.

21 142. The County has no adequate remedy at law, and declaratory relief is necessary to
22 resolve this controversy.

23 **PRAYER FOR RELIEF**

24 **WHEREFORE** the County prays for the following:

- 25 1. Compensatory damages and/or restitution according to proof;
- 26 2. Treble damages and civil penalties of \$5,500 to \$11,000 per violation under the
27 California False Claims Act (Government Code section 12651);
- 28 3. Prejudgment interest on all damages at the legal rate;

4. Attorneys' fees and costs of suit, to the extent permitted by contract and/or statute;

5. Declaratory relief providing that all agreements between the County and Cross-Defendants are void ab initio based on Government Code section 1090 violations, fraud, self-dealing, public policy violations, breach of fiduciary duty and other grounds as alleged herein, and/or in the alternative that the County properly terminated all agreements; that Cross-Defendants have no enforceable rights and are not entitled to any relief in their complaint; and that the County is entitled to recover all funds paid to Cross-Defendants;

6. An order for Cross-Defendants to disgorge and return approximately \$64.5 million in wrongfully obtained funds and public property, and/or in the alternative recovery of at least \$6.5 million in Ground Lease damages continuing at approximately \$2 million per year, immediate return of \$2.9 million in facility reserves under the MSA, and damages for all other breaches according to proof; together with a full accounting of all profits and benefits obtained through the venture; and

7. Such other, further relief as the Court may deem just and proper.

DATED: March 10, 2026

Respectfully submitted,
Leon J. Page, County Counsel
Suzanne E. Shoai, Senior Deputy
Stephanie N. Clark, Deputy
Golnaz Zandieh, Deputy

By: /s/ Suzanne E. Shoai
Suzanne E. Shoai, Senior Deputy

Attorneys for Defendant, COUNTY OF ORANGE

DATED: March 10, 2026

SELTZER CAPLAN McMAHON VITEK

By: 
Neal P. Panish, Esq.
Sarah Shekhter, Esq.
Nathanel Ghinghis, Esq.

Attorneys for Defendant, COUNTY OF ORANGE

PROOF OF SERVICE

I do hereby declare that I am a citizen of the United States employed in the County of Orange, over 18 years old and that my business address is 750 B Street, Suite 2100, San Diego CA 92101. My email address is rhurst@scmv.com. I am not a party to the within action.

On March 10, 2026, I served the foregoing **DEFENDANT COUNTY OF ORANGE'S CROSS-COMPLAINT** on all other parties to this action by placing a true copy of said document in a sealed envelope in the following manner:

☐ (BY U.S. MAIL) I placed such envelope(s) addressed as shown below for collection and mailing at Santa Ana, California, following our ordinary business practices. I am readily familiar with this office's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

☒ (BY ELECTRONIC SERVICE) I caused the documents to be sent to the person(s) at the electronic service address listed below, wherein such email is transmitted that same day in the ordinary course of business.

☒ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☐ (FEDERAL) I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

DATED: MARCH 10, 2026

/s/ Raechelle Hurst

RAECHELLE HURST

NAME AND ADDRESS TO WHOM SERVICE WAS MADE

Jeffrey M. Singletary
Gregory J. Sonnenberg
Kina J. Wong
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Email: jsingletary@swlaw.com

Attorney for Plaintiff, MIND OC

gsonnenberg@swlaw.com
kwong@swlaw.com

EXHIBIT 1

1 AGREEMENT FOR FUNDING OF DESIGN AND
2 CONSTRUCTION OF THE BE WELL OC BEHAVIORAL HEALTH HUB BETWEEN
3 COUNTY OF ORANGE
4 AND
5 MIND OC
6 MARCH 1, 2019 THROUGH CERTIFICATE OF OCCUPANCY

7
8 THIS AGREEMENT FOR FUNDING OF CONSTRUCTION OF THE BE WELL BEHAVIORAL
9 HEALTH HUB (“**Agreement**”) at 265 S. Anita Drive, Orange, California, entered into this 1st day of
10 March, 2019 (“Effective Date”), is by and between the COUNTY OF ORANGE, a political subdivision
11 of State of California (“**COUNTY**”), and MIND OC, a California nonprofit corporation
12 (“**CONTRACTOR**”). COUNTY and CONTRACTOR may sometimes be referred to herein
13 individually as “**Party**” or collectively as “**Parties.**” This Agreement shall be administered by the
14 Orange County Health Care Agency (“**ADMINISTRATOR**”).

15
16 **W I T N E S S E T H:**

17 WHEREAS, according to the National Institute of Mental Health, 1 in 5 individuals experience
18 mental illness in a given year; and

19 WHEREAS, mental illness is a leading cause of disability, and the consequences of untreated
20 mental illness and substance use disorders often include negative financial and social impacts to police,
21 educators, emergency rooms, and businesses; and

22 WHEREAS, without treatment the consequences of mental illness and substance use disorders are
23 significant for the individual and society; and

24 WHEREAS, the ADMINISTRATOR worked in collaboration with the County Executive Office
25 Real Estate (“**CEO/Real Estate**”) to identify an office building located at 265 S. Anita Drive, Orange,
26 California; and

27 WHEREAS, through the Board of Supervisors’ leadership on February 27, 2018, the County of
28 Orange purchased an office building located at 265 S. Anita Drive in Orange (“**Property**”) for use as a
29 centralized hub behavioral health and substance use disorder services in Orange County. Access to
30 services is an identified core goal for Behavioral Health Services. A centralized hub will create
31 improved access for adults needing behavioral health and substance use disorder services; and

32 WHEREAS, CONTRACTOR is a California Nonprofit Public Benefit Corporation that provides
33 behavioral healthcare, education, and support for Orange County community, including Be Well OC,
34 through the development of a countywide system of care; and

35 WHEREAS, Be Well OC is a coalition of behavioral health stakeholders, both in private and the
36 public sector, including CalOptima, hospital systems, nonprofit, academic and faith-based organizations;
37 and

1 WHEREAS, COUNTY and CONTRACTOR intend to cause construction of a behavioral health
2 hub on the Property consisting of 265 S. Anita Drive in Orange will cause the construction and
3 installation on the Property of the materials and Improvements (“**Project**”); and

4 WHEREAS, CONTRACTOR will be responsible for the design, construction and installation of
5 appropriate and suitable improvements on the Property to accommodate the Project; and

6 WHEREAS, CONTRACTOR will be responsible for the permitting, construction and operation of
7 the Project pursuant to this Agreement and a separate Option and Master Lease between the Parties
8 (“collectively, the “**Real Property Agreements**”); and

9 WHEREAS, the overall cost of the Project construction will be distributed among three
10 stakeholders: COUNTY, CalOptima and Orange County hospitals; and

11 WHEREAS, the COUNTY has determined that competitive bidding of the construction of the
12 Project would not result in any savings of COUNTY public funds as the COUNTY’s financial
13 contribution is limited to that amount set forth herein and estimated to be one-third of the overall
14 construction costs.

15
16 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
17 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS

Term: March 1, 2019 through Certificate of Occupancy

Maximum Obligation: \$16,600,000

Basis for Reimbursement: Funds Expended on Construction (see Exhibit A)

Payment Method: Payment Issued per Exhibit A

CONTRACTOR DUNS Number: 111922215

CONTRACTOR TAX ID Number: 82-3901590

Notices to COUNTY and CONTRACTOR:

COUNTY: County of Orange
Health Care Agency
Contract Services
405 West 5th Street, Suite 600
Santa Ana, CA 92701-4637

CONTRACTOR: Mind OC
Attention: Marshall Moncrief
5020 Campus Drive
Newport Beach, CA 92660
Marshall.Moncrief@stjoe.org

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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Agreement:

A.	BHS	Behavioral Health Services
B.	COI	Certificate of Insurance
C.	GAAP	Generally Accepted Accounting Principles
D.	OMB	Federal Office of Management and Budget
E.	OPM	Federal Office of Personnel Management

II. ALTERATION OF TERMS

A. This Agreement, together with Exhibit A attached hereto and incorporated herein, fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject matter of this Agreement.

B. Unless otherwise expressly stated in this Agreement, no addition to, or alteration of the terms of this Agreement or any Exhibits, whether written or verbal, made by the Parties, their officers, employees or agents shall be valid unless made in the form of a written amendment to this Agreement, which has been formally approved and executed by both Parties.

III. CONFIDENTIALITY

A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any audio and/or video recordings, in accordance with all applicable federal, state and county codes and regulations, as they now exist or may hereafter be amended or changed.

B. Prior to providing any services pursuant to this Agreement, all members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the confidentiality of any and all information and records which may be obtained in the course of providing such services. This Agreement shall specify that it is effective irrespective of all subsequent resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns.

IV. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without prior written consent of COUNTY. CONTRACTOR shall provide written notification of CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation. Any attempted assignment or delegation in derogation of this paragraph shall be void.

1 B. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the
2 prior written consent of COUNTY.

3 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to
4 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%)
5 of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an
6 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
7 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
8 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

9 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
10 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of
11 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
12 change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR
13 at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or
14 delegation in derogation of this subparagraph shall be void.

15 3. If CONTRACTOR is a governmental organization, any change to another structure,
16 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board
17 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an
18 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of
19 this subparagraph shall be void.

20 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
21 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
22 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
23 the effective date of the assignment.

24 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
25 CONTRACTOR shall provide written notification within thirty (30) calendar days to
26 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
27 governing body of CONTRACTOR at one time.

28 C. CONTRACTOR's obligations undertaken pursuant to this Agreement may be carried out by
29 means of subcontracts, provided such subcontracts are approved in advance, in writing by
30 ADMINISTRATOR, meet the requirements of this Agreement as they relate to the service or activity
31 under subcontract, and include any provisions that ADMINISTRATOR may require.

32 1. After approval of a subcontract, ADMINISTRATOR may revoke the approval of a
33 subcontract upon five (5) calendar days' written notice to CONTRACTOR if the subcontract
34 subsequently fails to meet the requirements of this Agreement or any provisions that
35 ADMINISTRATOR has required.

36 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
37 pursuant to this Agreement.

1 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR,
2 amounts claimed for subcontracts not approved in accordance with this paragraph.

3 4. This provision shall not be applicable to service agreements usually and customarily
4 entered into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional
5 services provided by consultants.

6 7 **V. EMPLOYEE ELIGIBILITY VERIFICATION**

8 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and
9 regulations regarding the employment of aliens and others and to ensure that employees, subcontractors,
10 and consultants performing work under this Agreement meet the citizenship or alien status requirements
11 set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,
12 subcontractors, and consultants performing work hereunder, all verification and other documentation of
13 employment eligibility status required by federal or state statutes and regulations including, but not
14 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 *et seq.*, as they currently
15 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all
16 covered employees, subcontractors, and consultants for the period prescribed by the law.

17 18 **VI. EXPENDITURE REPORT**

19 A. No later than sixty (60) calendar days following termination of this Agreement,
20 CONTRACTOR shall submit to ADMINISTRATOR, for informational purposes only, an Expenditure
21 Report for the construction services provided. Such report shall be prepared in accordance with the
22 procedure that is provided by ADMINISTRATOR and GAAP.

23 B. CONTRACTOR may be required to submit periodic Expenditure Reports throughout the term
24 of this Agreement. ADMINISTRATOR will determine the contents and format for the report.

25 26 **VII. INDEMNIFICATION AND INSURANCE**

27 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
28 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
29 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
30 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
31 including but not limited to personal injury or property damage, arising from or related to the services,
32 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is
33 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
34 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
35 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall
36 request a jury apportionment.

37 //

1 B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all
2 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary
3 to satisfy COUNTY that the insurance provisions of this Agreement have been complied with.
4 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements
5 on deposit with COUNTY during the entire term of this Agreement. In addition, all subcontractors
6 performing work on behalf of CONTRACTOR pursuant to this Agreement shall obtain insurance
7 subject to the same terms and conditions as set forth herein for CONTRACTOR.

8 C. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of \$50,000 shall
9 specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR's
10 current audited financial report. If CONTRACTOR's SIR is approved, CONTRACTOR, in addition to,
11 and without limitation of, any other indemnity provision(s) in this Agreement, agrees to all of the
12 following:

13 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all
14 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or
15 subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole
16 cost and expense with counsel approved by Board of Supervisors against same; and

17 2. CONTRACTOR's duty to defend, as stated hereinabove, shall be absolute and irrespective
18 of any duty to indemnify or hold harmless; and

19 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to
20 which the duty to defend stated above applies, and the CONTRACTOR's SIR provision shall be
21 interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

22 D. If CONTRACTOR fails to maintain insurance as required in this Paragraph XII
23 (INDEMNIFICATION AND INSURANCE) for the full term of this Agreement, such failure shall
24 constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate
25 this Agreement.

26 E. QUALIFIED INSURER

27 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of
28 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current
29 edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred,
30 but not mandatory, that the insurer be licensed to do business in the state of California (California
31 Admitted Carrier).

32 2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of
33 Risk Management retains the right to approve or reject a carrier after a review of the company's
34 performance and financial ratings.

35 F. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
36 limits and coverage as set forth below:

37 //

Coverage**Minimum Limits**

Employee Dishonesty
(Client Coverage)

\$16,600,000 per occurrence
(Limit commensurate with exposure)

G. The Employee Dishonesty policy must cover any person who is a trustee, officer, employee, administrator or manager, Board Directors and members. The County of Orange shall be the loss payee on the Employee Dishonesty coverage. A Loss Payee endorsement evidencing that the County of Orange is a Loss Payee shall accompany the Certificate of Insurance.

H. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy cancellation and within ten (10) days for non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate this Agreement.

I. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

J. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, such failure shall constitute a breach of CONTRACTOR's obligation hereunder and ground for termination of this Agreement by COUNTY.

K. The procuring of such required policy or policies of insurance shall not be construed to limit CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

L. SUBMISSION OF INSURANCE DOCUMENTS

1. The COI and endorsements shall be provided to COUNTY as follows:
 - a. Prior to the start date of this Agreement.
 - b. No later than the expiration date for each policy.
 - c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding changes to any of the insurance types as set forth in Subparagraph G, above.
2. The COI and endorsements shall be provided to the COUNTY at the address as specified in the Referenced Contract Provisions of this Agreement.
3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall have sole discretion to impose one or both of the following:

1 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
2 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the
3 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are
4 submitted to ADMINISTRATOR.

5 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
6 COI or endorsement for each business day, pursuant to any and all Agreements between COUNTY and
7 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
8 provisions stipulated in this Agreement are submitted to ADMINISTRATOR.

9 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
10 CONTRACTOR's monthly invoice.

11 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
12 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
13 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.
14

15 **VIII. INSPECTIONS AND AUDITS**

16 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
17 of the State of California, the Secretary of the United States Department of Health and Human Services,
18 the Comptroller General of the United States, or any other of their authorized representatives, shall have
19 access to any books, documents, and records, including but not limited to, financial statements, general
20 ledgers, relevant accounting systems, medical and client records, of CONTRACTOR that are directly
21 pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an
22 audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth
23 in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all
24 reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the
25 premises in which they are provided. COUNTY and other governmental authorities having oversight
26 over the funds expended hereunder shall have the right at any reasonable times and on reasonable prior
27 notice to examine and audit said books and records, without restriction, for the purpose of determining
28 the compliance of CONTRACTOR with the terms of this Agreement. Except in the event of a dispute
29 between the Parties and otherwise except as required by applicable law, including without limitation the
30 PRA (Government Code Sections 6250 *et seq.*), CONTRACTOR's books and records shall remain
31 confidential. No contingency based auditor shall be permitted to participate in such audit.

32 B. CONTRACTOR shall actively participate and cooperate with any person specified in
33 Subparagraph A. above in any audit, evaluation or monitoring of the services provided pursuant to this
34 Agreement, and shall provide the above-mentioned persons adequate office space to conduct such
35 evaluation or monitoring.

36 C. AUDIT RESPONSE

37 //

1. Following an audit report, in the event of non-compliance with applicable laws and regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement appropriate corrective action. A plan of corrective action shall be submitted to ADMINISTRATOR in writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR. In the event that the Agreement is terminated, any unexpended funds shall be reimbursed within ten (10) days and no further payments will be made hereunder. Additionally, any funds hereunder not expended pursuant to the terms of this Agreement shall be reimbursed within ten (10) days.

2. If the audit reveals that money is payable from one party to the other, that is, reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said funds shall be due and payable from one party to the other within sixty (60) calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare and file with ADMINISTRATOR, an annual, independent, organization-wide audit of related expenditures as may be required during the term of this Agreement.

E. CONTRACTOR shall forward to ADMINISTRATOR a copy of any audit report within fourteen (14) calendar days of receipt. Such audit shall include, but not be limited to, management, financial, programmatic or any other type of audit of CONTRACTOR's operations, whether or not the cost of such operation or audit is reimbursed in whole or in part through this Agreement.

IX. LICENSES AND LAWS

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Agreement.

B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

1. CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) calendar days of the award of this Agreement:

a. In the case of an individual contractor, his/her name, date of birth, social security number, and residence address;

b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, social security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

c. A certification that CONTRACTOR has fully complied with all applicable federal and state reporting requirements regarding its employees;

d. A certification that CONTRACTOR has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

2. Failure of CONTRACTOR to timely submit the data and/or certifications required by Subparagraphs 1.a., 1.b., 1.c., or 1.d. above, or to comply with all federal and state employee reporting requirements for child support enforcement, or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, shall constitute a material breach of this Agreement; and failure to cure such breach within sixty (60) calendar days of notice from COUNTY shall constitute grounds for termination of this Agreement.

3. It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, or as permitted by federal and/or state statute.

X. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA

A. Any written information or literature, including educational or promotional materials, distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related to this Agreement must be approved at least thirty (30) days in advance and in writing by ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads, and electronic media such as the Internet.

B. Any advertisement through radio, television broadcast, or the Internet, for educational or promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly available social media sites) in support of the services described within this Agreement, CONTRACTOR shall develop social media policies and procedures and have them available to ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either directly or indirectly support the services described within this Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media developed in support of the services described within this Agreement. CONTRACTOR shall also include any required funding statement information on social media when required by ADMINISTRATOR.

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1 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement
2 by COUNTY, unless ADMINISTRATOR consents thereto in writing.

3 4 **XI. MAXIMUM OBLIGATION**

5 Subject to the subsequent execution of the Real Property Agreements by the Parties, and the terms
6 and conditions set forth herein, including without limitation on Exhibit A attached hereto, COUNTY
7 shall provide CONTRACTOR with the County Financial Contribution, as that term is defined herein,
8 for the completion of the Work to provide Improvements for the Project. The County Financial
9 Contribution shall be applied by CONTRACTOR only toward approved work to complete the
10 improvements and shall be disbursed in accordance with the provisions for disbursement as set forth in
11 Exhibit A. In no event shall any portion of the County Financial Contribution be used for any purpose
12 other than to complete the work. Any and all costs in excess of the County Financial Contribution
13 required to complete the construction of the work shall be the sole and exclusive obligation and
14 responsibility of CONTRACTOR. The Maximum Obligation of COUNTY for services provided in
15 accordance with this Agreement is as specified in the Referenced Contract Provisions of this
16 Agreement.

17 18 **XII. MINIMUM WAGE LAWS**

19 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
20 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the
21 federal or California Minimum Wage to all its employees that directly or indirectly provide services
22 pursuant to this Agreement, in any manner whatsoever. CONTRACTOR shall require and verify that
23 all its contractors or other persons providing services pursuant to this Agreement on behalf of
24 CONTRACTOR also pay their employees no less than the greater of the federal or California Minimum
25 Wage.

26 B. CONTRACTOR shall comply and verify that its contractors comply with all other federal and
27 State of California laws for minimum wage, overtime pay, record keeping, and child labor standards
28 pursuant to providing services pursuant to this Agreement.

29 C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR,
30 where applicable, shall comply with the prevailing wage and related requirements, as provided for in
31 accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the
32 State of California (§§1770, *et seq.*), as it now exists or may hereafter be amended.

33 34 **XIII. NONDISCRIMINATION**

35 **A. EMPLOYMENT**

36 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals shall not
37 unlawfully discriminate against any employee or applicant for employment because of his/her race,

1 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,
2 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual
3 orientation, or military and veteran status. Additionally, during the term of this Agreement,
4 CONTRACTOR and its Covered Individuals shall require in its subcontracts that subcontractors shall
5 not unlawfully discriminate against any employee or applicant for employment because of his/her race,
6 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,
7 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual
8 orientation, or military and veteran status.

9 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
10 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or
11 recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection
12 for training, including apprenticeship.

13 3. CONTRACTOR shall not discriminate between employees with spouses and employees
14 with domestic partners, or discriminate between domestic partners and spouses of those employees, in
15 the provision of benefits.

16 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
17 employment, notices from ADMINISTRATOR and/or the United States Equal Employment
18 Opportunity Commission setting forth the provisions of the Equal Opportunity clause.

19 5. All solicitations or advertisements for employees placed by or on behalf of
20 CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration
21 for employment without regard to race, religious creed, color, national origin, ancestry, physical
22 disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender
23 identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements
24 shall be deemed fulfilled by use of the term EOE.

25 6. Each labor union or representative of workers with which CONTRACTOR and/or
26 subcontractor has a collective bargaining agreement or other contract or understanding must post a
27 notice advising the labor union or workers' representative of the commitments under this
28 Nondiscrimination Paragraph and shall post copies of the notice in conspicuous places available to
29 employees and applicants for employment.

30 31 **XIV. NOTICES**

32 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
33 authorized or required by this Agreement shall be effective:

34 1. When written and deposited in the United States mail, first class postage prepaid and
35 addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed
36 by ADMINISTRATOR;

37 //

1 2. When faxed, transmission confirmed;
2 3. When sent by Email; or
3 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
4 Service, or any other expedited delivery service.

5 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
6 this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
7 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
8 Parcel Service, or any other expedited delivery service.

9 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
10 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
11 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
12 damage to any COUNTY property in possession of CONTRACTOR.

13 D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by
14 ADMINISTRATOR.

15 16 **XV. RECORDS MANAGEMENT AND MAINTENANCE**

17 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term
18 of this Agreement, prepare, maintain and manage records appropriate to the services provided and in
19 accordance with this Agreement and all applicable requirements.

20 B. CONTRACTOR shall ensure appropriate financial records related to cost reporting,
21 expenditure, revenue, billings, etc., are prepared and maintained accurately and appropriately.

22 C. CONTRACTOR shall ensure all appropriate state and federal standards of documentation,
23 preparation, and confidentiality of records related to participant, client and/or patient records are met at
24 all times.

25 D. CONTRACTOR shall retain all financial records for a minimum of seven (7) years from the
26 commencement of the contract, unless a longer period is required due to legal proceedings such as
27 litigations and/or settlement of claims.

28 E. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
29 billings, and revenues available at one (1) location within the limits of the County of Orange.

30 F. If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR
31 may provide written approval to CONTRACTOR to maintain records in a single location, identified by
32 CONTRACTOR.

33 G. CONTRACTOR may be required to retain all records involving litigation proceedings and
34 settlement of claims for a longer term as directed by ADMINISTRATOR.

35 H. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
36 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR
37 all information that is requested by the PRA request.

XVI. RESEARCH AND PUBLICATION

CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of, or developed, as a result of this Agreement for the purpose of personal or professional research, or for publication.

XVII. SEVERABILITY

If a court of competent jurisdiction declares any provision of this Agreement or application thereof to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

XVIII. SPECIAL PROVISIONS

A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following purposes:

1. Making cash payments to intended recipients of services through this Agreement.
2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use of appropriated funds to influence certain federal contracting and financial transactions).
3. Fundraising.
4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's staff, volunteers, or members of the Board of Directors or governing body.
5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body for expenses or services.
6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of Directors or governing body, or its designee or authorized agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
7. Paying an individual salary or compensation for services at a rate in excess of the current Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule may be found at www.opm.gov.
8. Severance pay for separating employees.
9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building codes and obtaining all necessary building permits for any associated construction.

B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR shall not use the funds provided by means of this Agreement for the following purposes:

1. Funding travel or training (excluding mileage or parking).

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2. Making phone calls outside of the local area unless documented to be directly for the purpose of client care.

3. Payment for grant writing, consultants, certified public accounting, or legal services.

4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Agreement.

XIX. STATUS OF CONTRACTOR

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during the course and scope of their employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner to be COUNTY's employees.

XX. TERM

A. The term of this Agreement shall commence as specified in the Referenced Contract Provisions of this Agreement or the Effective Date, whichever is later. This Agreement shall terminate as specified in the Referenced Contract Provisions of this Agreement unless otherwise sooner terminated as provided in this Agreement; provided, however, CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

B. Any administrative duty or obligation to be performed pursuant to this Agreement on a weekend or holiday may be performed on the next regular business day.

XXI. TERMINATION

A. COUNTY may terminate this Agreement upon five (5) calendar days' prior written notice, if COUNTY determines that CONTRACTOR has failed to perform any of the terms of this Agreement. Prior to serving the notice of termination, at ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty (30) calendar days for corrective action. ADMINISTRATOR shall specify the corrective action plan that CONTRACTOR must comply with. The ADMINISTRATOR may at its sole discretion extend the time of corrective action beyond the initial thirty (30) calendar days, provided

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1 CONTRACTOR provides evidence of timely and substantial progress towards meeting the goals of the
2 corrective action plan.

3 B. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence
4 of any of the following events:

- 5 1. The loss by CONTRACTOR of legal capacity.
- 6 2. Cessation of services.
- 7 3. The delegation or assignment of CONTRACTOR's services, operation or administration to
8 another entity without the prior written consent of COUNTY.

9 C. CONTINGENT FUNDING

- 10 1. Any obligation of COUNTY under this Agreement is contingent upon the following:
 - 11 a. The continued availability of federal, state and county funds for reimbursement of
12 COUNTY's expenditures, and
 - 13 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
14 approved by the Board of Supervisors.
- 15 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
16 terminate or renegotiate this Agreement upon thirty (30) calendar days' written notice given
17 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated
18 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

19 D. In the event this Agreement is suspended or terminated prior to the completion of the term as
20 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its sole
21 discretion, reduce the Maximum Obligation of this Agreement in an amount consistent with the reduced
22 term of the Agreement and require a refund of remaining funds.

23 E. In the event this Agreement is terminated pursuant to Subparagraphs A. and B. above,
24 CONTRACTOR shall do the following:

- 25 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
26 is consistent with recognized standards of prudent business practice.
- 27 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
28 performance during the remaining contract term.
- 29 3. Until the date of termination, continue to provide the same level of service required by this
30 Agreement.
- 31 4. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
32 supplies purchased with funds provided by COUNTY.
- 33 5. Cancel outstanding commitments covering the procurement of materials, supplies,
34 equipment, and miscellaneous items, as well as outstanding commitments which relate to construction
35 services. With respect to these canceled commitments, CONTRACTOR shall submit a written plan for
36 settlement of all outstanding liabilities and all claims arising out of such cancellation of commitment
37 which shall be subject to written approval of ADMINISTRATOR.

1 F. The rights and remedies of COUNTY provided in this Article shall not be exclusive, and are in
2 addition to any other rights and remedies provided by law or under this Agreement.

3
4 **XXII. THIRD PARTY BENEFICIARY**

5 Neither Party hereto intends that this Agreement shall create rights hereunder in third parties
6 including, but not limited to, any subcontractors or any clients provided services pursuant to this
7 Agreement.

8
9 **XXIII. WAIVER OF DEFAULT OR BREACH**

10 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
11 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
12 Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
13 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
14 Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Agreement, in the County of Orange,
State of California.

MIND OC

DocuSigned by:
BY: Richard Alfable M.D. DATED: 4/9/2019
0C49E59B190E4D4...

TITLE: _____

BY: _____ DATED: _____

TITLE: _____

COUNTY OF ORANGE

DocuSigned by:
BY: Anna Peters DATED: 4/10/2019
HEALTH CARE AGENCY
F791A7909386249E

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

DocuSigned by:
BY: Massoud Shamel DATED: 1/23/2019
DEPUTY
D90F59CA571A94F8...

If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR.

EXHIBIT 2



GROUND LEASE

THIS GROUND LEASE ("**Lease**") is made and effective as of the 17th day of June, 2019 ("**Effective Date**"), by and between the COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter called "**County**") and MIND OC, a California nonprofit corporation (hereinafter called "**Tenant**") (each a "**Party**" and collectively, the "**Parties**").

Recitals

- A. County is the fee owner of the Premises (as hereinafter defined).
- B. The County and Tenant in partnership with public and private stakeholders desire to develop a wellness hub at the Premises that serves Orange County residents regardless of payer.
- C. Be Well OC is a coalition of behavioral health stakeholders, both in private and public sector, including CalOptima, hospital systems, nonprofit, academic and faith-based organizations. The overarching goal of Be Well OC is to establish a coordinated, countywide behavioral health service system.
- D. The overarching goal of Be Well OC is to establish a coordinated, countywide behavioral health service system. The Be Well OC Blueprint articulates goals to actualize the Be Well OC vision and includes the establishment of regional Wellness Hubs, such as the facility at Premises. By collaborating with Be Well OC, an opportunity emerged for a public-private partnership to design and develop an approximately 60,000 square foot building at the Premises for the purpose of providing mental health and substance use disorder services for all residents of Orange County.
- E. The County had agreed to lease the Premises to the Tenant for the purposes of designing and constructing a wellness hub.
- F. Tenant has agreed to enter into this Lease based on the premise that, prior to the completion of construction, the County will be party to multiple contracts for services through the Lease term in order to meet the requirements articulated in Section 4.2 herein, and sufficient to occupy the entirety of the rentable services space, which ultimately covers the costs the responsibilities of Tenant herein.
- G. County and Tenant have jointly agreed to enter into this Lease as of the date set forth above.

NOW, THEREFORE, in consideration of the above recitals which are hereby incorporated into this Lease by reference, and mutual covenants and agreements hereinafter contained, County and Tenant mutually agree to the following:

ARTICLE I DEFINITIONS

1.1 **Definitions:** The following defined terms used in this Lease shall have the meanings set forth below. Other terms are defined in other provisions of this Lease, and shall have the definitions given to such terms in such other provisions.

1.1.1. "**Affiliate**" means, with respect to any person (which as used herein includes an individual, trust or entity), which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such person.

1.1.2. "**Annual Rent**" is defined in Section 3.1 below.

1.1.3. "**Board of Supervisors**" means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

1.1.4. "**Certificate of Occupancy**" means a temporary or final certificate of occupancy (or other equivalent entitlement, however designated) which entitles Tenant to commence normal operation and occupancy of the Improvements.

1.1.5. "**Chief Real Estate Officer**" means the Chief Real Estate Officer, County Executive Office, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.6. "**City**" means the City of Orange, State of California.

1.1.7. "**Claims**" means liens, claims, demands, suits, judgments, liabilities, damages, fines, losses, penalties, costs and expenses (including without limitation reasonable attorney's fees and expert witness costs, and costs of suit), and sums reasonably paid in settlement of any of the foregoing.

1.1.8. "**Construction Budget**" means the detailed line-item budget for all hard and soft costs to be incurred by Tenant in connection with the design and construction of the Initial Improvements and approved by Chief Real Estate Officer, a copy of which is attached hereto as **Exhibit C**, as same may be revised from time to time in accordance with this Agreement.

1.1.9. "**Construction Drawings**" means the set of construction, landscaping and engineering drawings prepared by or for the architect of record for the Initial Improvements, approved by Chief Real Estate Officer and referenced on **Exhibit D** attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.10. "**Construction Period**" means the period commencing on the Effective Date and ending on the date that is the earlier to occur of (i) the date that the Initial Improvements are deemed complete by County, or (ii) the Outside Date.

1.1.11. "**Construction Schedule**" means that certain schedule for construction of the Initial Improvements approved by the Chief Real Estate Officer, a copy of which is attached hereto as **Exhibit B**.

1.1.12. "**County**" means the County of Orange, a political subdivision of the State of California, and shall include its Board of Supervisors, its elected and appointed officials, officers, agents, employees, and contractors.

1.1.13. "**County Parties**" means the County and County's Affiliates, agents, employees, members, officers, directors and attorneys.

1.1.14. "**County's Fee Interest**" means all of County's interest in the Property, the Premises, this Lease and County's reversionary interest in the Premises and Improvements.

1.1.15. "**Effective Date**" means the date that this Lease commences and is defined in the introductory paragraph to this Lease.

1.1.16. "**Event of Default**" is defined in Section 11.1 below.

1.1.17. "**Excluded Financing**" shall mean:

(a) Any Financing Event that occurs in connection with a simultaneous Tenant Ownership Change; or

(b) With respect to a Financing Event secured by Ownership Interests, any Financing Event, the foreclosure of the security interests of which would not result in an Aggregate Transfer.

1.1.18. "**Excluded Transfer**" shall mean any of the following:

(a) A transfer by any direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant's ownership structure) as of the Effective Date or the date on which a Tenant Ownership Change occurred as to the interest transferred, to any other direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant's ownership structure) as of the Effective Date, including in each case to or from a trust for the benefit of the immediate family of any direct or indirect partner or member of Tenant who is an individual;

(b) A transfer to a spouse in connection with a property settlement agreement or decree of dissolution of marriage or legal separation;

(c) A transfer of ownership interests in Tenant or in constituent entities of Tenant (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor's spouse, children, parents, siblings, and grandchildren); (ii) to a trust for the benefit of a member of the immediate family of the transferor; (iii) from such a trust or any trust that is an owner in a constituent entity of Tenant as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this subsection is the result of gift, devise, intestate succession, or

operation of law; or (iv) in connection with a pledge by any partners or members of a constituent entity of Tenant to an affiliate of such partner or member;

(d) A transfer of a beneficial interest resulting from public trading in the stock or securities of an entity, when such entity is a corporation or other entity whose stock and/or securities is/are traded publicly on a national stock exchange or traded in the over-the-counter market and the price for which is regularly quoted in recognized national quotation services;

(e) A mere change in the form, method, or status of ownership (including, without limitation, the creation of single-purpose entities) as long as the ultimate beneficial ownership remains the same as of the Effective Date, or is otherwise excluded in accordance with subsections (i) – (iv) above; or

(f) Any assignment of the Lease by Tenant to an Affiliate of Tenant in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

1.1.19. "**Extension Term(s)**" is defined in Section 2.2.2.

1.1.20. "**Financing Event**" shall mean any financing or refinancing consummated by Tenant or by the holders of Ownership Interests that is not an Excluded Financing, whether with private or institutional investors or lenders, when such financing or refinancing results in any grant, pledge, assignment, transfer, mortgage, hypothecation, grant of security interest, or other encumbrance, of or in all or any portion of (A) the leasehold interest of Tenant's or (B) Ownership Interests.

1.1.21. "**Force Majeure Event**" is defined in Article XIV below.

1.1.22. "**Hazardous Material(s)**" is defined in Section 4.5.1 below.

1.1.23. "**Improvements**" means and includes all buildings (including above-ground and below ground portions thereof, and all foundations and supports), building systems and equipment (such as HVAC, electrical and plumbing equipment), physical structures, fixtures, hardscape, paving, curbs, gutters, sidewalks, fences, landscaping and all other improvements of any type or nature whatsoever now or hereafter made or constructed on the Premises. The term Improvements means the Initial Improvements and any replacement improvements constructed in accordance with the terms of this Lease.

1.1.24. "**includes**" means "includes but is not limited to" and "**including**" means "including but is not limited to."

1.1.25. "**Initial Improvements**" means the improvements first constructed by Tenant on the Premises at its sole cost and expense as shown on Exhibit D attached hereto and incorporated herein.

1.1.26. "**Institutional Lender**" shall mean: (a) a bank, savings bank, investment bank, savings and loan association, mortgage company, insurance company, trust company,

commercial credit corporation, real estate investment trust, pension trust or real estate mortgage investment conduit; or (b) some other type of lender engaged in the business of making commercial loans, provided that such other type of lender has total assets of at least \$2,000,000,000 and capital/statutory surplus or shareholder's equity of at least \$500,000,000 (or a substantially similar financial capacity if the foregoing tests are not applicable to such type of lender). Institutional Lender shall not include any so-called "sovereign wealth funds," unless otherwise approved by County in its sole discretion.

1.1.27. **"Interest Rate"** means the highest rate of interest permissible under the Laws not to exceed the rate of twelve percent (12%) per annum.

1.1.28. **"Laws"** means all laws, codes, ordinances, statutes, orders and regulations now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity that are binding on and applicable to the Premises and Improvements.

1.1.29. **"Lease"** means this Ground Lease (including any and all addenda, amendments and exhibits hereto), as now or hereafter amended.

1.1.30. **"Lease Year"** means each and every period of twelve (12) consecutive months commencing upon the Effective Date and each and every subsequent anniversary thereof.

1.1.31. **"Leasehold Foreclosure Transferee"** is defined in Section 16.1.2 below.

1.1.32. **"Leasehold Mortgage"** is defined in Section 16.1.3 below.

1.1.33. **"Leasehold Mortgagee"** is defined in Section 16.1.4 below.

1.1.34. **"New Lease"** is defined in Section 16.7.1.

1.1.35. **"Operating Costs"** shall have the meaning set forth in Section 3.5.5.

1.1.36. **"Permitted Transfer"** shall have the meaning set forth in Section 10.3.

1.1.37. **"Permitted Transferee"** shall have the meaning set forth in Section 10.3.

1.1.38. **"Person"** includes firms, associations, partnerships, joint ventures, trusts, corporations and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

1.1.39. **"Premises"** means that certain real property containing approximately 2.10 acres with an address of 265 South Anita Drive in the City, together with all easements, rights and privileges appurtenant thereto, to be leased to Tenant pursuant to this Lease and on which Tenant intends to construct the Improvements. The legal description of the Premises is attached hereto as Exhibit A. A rendering showing the approximate boundaries of the Premises is attached hereto as Exhibit A-1.

1.1.40. **"Primary Term"** is defined in Section 2.2.1.

1.1.41. "**Project**" means the design and construction of the Be Well OC Behavioral Health Services campus located on the Premises.

1.1.42. "**Risk Manager**" means the Manager of County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.43. "**Specifications**" means those certain specifications for the Initial Improvements, prepared by the architect of record for the Initial Improvements, and referenced on **Exhibit E** attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.44. "**Sublease**" has the meaning set forth in Section 10.7.

1.1.45. "**Sublessees**" has the meaning set forth in Section 10.7.

1.1.46. "**Taxes**" has the meaning set forth in Section 3.5.2.

1.1.47. "**Tenant Ownership Change**" means (a) any transfer by Tenant of the Leasehold Estate or (b) any transaction or series of related transactions that constitute an Aggregate Transfer of twenty five percent (25%) or more of the Beneficial Residual Interests in Tenant, in each case that is not an Excluded Transfer. Any transfer of an Ownership Interest owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies, or trusts shall be treated as a transfer of the Beneficial Residual Interests, the owners of which directly or indirectly own such Ownership Interest.

1.1.48. "**Term**" means the full term of this Lease including the Primary Term and any Extension Term(s).

1.1.49. "**Transfer**" has the meaning set forth in Section 10.1.1.

1.1.50. "**Transfer Notice**" has the meaning set forth in Section 10.4.

1.1.51. "**Utility Costs**" has the meaning set forth in Section 3.5.6.

1.1.52. "**Work**" means Tenant's construction activity with respect to the Improvements, including permitted future changes, alterations and renovations thereto and also including, without limiting the generality of the foregoing, site preparation, landscaping, installation of utilities, street construction or improvement and grading or filling in or on the Premises.

ARTICLE II

LEASE OF PROPERTY

2.1 **Lease of Premises**. County hereby leases the Premises to Tenant for the Term, and Tenant hereby leases the Premises from County for the Term, subject to the terms and conditions of this Lease.

2.2 **Term.**

2.2.1. **Primary Term.** The "**Primary Term**" of this Lease shall be sixty (60) years and shall commence on the Effective Date of this Lease, and shall expire at 12:00 midnight Pacific Time on June 4, 2079, unless sooner terminated as a result of non-compliance with any term or condition of this Lease as hereinafter provided.

2.2.2. **Option to Extend Primary Term.** Provided that no Event of Default has occurred and remains uncured, Tenant shall have the option to extend the Primary Term of this Lease under the same terms, covenants and conditions, for three (3) additional, consecutive terms of ten (10) years each ("**Extension Term(s)**"). Tenant shall exercise each Extension Term by providing the Chief Real Estate Officer with written notice of its election to extend the Primary Term, together with the declared term of such Extension Term, a minimum of thirty (30) days prior to the expiration of the Lease term then in effect. The accumulation of the Primary Term and Extension Term(s) is hereinafter referred to as the "**Term.**"

2.3 **Access and Common Areas.** The Tenant's use of the Premises hereunder also may include the non-exclusive, in common, use of County's driveways for vehicle ingress and egress, pedestrian walkways, and common areas appurtenant to Tenant's Premises created by this Lease, but only as such areas may be identified from time-to-time in writing by the Chief Real Estate Officer.

2.4 **Termination at End of Term.** This Lease shall terminate without need of further actions of any Party at 12:00 midnight Pacific Time on the last day of the Term (as extended pursuant hereto).

2.5 **Condition of the Premises.** TENANT HEREBY ACCEPTS THE PREMISES "AS IS", AND ACKNOWLEDGES THAT THE PREMISES IS IN SATISFACTORY CONDITION. COUNTY MAKES NO WARRANTY, IMPLIED OR OTHERWISE, AS TO THE SUITABILITY OF THE PREMISES FOR TENANT'S PROPOSED USES. COUNTY MAKES NO COVENANTS OR WARRANTIES, IMPLIED OR OTHERWISE, RESPECTING THE CONDITION OF THE SOIL, SUBSOIL, OR ANY OTHER CONDITIONS OF THE PREMISES OR THE PRESENCE OF HAZARDOUS MATERIALS, NOR DOES COUNTY COVENANT OR WARRANT, IMPLIED OR OTHERWISE, AS TO THE SUITABILITY OF THE PREMISES FOR THE PROPOSED DEVELOPMENT, CONSTRUCTION OR USE BY TENANT. COUNTY SHALL NOT BE RESPONSIBLE FOR ANY LAND SUBSIDENCE, SLIPPAGE, SOIL INSTABILITY OR DAMAGE RESULTING THEREFROM. COUNTY SHALL NOT BE REQUIRED OR OBLIGATED TO MAKE ANY CHANGES, ALTERATIONS, ADDITIONS, IMPROVEMENTS OR REPAIRS TO THE PREMISES. TENANT SHALL RELY ON ITS OWN INSPECTION AS TO THE SUITABILITY OF THE PREMISES FOR THE INTENDED USE.

TENANT INITIALS:







2.6 **Limitations of the Leasehold.** This Lease and the rights and privileges granted Tenant in and to the Premises are subject to all covenants, conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to Tenant of rights in the Premises which exceed those owned

by County, or any representation or warranty, either express or implied, relating to the nature or condition of the Premises or County's interest therein.

2.7 **Tenant's Investigation.** Tenant acknowledges that it is solely responsible for investigating the Premises to determine the suitability thereof for the uses contemplated by Tenant. Tenant further acknowledges by executing this Lease that it completed its investigations of the Premises prior to the execution of this Lease and has made such determinations as Tenant believes may be required under the circumstances.

ARTICLE III RENT

3.1 **Rent.** In consideration of the public benefit afforded by the Project and Tenant's operation on the Premises, the annual rent shall be one dollar (\$1.00) ("**Annual Rent**").

3.2 **Payment of Rent.**

3.2.1. **Annual Rent Generally.** Annual Rent shall be prepaid to County concurrent with the execution of this Lease for the Primary Term.

3.3 **Triple Net Rent.** It is the intent of the parties that all Rent shall be absolutely net to County and that, except as otherwise provided herein, Tenant will pay all costs, charges, insurance premiums, taxes, utilities, expenses and assessments of every kind and nature incurred for, against or in connection with the Premises which arise or become due during the Term or any extension thereof as a result of Tenant's use and occupancy of the Premises. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall County be obligated or required to make any payment of any kind whatsoever or be under any other obligation or liability under this Lease except as expressly provided herein.

3.4 **Insufficient Funds.** If any payment of Rent or other fees made by check is returned due to insufficient funds, or otherwise, more than once during the Term, County shall have the right to require Tenant to make all subsequent Rent payments by cashier's check, certified check or ACH automatic debit system. All Rent shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by Tenant or receipt by County of a lesser amount than the Rent due shall be deemed to be other than on account of the Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and County shall accept such check or payment without prejudice to County's right to recover the balance of said Rent or pursue any other remedy in this Lease.

3.5 **Additional Rent.**

3.5.1. **Additional Rent.** During the Term, Operating Costs and Utility Costs, (as defined below), taxes (including but not limited to Real Estate Taxes and Equipment Taxes, as defined below), expenses, and obligations of every kind relating to the Premises shall be paid or discharged by Tenant as additional rent ("**Additional Rent**"). Tenant may pay, under protest, any

impositions, and/or contest and defend against same. Any imposition rebates shall belong to Tenant.

3.5.2. **Taxes.** During the Term, Tenant shall pay directly to the taxing authorities all Taxes (as herein defined) at least ten (10) days prior to delinquency thereof. For purposes hereof, "**Taxes**" shall include any form of assessment, license fee, license tax, business license fee, commercial rental tax, levy, penalty, sewer use fee, real property tax, charge, possessory interest tax, tax or similar imposition (other than inheritance or estate taxes), imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage, flood control, water pollution control, public transit or other special County thereof, as against any legal or equitable interest of County in the Premises or any payments in lieu of taxes required to be made by County, including, but not limited to, the following:

(a) Any assessment, tax, fee, levy, improvement County tax, charge or similar imposition in substitution, partially or totally, of any assessment, tax, fee, levy, charge or similar imposition previously included within the definition of Taxes. It is the intention of Tenant and County that all such new and increased assessments, taxes, fees, levies, charges and similar impositions be included within the definition of "**Taxes**" for the purpose of this Lease.

(b) Any assessment, tax, fee, levy, charge or similar imposition allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the city, county, state or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;

(c) Any assessment, tax, fee, levy, charge or similar imposition upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises, including any possessory interest tax levied on the Tenant's interest under this Lease;

(d) Any assessment, tax, fee, levy, charge or similar imposition by any governmental agency related to any transportation plan, fund or system instituted within the geographic area of which the Premises are a part.

The definition of "**Taxes**," including any additional tax the nature of which was previously included within the definition of Taxes, shall include any increases in such taxes, levies, charges or assessments occasioned by increases in tax rates or increases in assessed valuations, whether occurring as a result of a sale or otherwise.

3.5.3. **Contest of Taxes.** Tenant shall have the right to contest, oppose or object to the amount or validity of any Taxes or other charge levied on or assessed against the Premises and/or Improvements or any part thereof; provided, however, that the contest, opposition or objection must be filed before the Taxes or other charge at which it is directed becomes delinquent. Furthermore, no such contest, opposition or objection shall be continued or maintained after the date the tax, assessment or other charge at which it is directed becomes delinquent unless Tenant

has either: (i) paid such tax, assessment or other charge under protest prior to its becoming delinquent; or (ii) obtained and maintained a stay of all proceedings for enforcement and collection of the tax, assessment or other charge by posting such bond or other matter required by law for such a stay; or (iii) delivered to County a good and sufficient undertaking in an amount specified by County and issued by a bonding corporation authorized to issue undertakings in California conditioned on the payment by Tenant of the tax, assessments or charge, together with any fines, interest, penalties, costs and expenses that may have accrued or been imposed thereon within thirty (30) days after final determination of Tenant's contest, opposition or objection to such tax, assessment or other charge.

3.5.4. **Payment by County.** Should Tenant fail to pay any Taxes required by this Article III to be paid by Tenant within the time specified herein, and if such amount is not paid by Tenant within ten (10) days after receipt of County's written notice advising Tenant of such nonpayment, County may, without further notice to or demand on Tenant, pay, discharge or adjust such tax, assessment or other charge for the benefit of Tenant. In such event Tenant shall promptly on written demand of County reimburse County for the full amount paid by County in paying, discharging or adjusting such tax, assessment or other charge, together with interest at the Interest Rate from the date advanced until the date repaid.

3.5.5. **Operating Costs.** Tenant shall pay all Operating Costs during the Term prior to delinquency. As used in this Lease, the term "**Operating Costs**" shall mean all charges, costs and expenses related to the Premises, including, but not limited to, management, operation, maintenance, overhaul, improvement or repair of the Improvements and/or the Premises.

3.5.6. **Utility Costs.** Tenant shall pay all Utility Costs during the Term prior to delinquency. As used in this Lease, the term "**Utility Costs**" shall include all charges, surcharges and other costs of installing and using all utilities required for or utilized in connection with the Premises and/or the Premises or the Improvements, including without limitation, costs of heating, ventilation and air conditioning for the Premises, costs of furnishing gas, electricity and other fuels or power sources to the Premises, and the costs of furnishing water and sewer services to the Premises.

ARTICLE IV

USE OF PREMISES

4.1 **Permitted Use of Premises.** Tenant may use the Premises for the construction, development, entitlement, operation, maintenance, replacement and repair of the Improvements permitted hereunder. Tenant agrees not to use the Premises for any other purpose nor to engage in or permit any other activity within or from the Premises, except as set forth herein with the prior written approval of the Chief Real Estate Officer, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer.

4.2 Required and Optional Facilities and Services.

4.2.1. **Required Services and Uses.** County's primary purpose for entering into this Lease is to promote the development of the Improvements consistent with this Lease. In furtherance of that purpose, Tenant shall construct and during the entire Term operate and maintain

the Improvements in a manner consistent with the Laws and for one or more of the following uses (the "**Permitted Uses**");

- (a) Be Well OC Behavioral Health Services campus;
- (b) Wellness and Social Services;
- (c) Crisis Stabilization Unit;
- (d) Substance Use Disorder Intake and Referral
- (e) Withdrawal Management
- (f) Crisis Residential
- (g) Substance Use Disorder and Co-Occurring Residential Treatment;

and/or

(h) other uses which are in compliance with applicable Laws and approved by the Chief Real Estate Officer in writing from time to time.

4.2.2. Ancillary Services and Uses. Subject to the prior written approval of Chief Real Estate Officer, Tenant may provide those additional services and uses which are ancillary to and compatible with the required services and uses herein.

4.2.3. Additional Services. Tenant may establish, maintain, and operate such other additional services as Tenant and Chief Real Estate Officer may jointly from time to time determine to be reasonably necessary for the use of the Premises and which are otherwise permitted by Law.

4.2.4. Restricted Use. The services and uses listed in this Article IV, both required and optional, shall be the only services and uses permitted. Tenant agrees not to use the Premises for any other purpose or engage in or permit any other activity within or from the Premises except as approved in writing by the Chief Real Estate Officer as set forth herein, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer.

4.2.5. Continuous Use. During the Term, Tenant shall continuously conduct Tenant's business in the Premises in the manner provided under this Lease and shall not discontinue use of the Premises for any period of time except as permitted in advance and in writing by the Chief Real Estate Officer.

4.2.6. Alcohol Restrictions. Tenant may not sell beer, wine or alcoholic beverages on the Premises.

4.2.7. Permits and Licenses. Tenant shall be solely responsible to obtain, at its sole cost and expense, any and all permits, licenses or other approvals required for the uses permitted herein and shall maintain such permits, licenses or other approvals for the entire Term.

4.3 **Nuisance; Waste.** Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Premises and Improvements or any part thereof. Tenant shall not commit or allow to be committed any waste in or upon the Premises or Improvements and shall keep the Premises and the Improvements thereon in good condition, repair and appearance.

4.4 **Compliance with Laws.** Tenant shall not use or permit the Premises or the Improvements or any portion thereof to be used in any manner or for any purpose that violates any applicable Laws in any material respect. Tenant shall have the right to contest, in good faith, any such Laws, and to delay compliance with such Laws during the pendency of such contest (so long as there is no material threat to life, health or safety that is not mitigated by Tenant to the satisfaction of the applicable authorities). County shall cooperate with Tenant in all reasonable respects in such contest, including joining with Tenant in any such contest if County's joinder is required in order to maintain such contest; provide, however, that any such contest shall be without cost to County, and Tenant shall indemnify, defend and protect the Premises and County from Tenant's failure to observe or comply with the contested Law during the pendency of the contest.

4.5 **Hazardous Materials.**

4.5.1. **Definition of Hazardous Materials.** For purposes of this Lease, the term "**Hazardous Material**" or "**Hazardous Materials**" shall mean any hazardous or toxic substance, material, product, byproduct, or waste, which is or shall become regulated by any governmental entity, including, without limitation, the County acting in its governmental capacity, the State of California or the United States government.

4.5.2. **Use of Hazardous Materials.** Except for those Hazardous Materials which are customarily used in connection with any permitted use of the Premises and Improvements under this Lease (which Hazardous Materials shall be used in compliance with all applicable Laws), Tenant or Tenant's employees, agents, independent contractors or invitees (collectively "**Tenant Parties**") shall not cause or permit any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about the Premises (which for purposes of this Section shall include the subsurface soil and ground water).

4.5.3. **Indemnification for Hazardous Materials.**

(a) Tenant agrees to include in any and all subleases: "To the fullest extent permitted by law, sublessee hereby agrees to indemnify, hold harmless, protect and defend the County (with attorneys acceptable to County), its Board, elected officials, officers, employees, agents, independent contractors, and the Premises, from and against any and all liabilities, losses, damages (including, but not limited, damages for the loss or restriction on use of rentable or usable space or any amenity of the Premises or damages arising from any adverse impact on marketing and diminution in the value of the Premises), judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including, but not limited to, reasonable attorneys' fees, disbursements and court costs and all other professional or consultant's expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or off-site disposal or transportation of

Hazardous Materials on, into, from, under or about the Premises by sublessee or sublessee parties.”

(b) Tenant hereby agrees to indemnify, hold harmless, protect and defend the County (with attorneys acceptable to County), its Board, elected officials, officers, and employees from and against any and all liabilities, losses, damages, judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses, arising out of the Tenant’s use, generation, storage or release of Hazardous Materials in Tenant’s operations on the Premises.

4.6 **Access by County.** County reserves the right for County and County's authorized representatives to enter the Premises at any reasonable time during business hours, in order to (i) determine whether Tenant is complying with Tenant's obligations hereunder, or (ii) enforce any rights given to County under this Lease. County shall take all necessary measures not to unreasonably interfere with Tenant's or any subtenant's business at the Premises in exercising its rights under this Section.

ARTICLE V

CONSTRUCTION OF IMPROVEMENTS

5.1 Construction of Improvements.

5.1.1. **Initial Improvements.** Tenant shall construct the Initial Improvements in a good and workmanlike matter, in substantial accordance with the Construction Contract, Construction Drawings, Specifications, Construction Schedule, Construction Budget (as such documents may be revised from time to time in accordance with this Lease) and all required permits and all applicable Laws.

5.1.2. **Changes to Construction Documents.** Tenant shall not make any material changes to the Construction Drawings, Specifications, Construction Schedule, Construction Budget, the contracts with the Construction and Architect (collectively, the "Construction Documents") without the prior written approval of the Chief Real Estate Officer. All requests for approval of changes to the Construction Documents shall be submitted by Tenant to the Chief Real Estate Officer together with a reasonably detailed explanation of the reasons for the requested change and any impact that such change may have on the Construction Budget and/or Construction Schedule, if any. If the Chief Real Estate Officer approves the requested change, then Tenant shall provide the Chief Real Estate Officer with a copy of the approved revised Construction Documents and the Tenant shall be obligated to complete the Work in accordance with such revised Construction Documents.

5.1.3. **Construction Schedule.** Tenant shall use commercially reasonable efforts to (i) commence construction of the Initial Improvements on or before a date to be established by mutual agreement with the County and Tenant, and (ii) substantially complete construction of the Initial Improvements, as evidenced by issuance of Certificates of Occupancy for all buildings included in the Initial Improvements, on or before a date to be established by mutual agreement with the County and Tenant. Following commencement of construction of the Initial Improvements, Tenant shall diligently continue performance of the Work through completion thereof in accordance with the Construction Schedule, as same may be amended from

time to time with the prior written approval of the Chief Real Estate Officer. Tenant acknowledges that a principal inducement to County to enter into this Lease, is the timely commencement, performance and completion by Tenant of the construction of the Initial Improvements.

5.1.4. **Preconditions.** No Work for development of the Initial Improvements shall be commenced, and no building or other materials shall be delivered to the Premises, until Tenant has satisfied the following preconditions:

(a) If not previously obtained prior to the execution of this Lease, Tenant shall have received all applicable entitlements and approvals for the Project from the applicable government agencies with jurisdiction over the Premises;

(b) Written notice shall have been given by Tenant to County of the proposed commencement of construction of the Premises or the delivery of construction materials in order to permit County to take all necessary actions under California Civil Code section 3094, including posting of a notice of non-responsibility at the Premises;

(c) Tenant shall have provided to County (i) evidence that Tenant has entered into architect and construction contracts in the forms approved by Chief Real Estate Officer and with a general contractor ("**Contractor**") and architect ("**Architect**") licensed by the State of California, and who is adequately insured for the purposes of performing under this Lease, and approved by Chief Real Estate Officer, and (ii) the written agreement of the Contractor and Architect that, in the event this Lease is terminated for any reason, then at County's election, Architect and/or Contractor, as applicable, will recognize County as the assignee of the contracts with the Architect and/or Contractor, as applicable, and County may, upon such election, assume such contract with credit for payments made prior thereto; and

(d) Tenant shall have delivered to County certificates of insurance evidencing that Tenant and Contractor have acquired all the insurance that they are obligated to carry pursuant to Section 8.1.

5.1.5. **Utilities.** To the extent not already constructed, Tenant, at no cost to County, shall construct or cause to be constructed all water, gas, heat, light, power, air conditioning, telephone, and other utilities and services supplied to and/or used on the Premises at Tenant's sole cost and expense for the purposes of conducting Tenant operations thereon. All taxes, connection fees, or service fees related to Tenant's operations on the Premises shall be Tenant's responsibility and shall be paid prior to the delinquency.

5.1.6. **Construction Funding.** Prior to commencement of construction of the Initial Improvements, Tenant shall provide to County evidence reasonably satisfactory to County of funding available to Tenant that is sufficient to pay for any and all hard and soft costs to be incurred by Tenant in connection with the design and construction of the Initial Improvements, as set forth in the Construction Budget. County, through the Chief Real Estate Officer, shall have the right to approve or disapprove of Tenant's choice of Contractor and Architect for the construction of the Project. County's approval shall not be unreasonably withheld.

In addition, if a Certificate of Occupancy has not been received one (1) year prior to the Outside Date, then, as of the Outside Date, Tenant at County's written request shall cause all construction

funding to be placed in an account whereby County has equal right of access to said funds should County exercise its right to do so. If a Certificate of Occupancy has not been received on the Outside Date, subject to Force Majeure Delays, then County shall have the right, in its discretion, to assume sole and absolute control of the construction funds to effect the completion of construction, upon written notice to the Tenant and a fifteen (15) day cure period. In this event, the Tenant shall provide to County all documents and records pertaining to the construction funds, and the accounting of such funds, within three (3) business days of request by County.

5.1.7. **Compliance with Laws and Permits.** Tenant shall cause all Improvements made by Tenant to be constructed in compliance with all applicable Laws, including but not limited to all applicable grading permits, building permits, and other permits and approvals issued by governmental agencies and bodies having jurisdiction over the construction thereof. No permit, approval, or consent given hereunder by County or County, in its governmental capacity, shall affect or limit Tenant's obligations hereunder, nor shall any approvals or consents given by County, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations, or have any effect on approval rights that the County may have in its governmental capacity. Lessee acknowledges that all construction performed by or on behalf of Lessee per the terms of this Lease shall be governed by, and performed in accordance with, all Applicable Laws, including without limitation, and to the extent applicable, the California Labor Code and the provisions thereunder concerning the payment of prevailing wage, e.g. Section 1773 of the Labor Code of the State of California), and if applicable Tenant shall comply with the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid improvements or modifications. The rates are available at the following website: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm> from the Director of the State Department of Industrial Relations. Tenant shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates at all times for all improvements or modifications to be completed for County within the Premises. Tenant shall comply with the provisions of Sections 1775 and 1813 of the Labor Code.

5.1.8. **Reports.** Not less than quarterly from the commencement of construction of the Initial Improvements, Tenant shall provide County with written construction status reports in the form of AIA No. G702, augmented by oral reports if so requested by County.

5.1.9. **Certificate of Occupancy.** Tenant shall provide County with a copy of the Certificate of Occupancy of the Initial Improvements promptly following issuance thereof.

5.1.10. **Mechanic's Liens.**

(a) **Payment of Liens.** Tenant shall pay or cause to be paid the total cost and expense of all "Work of Improvement," as that phrase is defined in the California Mechanics' Lien law in effect and as amended from time to time. Tenant shall not suffer or permit to be enforced against the Premises or Improvements or any portion thereof, any mechanics', materialmen's, contractors' or subcontractors' liens arising from any work of improvement, however it may arise. Tenant may, however, in good faith and at Tenant's sole cost and expense contest the validity of any such asserted lien, claim, or demand, provided Tenant (or the Contractor

or subcontractor, as applicable) has furnished the release bond (if required by County or any construction lender) required in California Civil Code §3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises from the effect of such lien claim). In the event a lien or stop-notice is imposed upon the Premises as a result of such construction, repair, alteration, or installation, Tenant shall either:

- (1) Record a valid Release of Lien, or
- (2) Procure and record a bond in accordance with Section 3143 of the Civil Code, which releases the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien, or
- (3) Post such security or provide such alternative financial arrangements as shall be required by Tenant's title insurer to insure over such lien or stop-notice, or
- (4) Should Tenant fail to accomplish either of the three optional actions above within 30 days after Tenant receives notice of the filing of such a lien or stop-notice, it shall constitute an Event of Default hereunder.

(b) **Indemnification.** Tenant shall at all times indemnify, defend with counsel approved in writing by County and save County harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and from the cost of defending against such claims, including attorney fees and costs.

(c) **Protection against Liens.** County shall have the right to post and maintain on the Premises any notices of non-responsibility provided for under applicable California law. During the course of construction, Tenant shall obtain customary mechanics' lien waivers and releases. Upon completion of the construction of any Improvements, Tenant shall record a notice of completion in accordance with applicable law. Promptly after the Improvements have been completed, Tenant shall (or shall cause Contractor to) record a notice of completion as defined and provided for in California Civil Code Section 3093.

(d) **County's Rights.** If Tenant (or the Contractor or subcontractor, as applicable) does not cause to be recorded the bond described in California Civil Code §3143 or otherwise protect the Premises and Improvements under any alternative or successor statute, and a final judgment has been rendered against Tenant by a court of competent jurisdiction for the foreclosure of a mechanic's, materialman's, contractor's or subcontractor's lien claim, and if Tenant fails to stay the execution of judgment by lawful means or to pay the judgment, County shall have the right, but not the duty to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both. Upon any such payment by County, Tenant shall immediately upon receipt of written request therefor by County, reimburse County for all sums paid by County under this paragraph together with all County's reasonable attorney's fees and costs, plus interest at the Interest Rate from the date of payment until the date of reimbursement.

5.1.11. **No Responsibility.** Any approvals by County with respect to any Improvements shall not make County responsible for the Improvement with respect to which

approval is given, or the construction thereof. Tenant shall indemnify, defend and hold County harmless from and against all liability and all claims of liability (including, without limitation, reasonable attorneys' fees and costs) arising during the term of this Lease for damage or injury to persons or property or for death of persons arising from or in connection with such Improvement or construction.

5.1.12. **Outside Date.** If Tenant fails to comply with its obligations under this Section 5.1.3 including, without limitation, commencing and completing the Work of the Initial Improvements by June 5, 2024, subject to Force Majeure Delays, then such failure shall be deemed an Event of Default.

5.2 **Ownership of Improvements.**

5.2.1. **During Term.** Title to all Improvements constructed or placed on the Premises by Tenant and paid for by Tenant are and shall be vested in Tenant during the entire Term of this Lease, until the expiration or earlier termination thereof. The Parties agree for themselves and all persons claiming under them that the Improvements are real property.

5.2.2. **Upon Expiration of Term.** All Improvements on the Premises at the expiration or earlier termination of the Term of this Lease shall, without additional payment to Tenant, then become County's property free and clear of all claims to or against them by Tenant and free and clear of all Leasehold Mortgages and any other liens and claims arising from Tenant's use and occupancy of the Premises, and with Taxes paid current as of the expiration or termination date. Tenant shall upon the expiration or earlier termination of the Term deliver possession of the Premises and the Improvements to County in a well-maintained condition consistent with the requirements of this Lease, taking into account reasonable wear and tear and the age of the Improvements.

5.3 **"AS-BUILT" Plans.** Within sixty (60) days following completion of any substantial improvement within the Premises, Tenant shall furnish the Chief Real Estate Officer a complete set of reproducibles and two sets of prints of "As-Built" plans and a magnetic tape, disk or other storage device containing the "As-Built" plans in a form usable by County, to County's satisfaction, on County's computer aided mapping and design ("CAD") equipment. CAD files are also to be converted to Acrobat Reader (*.pdf format), which shall be included on the disk or CD ROM. In addition, Tenant shall furnish Chief Real Estate Officer copy of the final construction costs for the construction of such improvements.

ARTICLE VI

REPAIRS, MAINTENANCE, ADDITIONS AND RECONSTRUCTION

6.1 **Maintenance by Tenant.** Throughout the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises and any and all Improvements now or hereafter constructed and installed on the Premises in good order, condition and repair (*i.e.*, so that the Premises does not deteriorate more quickly than its age and reasonable wear and tear would otherwise dictate) and in a safe and sanitary condition and in compliance with all applicable Laws in all material respects.

6.2 Interior Improvements, Additions and Reconstruction of Improvements.

Following completion of construction of the Initial Improvements, Tenant shall not commence construction of any work or series of works on the Improvements, without the prior written approval of the Chief Real Estate Officer. Tenant shall provide the Chief Real Estate Officer with written notice of all such intended work, which notice shall include copies of (I) all required permits, (II) architectural, engineering and landscaping drawings for such work, (III) Tenant's contracts with its general contractor and architect for such work, (IV) Tenant's budget for such work, (V) the construction schedule for such work, and (VI) such other documentation and information regarding such intended work as the Chief Real Estate Officer may reasonably request. Notwithstanding the foregoing, following the completion of construction of the Initial Improvements, Tenant shall have the right from time to time, without the Chief Real Estate Officer's prior written consent, to perform the following alterations or renovations to the Improvements ("**Permitted Alterations**"): (i) to make any interior improvements to the Improvements required for tenant improvements under any approved Sublease to the extent same are consistent with the Permitted Uses; and (ii) following any damage to or destruction of the Improvements, to restore and reconstruct the Improvements (interior and exterior) in accordance with the Construction Drawings (whether or not required to do so under Article VII). Tenant shall perform all work authorized by the Chief Real Estate Officer pursuant to this Section at its sole cost and expense and in compliance with all applicable Laws in all material respects.

6.3 All Other Construction, Demolition, Alterations, Improvements and Reconstruction. Following the completion of construction of the Initial Improvements, and except as specified in Sections 6.1 and 6.2, any construction, alterations, additions, repairs, maintenance, demolition, improvements or reconstruction of any kind shall require the prior written consent of the County, which consent shall not be unreasonably conditioned, delayed or withheld and may require Board of Supervisors approval. Tenant shall perform all work authorized by this Section at its sole cost and expense and in compliance with all applicable Laws in all material respects.

6.4 Requirements of Governmental Agencies. At all times during the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall: (i) make all alterations, improvements, demolitions, additions or repairs to the Premises and/or the Improvements required to be made by any law, ordinance, statute, order or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity; (ii) observe and comply in all material respects with all Laws now or hereafter made or issued respecting the Premises and/or the Improvements (subject to Tenant's right to contest such Laws in accordance with Section 4.4); (iv) indemnify, defend and hold County and County, the Premises and the Improvements free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Tenant's failure to comply with and perform the requirements of this Article VI.

6.5 County Obligations. Tenant specifically acknowledges and agrees that County shall not have any obligations with respect to the maintenance, alteration, improvement, demolition, addition or repair of any Improvements, except only as specifically provided in this Lease to the contrary.

6.6 Accessibility Disclosure. In compliance with its disclosure obligations under Section 1938 of the California Civil Code, County hereby notifies Tenant that, as of the Effective

Date, the Property has not been inspected by a Certified Access Specialist (as referred to in Section 1938 of the California Civil Code). As such, County hereby advises Tenant as follows:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

If Tenant elects to have a Certified Access Specialist ("**CASp**") inspect the Property, then Tenant shall: (a) provide County with prior written notice of such election and mutually agree with County on the arrangements for the time and manner of the CASp inspection, (b) promptly give County a copy of the resulting report (the "**CASp Report**") upon receipt, (c) be responsible, at its sole cost and expense, for the cost of the CASp Report and for completing any repairs or modifications that are necessary to correct violations of construction-related accessibility standards noted in the CASp Report and any additional work necessitated thereby (all of which Tenant shall complete as expeditiously as possible following the issuance of the CASp Report and in compliance with this Lease (including without limitation Section 5), unless County elects at its option to perform such work at Tenant's expense), and (d) not disclose and cause its partners, members, officers, directors, managers, shareholders, employees, agents, brokers and attorneys to not disclose the CASp Report to any person other than County (and except as necessary for Tenant to complete the repairs and corrections of violations noted in the CASp Report) without first obtaining the prior written consent of County. Tenant's obligation to indemnify County, County, and the County Parties under Section 8.2 above shall apply equally to Claims arising out of any CASp investigation initiated by Lessee, including as a result of any violations discovered thereby.

ARTICLE VII

DAMAGE AND RESTORATION

7.1 **Damage and Restoration.** In the event the whole or any part of the Improvements shall be damaged or destroyed by fire or other casualty, damage or action of the elements which is covered by insurance required to be carried by Tenant pursuant to this Lease or in fact caused by Tenant, at any time during the Term, Tenant shall with all due diligence, at Tenant's sole cost and expense, repair, restore and rebuild the Improvements on substantially the same plan and design as existed immediately prior to such damage or destruction and to substantially the same condition that existed immediately prior to such damage, with any changes made by Tenant to comply with then applicable Laws and with any upgrades or improvements that Tenant may determine in its reasonable discretion. If Tenant desires to change the use of the Premises following such casualty, then Tenant may make appropriate changes to the Premises to

accommodate such changed use after approval of such change of use by the County pursuant to Article IV above. This Article shall not apply to cosmetic damage or alterations.

7.2 **Restoration.** In the event of any restoration or reconstruction pursuant to this Section, all such work performed by Tenant shall be constructed in a good and workmanlike manner according to and in conformance with the laws, rules and regulations of all governmental bodies and agencies and the requirements of this Lease applicable to the construction of the Initial Improvements.

7.3 **Application of Insurance Proceeds.** If following the occurrence of damage or destruction to the Premises or Improvements, Tenant is obligated to or otherwise elects to restore the Premises and Improvements pursuant to this Article VII, then all proceeds from the insurance required to be maintained by Tenant on the Premises and the Improvements shall be applied to fully restore the same, and any excess proceeds shall be paid to Tenant and any deficit in necessary funds plus the amount of any deductible shall be paid by Tenant. If the insurance proceeds are insufficient to pay all costs to fully restore the Improvements, Tenant shall pay the deficiency and shall nevertheless proceed to complete the restoration of the Improvements and pay the cost thereof. Upon lien free completion of the restoration, any balance of the insurance proceeds remaining over and above the cost of such restoration shall be paid to Tenant.

7.4 **Exclusive Remedies.** Notwithstanding any destruction or damage to the Premises and/or the Improvements, Tenant shall not be released from any of its obligations under this Lease, except to the extent and upon the conditions expressly stated in this Article VII. County and Tenant hereby expressly waive the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any damage or destruction of the Premises and/or the Improvements and agree that their rights shall be exclusively governed by the provisions of this Article VII.

ARTICLE VIII

INSURANCE AND INDEMNITY

8.1 Tenant's Required Insurance.

8.1.1. Tenant agrees to purchase, or require subtenants to purchase, all required insurance at Tenant's expense and to deposit with Chief Real Estate Officer certificates of insurance, including all endorsements required herein, necessary to satisfy Chief Real Estate Officer that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with Chief Real Estate Officer during the entire term of this Lease. It shall constitute an Event of Default hereunder if Tenant's insurance coverage is terminated and not reinstated within ten (10) business days after notice from County of such termination.

8.1.2. Tenant agrees that it shall not operate on the Premises at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of Chief Real Estate Officer; rent however shall not be suspended. In no cases shall assurances by Tenant, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Chief Real Estate Officer will only accept valid certificates of insurance and endorsements, or in

the interim, an insurance binder as adequate evidence of insurance. Tenant also agrees that upon cancellation, termination, or expiration of Tenant's insurance, Chief Real Estate Officer may take whatever steps are necessary to interrupt any operation from or on the Premises until such time as the Chief Real Estate Officer reinstates the Lease.

8.1.3. If Tenant fails to provide Chief Real Estate Officer with a valid certificate of insurance and endorsements, or binder at any time during the term of the Lease, County and Tenant agree that this shall constitute a material breach of the Lease. Whether or not a notice of default has or has not been sent to Tenant, said material breach shall permit Chief Real Estate Officer to take whatever steps are necessary to interrupt any operation from or on the Premises, and to prevent any persons, including, but not limited to, members of the general public, and Tenant's employees and agents, from entering the Premises until such time as the Chief Real Estate Officer is provided with adequate evidence of insurance required herein. Tenant further agrees to hold County harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from Chief Real Estate Officer's action.

8.1.4. All contractors and subcontractors performing work on behalf of Tenant pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for Tenant and limits of insurance as described in Section 8.1.6 (e), Section 8.1.6 (f) and Section 8.1.6 (g). Tenant shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by County from the Tenant under this Lease. It is the obligation of the Tenant to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by Tenant through the entirety of this Lease and be available for inspection by Chief Real Estate Officer at any reasonable time.

8.1.5. All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Tenant's current audited financial report. If Tenant's SIR is approved, Tenant, in addition to, and without limitation of, any other indemnity provision(s) in this Lease, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Tenant's, its agents, employee's or subcontractor's performance of this Lease, Tenant shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Tenant's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Tenant's SIR provision shall be interpreted as though the Tenant was an insurer and the County was the insured.

If the Tenant fails to maintain insurance acceptable to the COUNTY for the full term of this Lease, the COUNTY may terminate this Lease

8.1.6. All policies of insurance required under this Article VIII must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer must be licensed to do business in the state of California.

(a) If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the carrier's performance and financial ratings.

(b) If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

(c) The policy or policies of insurance maintained by the **TENANT DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Builder's Risk (during the Construction Period) naming retained General Contractor	Project value and no coinsurance provision.
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence

(d) The policy or policies of insurance maintained by the **TENANT AFTER CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Commercial General Liability Including Sexual Misconduct	\$5,000,000 per occurrence \$5,000,000 aggregate

Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all buildings, contents and any tenant improvements including Business Interruption/Loss of Rents with a 12 month limit	100% of the Replacement Cost Value and no coinsurance provision

(e) The policy or policies of insurance maintained by the **TENANT'S CONTRACTOR and ARCHITECH-ENIGNEER DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Professional Liability (all design professionals providing services in connection with construction, renovation or alteration of Improvements)	\$5,000,000 per occurrence \$5,000,000 aggregate
Commercial General Liability	\$10,000,000 per occurrence \$10,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$2,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Pollution Liability including NODS	\$2,000,000 per claims made or per occurrence
Contractor's Pollution Liability including Non-Owned Disposal Site (NODS) Coverage	\$2,000,000 per claims made or per occurrence

Contractor shall provide a construction policy providing coverage for the full project value and no coinsurance provision. The policy shall provide coverage for all perils excluding earthquake, and flood. Contractor is responsible for any deductible amount. The County of Orange shall be named

as a Loss Payee as its financial interests may appear. This shall be evidenced by a Loss Payee endorsement which shall accompany the Certificate of Insurance.

The Builder's Risk policy shall not be required to cover any tools, equipment, or supplies, unless such tools, equipment, or supplies are part of the Work being constructed. The CONTRACTOR shall be responsible for securing and maintaining appropriate insurance on any tools, equipment, or supplies that are not part of the work being constructed.

The COUNTY and the Contractor waive all rights against each other and the subcontractors, sub-subcontractors, officers, and employees of each other, and the Contractor waives all rights against COUNTY's separate contractors, if any, and their subcontractors, sub-subcontractors, officers and employees for damages caused by fire or other perils to the extent paid by the Builder's Risk insurance, except such rights as they may have to the proceeds of such insurance. The Contractor shall require of its subcontractors and sub-subcontractors by appropriate agreements, similar waivers, each in favor of all other parties enumerated in the preceding sentence

(f) The policy or policies of insurance maintained by the **TENANT'S SUB-CONTRACTOR DURING CONSTRUCTION** shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Commercial General Liability	\$3,000,000 per occurrence \$3,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Contractor's Pollution Liability including NODS (Required if involved in pollution remediation.)	\$1,000,000 per claims made or per occurrence

(g) The policy or policies of insurance maintained by the **TENANT'S CONTRACTOR AFTER CONSTRUCTION** shall provide the minimum limits and coverage as set forth below when performing maintenance and minor work after the building is in operation:

Coverages	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate

Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence

8.1.7. **Required Coverage Forms.**

(a) The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(b) The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

8.1.8. **Required Endorsements.** The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds. Blanket coverage may also be provided which will state, As Required by Lease.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the TENANT's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.
- 3) A Products and Completed Operations endorsement using ISO Form CG2037 (ed.04/13) or a form at least as broad, or an acceptable alternative is the ISO from CG2010 (ed. 11/85). (Pertains to contractors and subcontractors performing major construction). Contractors shall maintain Products and Completed Operations coverage for ten (10) years following completion of construction.

The Contractors Pollution Liability and Pollution Liability policies shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the County of Orange its elected and appointed officials, officers, employees, and agents as Additional Insureds.

- 2) A primary non-contributing endorsement evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by County shall be excess and non-contributing.

(a) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against County, its elected and appointed officials, officers, agents and employees.

(b) All insurance policies required by this Lease shall waive all rights of subrogation against County, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

(c) The Commercial Property Building policy shall include County of Orange as a Named Insured. A Certificate of Insurance shall be submitted as evidence of this requirement. The Builders' Risk policy shall be endorsed to include County as a Loss Payee. A Loss Payee endorsement shall be submitted with the Certificate of Insurance as evidence of this requirement.

(d) Tenant shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Lease, upon which the County may suspend or terminate this Lease.

(e) The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

(f) If Contractor's Pollution Liability and Pollution Liability are claims-made policies, Contractor shall agree to maintain coverage for five (5) years following completion of the construction. If Contractor's Professional Liability is a claims-made policy, Contractor shall agree to maintain coverage for ten (10) years following the completion of construction. Products and Completed Operations coverage shall be maintained for ten (10) years following the completion of construction.

(g) Insurance certificates should be forwarded to County address provided in Section 18.19 below or to an address provided by Chief Real Estate Officer. Tenant has ten (10) business days to provide adequate evidence of insurance or it shall constitute an Event of Default.

(h) County expressly retains the right to require Tenant to increase or decrease insurance of any of the above insurance types throughout the term of this Lease. Any increase or decrease in insurance will be as deemed by Chief Real Estate Officer as appropriate to adequately protect COUNTY.

(i) Chief Real Estate Officer shall notify Tenant in writing of changes in the insurance requirements consistent with subsection (h) above. If Tenant does not deposit copies of certificates of insurance and endorsements with Chief Real Estate Officer incorporating

such changes within thirty (30) days of receipt of such notice, it shall constitute an Event of Default.

(j) The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease, nor in any way to reduce the policy coverage and limits available from the insurer.

8.2 **Indemnification.** Tenant hereby releases and waives all claims and recourse against County and County, including the right of contribution for loss or damage of persons or property, arising from, growing out of or in any way connected with or related to this Lease except claims arising from the concurrent active or sole negligence of County, their respective Boards, officers, agents, and employees. Tenant hereby agrees to indemnify, defend (with counsel approved in writing by County), and hold harmless, County and County, their respective Boards, elected and appointed officials, officers, agents, employees and contractors against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property, arising out of the operation or maintenance of the property described herein, and/or Tenant's exercise of the rights under this Lease, except for liability arising out of the concurrent active or sole negligence of County or County, their respective Boards, elected and appointed officials, officers, agents, employees or contractors including the cost of defense of any lawsuit arising therefrom. If County and/or County are named as co-defendant(s) in a lawsuit, Tenant shall notify County and County of such fact and shall represent County and County in such legal action unless County and/or County undertakes to represent itself as co-defendant in such legal action, in which event, Tenant shall pay to County and/or County their respective litigation costs, expenses, and attorneys' fees. If judgment is entered against County and/or County and Tenant by a court of competent jurisdiction because of the concurrent active negligence of County and/or County and Tenant, County and Tenant agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

Tenant acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542 which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which, if known by him, must have materially affected his settlement with the debtor.

Tenant, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this paragraph.

Tenant's Initials

8.3 **Damage to Tenant's Premises.** County shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise, or other property of Tenant, of Tenant's employees, invitees, customers, or of any other person in or about the Premises or the Improvements caused by or resulting from any peril which may affect the Premises or Improvements, including fire, steam, electricity, gas, water, or rain which may leak or flow from

or into any part of the Premises or the Improvements, whether such damage or injury results from conditions arising upon the Premises or from other sources.

ARTICLE IX CONDEMNATION

9.1 Definitions.

9.1.1. **"Condemnation"** means (i) the taking or damaging, including severance damage, by eminent domain or by inverse condemnation or for any public or quasi-public use under any statute, whether by legal proceedings or otherwise, by a Condemnor (hereinafter defined), and (ii) a voluntary sale or transfer to a Condemnor, either under threat of condemnation or while condemnation legal proceedings are pending.

9.1.2. **"Date of Taking"** means the later of (i) the date actual physical possession is taken by the Condemnor; or (ii) the date on which the right to compensation and damages accrues under the law applicable to the Premises.

9.1.3. **"Award"** means all compensation, sums or anything of value awarded, paid or received for a Total Taking, a Substantial Taking or a Partial Taking (hereinafter defined), whether pursuant to judgment or by agreement or otherwise.

9.1.4. **"Condemnor"** means any public or quasi-public authority or private corporation or individual having the power of condemnation.

9.1.5. **"Total Taking"** means the taking by Condemnation of all of the Premises and all of the Improvements.

9.1.6. **"Substantial Taking"** means the taking by Condemnation of so much of the Premises or Improvements or both that one or more of the following conditions results: (i) The remainder of the Premises would not be economically and feasibly usable by Tenant; and/or (ii) A reasonable amount of reconstruction would not make the Premises and Improvements a practical improvement and reasonably suited for the uses and purposes for which the Premises were being used prior to the Condemnation; and/or (iii) The conduct of Tenant's business on the Premises would be materially and substantially prevented or impaired.

9.1.7. **"Partial Taking"** means any taking of the Premises or Improvements that is neither a Total Taking nor a Substantial Taking.

9.1.8. **"Notice of Intended Condemnation"** means any notice or notification on which a reasonably prudent person would rely and which he would interpret as expressing an existing intention of Condemnation as distinguished from a mere preliminary inquiry or proposal. It includes but is not limited to service of a Condemnation summons and complaint on a party hereto. The notice is considered to have been received when a party receives from the Condemnor a notice of intent to condemn, in writing, containing a description or map reasonably defining the extent of the Condemnation.

9.2 **Notice and Representation.**

9.2.1. **Notification.** The party receiving a notice of one or more of the kinds specified below shall promptly notify the other party of the receipt, contents and dates of such notice: (i) a Notice of Intended Condemnation; (ii) service of any legal process relating to the Condemnation of the Premises or Improvements; (iii) any notice in connection with any proceedings or negotiations with respect to such a Condemnation; (iv) any notice of an intent or willingness to make or negotiate a private purchase, sale or transfer in lieu of Condemnation.

9.2.2. **Separate Representation.** County and Tenant each have the right to represent its respective interest in each Condemnation proceeding or negotiation and to make full proof of his claims. No agreement, settlement, sale or transfer to or with the Condemnor shall be made without the consent of County and Tenant. County and Tenant shall each execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to Condemnation.

9.3 **Total or Substantial Taking.**

9.3.1. **Total Taking.** On a Total Taking, this Lease shall terminate on the Date of Taking.

9.3.2. **Substantial Taking.** If a taking is a Substantial Taking, Tenant may, by notice to County given within ninety (90) days after Tenant receives a Notice of Intended Condemnation, elect to treat the taking as a Total Taking. If Tenant does not so notify County, the taking shall be deemed a Partial Taking.

9.3.3. **Early Delivery of Possession.** Tenant may continue to occupy the Premises and Improvements until the Condemnor takes physical possession. At any time following Notice of Intended Condemnation, Tenant may in its sole discretion elect to relinquish possession of the Premises to County before the actual Taking. The election shall be made by notice declaring the election and agreeing to pay all Rent required under this Lease to the Date of Taking. Tenant's right to apportionment of or compensation from the Award shall then accrue as of the date that the Tenant relinquishes possession.

9.3.4. **Apportionment of Award.** On a Total Taking all sums, including damages and interest, awarded for the fee or leasehold or both shall be distributed and disbursed as finally determined by the court with jurisdiction over the Condemnation proceedings in accordance with applicable law. Notwithstanding anything herein to the contrary, Tenant shall be entitled to receive compensation for the value of its leasehold estate under this Lease including its interest in all Improvements, personal property and trade fixtures located on the Premises, its relocation and removal expenses, its loss of business goodwill and any other items to which Tenant may be entitled under applicable law.

9.4 **Partial Taking.**

9.4.1. **Effect on Rent.** On a Partial Taking this Lease shall remain in full force and effect covering the remainder of the Premises and Improvements, except that the Annual Rent (including any adjustments thereto) shall be equitably reduced based on the impact (if any) of such

Partial Taking on the operating income and revenue derived from Tenant's operations and the decrease (if any) in the market value of the leasehold interest.

9.4.2. **Restoration of Improvements.** Promptly after a Partial Taking, Tenant shall repair, alter, modify or reconstruct the Improvements ("**Restoring**") so as to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased.

9.4.3. **Apportionment of Award.** On a Partial Taking, County shall be entitled to receive the entire award for such Partial Taking, except that (i) the proceeds of such Partial Taking shall first be applied towards the cost of Restoring the Premises pursuant to Section 9.4.2 and (ii) Tenant shall be entitled to receive any portion of such award allocated to Tenant's interest in any of Tenant's Improvements, personal property and trade fixtures taken.

9.5 **Waiver of Termination Rights.** Both parties waive their rights under Section 1265.130 of the California Code of Civil Procedure (and any successor provision) and agree that the right to terminate this Lease in the event of Condemnation shall be governed by the provisions of this Article IX.

ARTICLE X ASSIGNMENT, SUBLETTING AND ENCUMBERING

10.1 **General.** Except for Permitted Transfers (and except that Tenant may acquire a Leasehold Mortgage as set forth in Article XVII), Tenant shall not assign (including an assignment by operation of law), transfer or encumber this Lease, or any interest therein, nor sublet the Premises or Improvements. Tenant may assign or sublet this Lease without County's consent to a Permitted Transferee (as defined below). All other assignments and transfers shall require the consent of County, which may not be unreasonably withheld, conditioned or delayed.

10.1.1. Except for the Leasehold Mortgage allowed by Article XVII and transfers to a Permitted Transferee, any mortgage, pledge, hypothecation, encumbrance, transfer, sublease of Tenant's entire Lease interest or assignment (hereinafter in this section referred to collectively as "**Transfer**") of Tenant's interest in the Premises, or assignment of any part or portion thereof, shall first be approved in writing by Chief Real Estate Officer, unless otherwise provided herein. Failure to obtain Chief Real Estate Officer's required written approval of a Transfer will render such Transfer void. Occupancy of the Premises by a prospective transferee, sublessee, or assignee before approval of the Transfer by County shall constitute an Event of Default.

10.1.2. Except for a Permitted Transfer (as defined in Section 10.3, below), if Tenant hereunder is a corporation, limited liability company, an unincorporated association or partnership, the Transfer of any stock or interest in said corporation, company, association, partnership in the aggregate exceeding 25% shall be deemed a Transfer within the meaning of this Lease that requires County written consent.

10.1.3. Should County consent to any Transfer, such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this Lease nor be construed as County's consent to any further Transfer. Such terms, covenant or conditions shall apply to each and every Transfer hereunder and shall be severally binding upon each and every party thereto. Any

document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall not be inconsistent with the provisions of this Lease and in the event of any such inconsistency, the provisions of this Lease shall control.

10.1.4. This Section shall not be interpreted to disallow or require County approval for space leases (subleases of less than Tenant's entire Lease interest) or concession agreements within the Improvements between the Tenant and a sub-tenant, which are consistent with the approved uses under this Lease.

10.2 **Leasehold Mortgage.** Tenant shall not mortgage, encumber or hypothecate County's Fee Interest under any circumstances.

10.3 **Permitted Transfers.** County's consent shall not be required for any of the following transfers (each a "**Permitted Transfer**" and each party to whom a Permitted Transfer may be made is a "**Permitted Transferee**"): (i) an Excluded Transfer, or (ii) any encumbrance to a Leasehold Mortgagee; provided, however, that in each case (1) Tenant shall notify County of such Transfer at least sixty (60) days prior to the consummation of such Transfer, and shall provide County with complete information regarding the transferee and information evidencing that the Transfer falls within the parameters of this paragraph, and (2) if such Transfer involves an assignment of Tenant's rights under this Lease, Tenant or such transferee shall provide County with a written assumption of Tenant's obligations under this Lease executed by such transferee in a form approved by the County, which approval shall not be unreasonably withheld, conditioned or delayed in the event that the assignment is consistent with the terms of this Lease.

10.4 **Transfer Procedure.** If Tenant desires at any time to enter into a Transfer for which County's consent is required hereunder, Tenant shall provide County with written notice ("**Transfer Notice**") at least ninety (90) days prior to the proposed effective date of the Transfer. The Transfer Notice shall include (i) the name and address of the proposed transferee, (ii) the nature of the Transfer (*i.e.*, whether an assignment, sublease or encumbrance), (iii) the proposed effective date of the Transfer, (iv) income statements and "fair market" balance sheets of the proposed transferee for the two (2) most recently completed fiscal or calendar years (provided however, if the proposed transferee is a newly formed entity and has not been in existence for such two (2) year period, the financial statements submitted shall be those of its principals), (v) a detailed description of the proposed transferee's qualifications and experience that demonstrates the transferee meets the criteria for a Tenant as established by this Lease, and (vi) a bank or other credit reference. Thereafter, Tenant shall furnish such supplemental information as County may reasonably request concerning the proposed transferee. County shall, no later than ninety (90) days after County's receipt of the information specified above, deliver written notice to Tenant which shall (i) indicate whether County gives or withholds its consents to the proposed Transfer, and (ii) if County withholds its consent to the proposed Transfer, setting forth a detailed explanation of County's grounds for doing so. If County consents to a proposed Transfer, then Tenant may thereafter effectuate such Transfer to the proposed transferee based upon the specific terms of the County's approval and after execution of a consent to assignment, in a form approved by the County.

10.5 **Liability of Transferors/Transferees for Lease Obligations.** Each permitted assignee of this Lease shall assume in writing all of Tenant's obligations under this Lease. All

transferees of any interest in this Lease or the Premises or Improvements (whether or not directly liable on this Lease) shall be subject to the terms and provisions of this Lease. Any transferor of any interest in this Lease or the Premises or Improvements shall remain primarily liable for all obligations hereunder and shall be subject to the terms and provisions of this Lease. The County may proceed directly against the transferor in its sole and absolute discretion, with no obligation to exhaust its remedies against the transferee.

10.6 **Conditions of Certain County Approvals.**

10.6.1. County may withhold consent to a Transfer at its and absolute sole discretion if any of the following conditions exist:

- (a) An Event of Default exists under this Lease.
- (b) The prospective Transferee has not agreed in writing to keep, perform, and be bound by all the terms, covenants, and conditions of this Lease.
- (c) The construction required of Tenant as a condition of this Lease has not been completed.
- (d) All the material terms, covenants, and conditions of the Transfer that are relevant to the County approval of the Transfer have not been revealed in writing to County.
- (e) The processing fee required by County and set out below has not been paid to County by delivery of said fee to County.
 - (1) A fee of \$3,000 shall be paid to County for processing each consent to Transfer submitted to County as required by this Lease. This processing fee shall be deemed earned by County when paid and shall not be refundable.
 - (2) If a processing fee has been paid by Tenant for another phase of the same transaction, a second fee will not be charged. Such fee shall be increased every ten years during the Lease term based on any increase in the CPI Index. Under no circumstances shall the fee decrease.

10.7 **Renter Subleases.** The Parties anticipate that, prior to the completion of construction, the County will be party to multiple contracts for services through the Lease term in order to meet the requirements articulated in Section 4.2 herein, and sufficient to sublease from the Tenant the entirety of the rentable services space within the Premises. It is intended that the subleases with these service providers will, in the aggregate, cover the costs of the building and the responsibilities of Tenant herein. County will take all reasonable steps to accomplish forming such contracts for services.

Notwithstanding the foregoing, the Parties recognize that the Tenant will be subleasing space to certain renters, including but not limited to the aforementioned service providers (the "**Sublessee(s)**"), within the Premises or portions of the Premises (each a "**Sublease**").

10.7.1. Tenant may enter into subleases with Sublessees of office premises within the Project to Sublessees that have been approved in advance by County in accordance with the requirements of this Section; provided, however, that the Sublease or series of Subleases conforms, in all material respects, with the form of sublease previously approved by Chief Real Estate Officer in writing. Prior to entering into any Sublease for which Tenant requires Chief Real Estate Officer's prior written approval pursuant to this Section, Tenant shall provide Chief Real Estate Officer with a Sublease, signed by Tenant and the proposed Sublessee, and setting forth the terms upon which such Sublessee has agreed to sublease space within the Premises from Tenant. The approval by the Chief Real Estate Officer shall not be unreasonably withheld, conditioned or delayed and shall be given (or not) within thirty (30) days of receipt thereof. If Chief Real Estate Officer disapproves of a proposed Sublease and/or Sublessee, then he shall provide Tenant with a written notice of disapproval setting forth specific reasons for such disapproval.

10.7.2. Tenant shall cause all Subleases to include at a minimum:

(a) an express acknowledgment by the Sublessee that the Sublease is subject and subordinate to this Lease, and that the Sublessee is bound by all applicable provisions of this Lease, and that the County is not responsible for any performance or breach by Tenant, including the return of any Security Deposit.

(b) Sublessee shall maintain insurance naming County as an additional insured to Sublessee's liability policies.

(c) Sublessee's obligations with respect to Hazardous Materials will be consistent with those of Tenant under this Lease, including the requirement that Sublessee indemnifies County and County for any failure of Sublessee to comply with such obligations.

(d) Sublessee shall agree to attorn to County pursuant to Section 10.8 below.

(e) The Sublease shall specifically provide for Tenant's (in its capacity as sublessor) remedies pursuant to California Civil Code Sections 1951.2 and 1951.4 without modifications detrimental to Tenant.

(f) The term of any Sublease shall not extend beyond the expiration of the Term of this Lease.

10.7.3. All Subleases must be for Permitted Uses, and shall expressly provide that they are subject and subordinate to this Lease, and the Sublessee is bound by all provisions of this Lease applicable to the use and occupation of the portion of the Premises subleased to Sublessee.

10.7.4. Except pursuant to Subleases as provided in this Section, Tenant shall not suffer or permit the use or occupancy of all or any portion of the Premises by any person or entity, without the prior approval of County, which shall not be unreasonably withheld, conditioned, or delayed.

10.7.5. If requested in writing by County, Tenant will provide County with a copy of any rules, regulations or other standards of operation developed by Tenant and distributed to Sublessees and Tenants.

10.7.6. If Tenant obtains any security deposits under any sublease, all such funds shall be kept in a separate deposit account (and not comingled with any other accounts of Tenant) and shall be used only for the purposes set forth in the applicable sublease governing the use of such deposit.

10.8 **Attornment.** All subleases entered into by Tenant will be subject to all terms and conditions of this Lease, and each sublease will specifically state this fact. If this Lease terminates for any reason, all Sublessees will recognize County as the successor to Tenant under their respective subleases, and will render performance thereunder to County as if the sublease were executed directly between County and the Sublessees; provided, however, County agrees that, upon such termination, so long as a Sublessee has entered into an approved form sublease and is not in default under its sublease, County agrees to be bound by all of the terms and conditions of each such sublease. All subleases entered into by Tenant will contain the following provision:

If the underlying Lease and the leasehold estate of tenant thereunder is terminated for any reason, Sublessee will attorn to the County and recognize County as lessor under this sublease; provided, however, County agrees that so long as Sublessee has entered into an approved form sublease and the Sublessee is not in default under the sublease, County agrees to be bound by all the terms and conditions of this sublease.

In the event this Lease is terminated for any reason, all Sublessees will be liable to County for their payment of rents and fees and will be subject to all the provisions and terms contained in their subleases.

In the event of a termination of this Lease as a result of the default of Tenant hereunder, County hereby agrees that any sublease or other occupant of the Improvements now or hereafter located on the Premises shall not be disturbed so long as any such sublease or other occupant is not then in default under the terms of the applicable sublease or other agreement after the expiration of applicable notice and cure periods. At Tenant's request, County hereby agrees to provide a non-disturbance agreement in the form attached hereto as **Exhibit H** to any such subtenant or occupant within five (5) business days of written request therefor.

10.9 **Conditions Deemed Reasonable.** Tenant acknowledges that each of the conditions to a Transfer, and the rights of County set forth in this Article X in the event of a Transfer is a reasonable restriction for the purposes of California Civil Code Section 1951.4.

ARTICLE XI
DEFAULT AND REMEDIES

11.1 **Event of Default.** Each of the following events shall constitute an "**Event of Default**" by Tenant:

11.1.1. **Miscellaneous Events of Default.** Any event or circumstance expressly referenced to elsewhere in this Lease as an "Event of Default."

11.1.2. **Failure to Pay.** Tenant's failure or omission to pay any Rent or other sum payable hereunder on or before the date due where such failure shall continue for a period of three (3) business days after written notice thereof from County to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure §1161 *et seq.*

11.1.3. **Failure to Perform.** The failure or inability by Tenant to observe or perform any of the provisions of this Lease to be observed or performed by Tenant, other than specified in Sections 11.1.2 or 11.1.4 herein, where such failure shall continue for a period of ten (10) days after written notice thereof from County to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 *et. seq.*; provided, further, that if the nature of such failure is such that it can be cured by Tenant but that more than ten (10) days are reasonably required for its cure (for any reason other than financial inability), then Tenant shall not be deemed to be in default if (i) Tenant commences such cure within said ten (10) days, (ii) thereafter diligently prosecutes such cure to completion, and (iii) completes such cure to County's reasonable satisfaction within sixty (60) days from the date that Tenant first received written notice of the default.

11.1.4. **Abandonment.** The abandonment (as defined in California Civil Code Section 1951.3) or vacation of the Premises by Tenant; provided, however, vacancy of a portion of the Premises due to remodeling, reconstruction or as a result of casualty, condemnation, tenant vacancies or other factors beyond the reasonable control of Tenant shall not constitute a default hereunder.

11.1.5. **Assignments.**

(a) The making by Tenant of any general assignment for the benefit of creditors;

(b) A case is commenced by or against Tenant under Chapters 7, 11 or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against Tenant, the same is not dismissed within sixty (60) days of such commencement;

(c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or

(d) Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts. In the event of any such default, neither this Lease nor any interests of Tenant in and to the Premises shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of the County hereunder or by law; provided, it shall be lawful for the County to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom, and Tenant and its creditors (other than County) shall have no further claim thereon or hereunder.

11.2 **County's Remedies.** If an Event of Default occurs and is continuing, County shall have the following remedies in addition to all rights and remedies provided by law or equity to which County may resort cumulatively or in the alternative:

11.2.1. **Termination of Lease.** County shall have the right to terminate this Lease and all rights of Tenant hereunder including Tenant's right to possession of the Premises.

11.2.2. **Continue Lease in Effect.** Continue this Lease in effect without terminating Tenant's right to possession even though Tenant has breached this Lease and abandoned the Premises and to enforce all of County's rights and remedies under this Lease, at law or in equity, including the right to recover the rent as it becomes due under this Lease; provided, however, that County may at any time thereafter elect to terminate this Lease for such previous breach by notifying Tenant in writing that Tenant's right to possession of the Premises has been terminated.

11.2.3. **Removal of Personal Property Following Termination of Lease.** County shall have the right, following a termination of this Lease and Tenant's rights of possession of the Premises under Section 11.2.1 above, to re-enter the Premises and, subject to applicable law, to remove Tenant's personal property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant in accordance with applicable California law.

11.3 **County's Right to Cure Tenant Defaults.** If Tenant shall have failed to cure, after expiration of the applicable time for curing, a particular default under this Lease, County may at its election, but is not obligated to, make any payment required of Tenant under this Lease or perform or comply with any term, agreement or condition imposed on Tenant hereunder, and the amount so paid plus the reasonable cost of any such performance or compliance, plus interest on such sum at the Interest Rate from the date of payment, performance or compliance until reimbursed shall be deemed to be additional rent payable by Tenant on County's demand. No such payment, performance or compliance shall constitute a waiver of default or of any remedy for default, or render County liable for any loss or damage resulting from the same.

11.4 **County's Default.** County shall not be considered to be in default under this Lease unless Tenant has given County written notice specifying the default, and either (i) as to monetary defaults, County has failed to cure the same within ten (10) business days after written notice from Tenant, or (ii) as to nonmonetary defaults, County has failed to cure the same within thirty (30) days after written notice from Tenant, or if the nature of Tenant's nonmonetary default is such that more than thirty (30) days are reasonably required for its cure, then such thirty (30) period shall

be extended automatically so long as County commences a cure within such thirty (30) day period and thereafter diligently pursues such cure to completion. Tenant shall have no right to offset or abate alleged amounts owing by County under this Lease against Annual Rent owing by Tenant under this Lease. Additionally, Tenant's sole remedy for any monetary default shall be towards the County's interest in the property and not to any other assets. Any and all claims or actions accruing hereunder shall be absolutely barred unless such action is commenced within six (6) months of the event or action giving rise to the default.

11.5 **Waiver by County.** No delay or omission of County to exercise any right or remedy shall be construed as a waiver of such right or remedy or any default by Tenant hereunder. The acceptance by County of rent or any other sums hereunder shall not be (a) a waiver of any preceding breach or default by Tenant of any provision thereof, other than the failure of Tenant to pay the particular rent or sum accepted, regardless of County's knowledge of such preceding breach or default at the time of acceptance of such rent or sum, or (b) waiver of County's right to exercise any remedy available to County by virtue of such breach or default. No act or thing done by County or County's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by County.

11.6 **Interest.** Any installment or rent due under this Lease or any other sums not paid to County when due (other than interest) shall bear interest at the maximum rate allowed by law from the date such payment is due until paid, provided, however, that the payment of such interest shall not excuse or cure the default.

11.7 **Waiver by Tenant.** Tenant's waiver of any breach by County of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

11.8 **Tenant Covenants and Agreements.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expenses and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, or to provide any insurance or evidence of insurance to be provided by Tenant, then in addition to any other remedies provided herein, County may, but shall not be obligated to do so, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such act on Tenant's part to be made or performed as provided in this Lease or to provide such insurance. Any payment or performance of any act or the provision of any such insurance by County on Tenant's behalf shall not give rise to any responsibility of County to continue making the same or similar payments or performing the same or similar acts. All costs, expenses, and other sums incurred or paid by County in connection therewith, together with interest at the maximum rate permitted by law from the date incurred or paid by County shall be deemed to be additional rent hereunder and shall be paid by Tenant with and at the same time as the next monthly installment of rent hereunder, and any default therein shall constitute a breach of the covenants and conditions of this Lease.

ARTICLE XII ESTOPPEL CERTIFICATES

At any time and from time to time, within ten (10) business days after written request by either County or Tenant (the "**requesting party**"), the other party (the "**responding party**") shall execute, acknowledge and deliver an estoppel certificate addressed to the requesting party, and/or to such other beneficiary (as described below) as the requesting party shall request, certifying (i) that this Lease is in full force and effect, (ii) that this Lease is unmodified, or, if there have been modifications, identifying the same, (iii) the dates to which Rent has been paid in advance, (iv) that, to the actual knowledge of the responding party, there are no then existing and uncured defaults under the Lease by either County or Tenant, or, if any such defaults are known, identifying the same, and (v) any other factual matters (which shall be limited to the actual knowledge of the responding party) as may be reasonably requested by the requesting party. Such certificate may designate as the beneficiary thereof the requesting party, and/or any third party having a reasonable need for such a certificate (such as, but not limited to, a prospective purchaser, transferee or lender).

ARTICLE XIII FORCE MAJEURE

Unless otherwise specifically provided herein, the period for performance of any nonmonetary obligation by either party shall be extended by the period of any delay in performance caused by Acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of electric power, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency, weather that could not have reasonably been anticipated, changes in the Laws which would prevent the Premise from being operated in accordance with this Lease, or other reasons beyond the reasonable control of County, Tenant, or their respective agents or representatives (collectively, "**Force Majeure Events**"). In no event, however, shall Force Majeure Events include the financial inability of a party to this Lease to pay or perform its obligations hereunder. Further, nothing herein shall extend the time for performance of any monetary obligation owing under this Lease (including Tenant's obligation to pay Rent owing hereunder).

ARTICLE XIV RECORDS AND ACCOUNTS

14.1 **Records.** Tenant shall, at all times during the term of this Lease, keep or cause to be kept true and complete books, records, and accounts of all financial transactions in the operation of all business activities, of whatever nature, conducted in pursuance of the rights granted herein. The records must be supported by source documents such as sales slips, cash register tapes, purchase invoices, or other pertinent documents.

ARTICLE XV
OPERATIONAL OBLIGATIONS OF TENANT

15.1 Standards of Operation.

15.1.1. Tenant shall operate the Premises in a manner reasonably comparable to other comparable facilities or businesses within the County of Orange. Tenant shall at all times during the Term provide adequate security measures to reasonably protect persons and property on the Premises, including a patrol of all areas in the Premises for the purpose of preserving order and preventing theft, vandalism, or other improper or unlawful use of the Premises or any of the facilities.

15.1.2. The ultimate purpose of this Lease is the design and construction of a Be Well OC Behavioral Health Services campus. Accordingly, Tenant covenants and agrees to operate said Premises fully to accomplish said purposes and not to abandon or vacate the Premises at any time.

15.1.3. The facilities on the Premises shall be operated during normal business hours, subject to any temporary interruptions in operations or closures due to ordinary maintenance and repair and any Force Majeure Event, defined in Article XIV above.

15.2 Protection of Environment. Tenant shall take all reasonable measures available to:

15.2.1. Avoid any pollution of the atmosphere or littering of land or water caused by or originating in, on, or about Tenant's facilities.

15.2.2. Maintain a reasonable noise level on the Premises so that persons in the general neighborhood will be able to comfortably enjoy the other facilities and amenities in the area.

15.2.3. Prevent the light fixtures of the Premises from emitting light that could negatively affect the operation of cars, boats, or airplanes in the area.

15.2.4. Prevent all pollutants from Tenant's operations on the Premises from being discharged, including petroleum products of any nature, except as may be permitted in accordance with any applicable permits. Tenant and all of Tenant's agents, employees and contractors shall conduct operations under this Lease so as to assure that pollutants do not enter the municipal storm drain system (including but not limited to curbs and gutters that are part of the street systems), or directly impact receiving waters (including but not limited to rivers, creeks, streams, estuaries, lakes, harbors, bays and the ocean), except as may be permitted by any applicable permits.

15.2.5. The County may enter the Premises and/or review Tenant records at any time to assure that activities conducted on the Premises comply with the requirements of this Section.

15.3 **On-Site Manager.** Tenant shall employ a competent manager who shall be responsible for the day-to-day operation and level of maintenance, cleanliness, and general order for the Premises. Such person shall be vested with the authority of Tenant with respect to the supervision over the operation and maintenance of the Premises, including the authority to enforce compliance by Tenant's agents, employees, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder. Tenant expressly agrees that any notice herein required to be served upon Tenant may, at the option of County or Chief Real Estate Officer, be personally served upon said Manager and that such service shall have the same force and effect as service upon Tenant. Tenant shall notify County in writing of the name of the Manager currently so employed as provided in Section 18.19 of this Lease.

15.4 **Policies and Procedures to be Established by Tenant.** Prior to the occupancy of the Premises by any Sublessee, Tenant shall submit to Chief Real Estate Officer proposed policies and procedures pertinent to the operation of the Project and manner of providing the permitted services and uses required by this Lease ("**Policies and Procedures**"). Should Chief of Real Estate, upon review and conference with Tenant, decide any part of said schedules or procedures is not justified with regard to fairly satisfying the needs of the public, Tenant, upon written notice from Chief of Real Estate, shall modify said schedules or procedures to the satisfaction of said Chief of Real Estate. Said Policies and Procedures shall include, but are not limited to, the following:

15.4.1. Tenant shall at all times retain active, qualified, competent, and experienced personnel to supervise Tenant's operation and to represent and act for Tenant.

15.4.2. Tenant shall not employ any person(s) in or about the Premises who shall use offensive language or act in a loud, boisterous, or otherwise improper manner.

15.4.3. Tenant shall maintain a close check over attendants and employees to ensure the maintenance of a high standard of service. Tenant shall replace any employee whose conduct is detrimental to the best interests of the public.

15.4.4. Tenant shall keep the Premises adequately and properly lighted after daylight hours and at such other times as public safety or convenience requires.

15.4.5. Tenant shall establish an appropriate maintenance schedule for all public rest rooms on said Premises to be inspected for cleanliness and supplies several times each day and shall maintain the highest standards of cleanliness therein.

ARTICLE XVI

LEASEHOLD MORTGAGES

16.1 **Definitions.** The following definitions are used in this Article (and in other Sections of this Lease):

16.1.1. "**Leasehold Estate**" means Tenant's leasehold estate in and to this Lease, including Tenant's rights, title and interest in and to the Premises and Improvements, or any applicable portion thereof or interest therein.

16.1.2. "**Leasehold Foreclosure Transferee**" means any person (which may, but need not be, a Leasehold Mortgagee) which acquires the Leasehold Estate pursuant to a foreclosure, assignment in lieu of foreclosure or other enforcement of remedies under or in connection with a Leasehold Mortgage.

16.1.3. "**Leasehold Mortgage**" means and includes a mortgage, deed of trust, security deed, conditional deed, deed to secure debt or any other security instrument (including any assignment of leases and rents, security agreement and financing statements) held by an Institutional Lender by which Tenant's Leasehold Estate is mortgaged to secure a debt or other obligation, including a purchase money obligation.

16.1.4. "**Leasehold Mortgagee**" means an Institutional Lender which is the holder of a Leasehold Mortgage.

16.1.5. "**Tenant**" shall mean all of the following: (i) the Tenant under this Lease; (ii) an approved assignee, transferee or subtenant of the Tenant under this Lease who is or becomes directly and primarily liable to County; and (iii) any further assignee, transferee or subtenant of any of the parties listed in (ii) who is or becomes directly and primarily liable to County.

16.2 **Tenant's Right to Encumber Leasehold Estate; No Right to Encumber County's Fee Interest.** Tenant shall not encumber the Leasehold Estate without the prior written consent of the Chief Real Estate Officer and then only with a Leasehold Mortgage that complies with the following requirements:

16.2.1. the principal balance of the debt secured by such Leasehold Mortgage(s) (as of the date recorded) shall not exceed (i) 80% of the costs of the Improvements if recorded during Construction Period, or (ii) 80% of the Leasehold Estate Value if recorded after the Annual Rent Date in each case, as determined in accordance with the appraisal report prepared for the applicable Leasehold Mortgagee in connection with such Leasehold Mortgage(s);

16.2.2. the Leasehold Mortgage shall not encumber County's Fee Interest;

16.2.3. the Leasehold Mortgage and all rights acquired under it shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Lease and to all rights and interests of County hereunder, except as otherwise provided in this Lease;

16.2.4. nothing in this Lease shall be construed so as to require or result in a subordination in whole or in part in any way of the County's Fee Interest to any Leasehold Mortgage; and

16.2.5. in the event of any conflict between the provisions of this Lease and the provisions of any such trust Leasehold Mortgage, the provisions of this Lease shall control.

16.3 **Notification to County of Leasehold Mortgage.** Tenant or any Leasehold Mortgagee shall, prior to making any Leasehold Mortgage, provide County with notice of such Leasehold Mortgage and the name and address of the Leasehold Mortgagee. At the time of notice, Tenant shall furnish to Chief Real Estate Officer a complete copy of any trust deed and note to be secured thereby, together with the name and address of the holder thereof. Thereafter, Tenant or

any Leasehold Mortgagee shall notify County of any change in the identity or address of such Leasehold Mortgagee. County shall be entitled to rely upon the addresses provided pursuant to this Section for purposes of giving any notices required by this Article XVI.

16.4 Notice and Cure Rights of Leasehold Mortgagees With Respect to Tenant Defaults. County, upon delivery to Tenant of any notice of a default under this Lease or a matter as to which County may predicate or claim a default, will endeavor to concurrently deliver a copy of such notice to each Leasehold Mortgagee. From and after the date such notice has been given to any Leasehold Mortgagee, such Leasehold Mortgagee shall have the same cure period for such default (or act or omission which is the subject matter of such notice) that is provided to Tenant under this Lease, to commence and complete a cure of such default (or act or omission which is the subject matter of such notice). County shall accept any and all performance by or on behalf of any Leasehold Mortgagee(s), including by any receiver obtained by any Leasehold Mortgagee(s), as if the same had been done by Tenant. Tenant authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option, and hereby authorizes any Leasehold Mortgagee (or any receiver or agent) to enter upon the Premises for such purpose.

16.5 Limitation on County's Termination Right. Any Leasehold Mortgagee shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by a Leasehold Mortgagee shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by a Leasehold Mortgagee.

16.5.1. Should any Event of Default under this Lease occur (other than an Event of Default relating to the non-payment of Rent), any Leasehold Mortgagee shall have sixty (60) days after receipt of written notice from County setting forth the nature of such Event of Default, within which to cure the Event of Default; provided that in the case of an Event of Default which cannot with due diligence be cured within such sixty-day (60) period, the Leasehold Mortgagee shall have the additional time reasonably necessary to accomplish the cure, provided that (i) such Leasehold Mortgagee has commenced the curing within such sixty (60) days and (ii) thereafter diligently prosecutes the cure to completion. If the Event of Default is such that possession of the Premises may be reasonably necessary to cure the Event of Default, the Leasehold Mortgagee shall have a reasonable additional time after the expiration of such sixty (60) day period within which to cure such Event of default, provided that (I) the Leasehold Mortgagee shall have fully cured any Event of Default in the payment of any monetary obligations of Tenant under this Lease within such sixty (60) day period and shall continue to pay currently such monetary obligations as and when the same are due and (II) the Leasehold Mortgagee shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings seeking such acquisition within such period, or prior thereto, and is diligently prosecuting any such proceedings.

16.5.2. Any Event of Default under this Lease which is not susceptible to remedy by a Leasehold Mortgagee shall be deemed to be remedied if (i) within sixty (60) days after receiving written notice from County setting forth the nature of such Event of Default, or prior

thereto, a Leasehold Mortgagee shall have acquired Tenant's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings seeking such acquisition, (ii) such Leasehold Mortgagee shall have diligently prosecuted such proceedings to completion, and (iii) such Leasehold Mortgagee shall have fully cured all Events of Default relating to the payment and performance of any monetary or other obligations of Tenant hereunder which do not require possession of the Premises within such sixty (60)-day period and shall thereafter continue faithfully to perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, such Leasehold Mortgagee shall have performed all other obligations of Tenant hereunder as and when the same are due.

16.5.3. If a Leasehold Mortgagee is prohibited by any stay, order, judgment or decree issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings and said Leasehold Mortgagee diligently seeks release from or reversal of such stay, order, judgment or decree, the times specified above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that the Leasehold Mortgagee shall have fully cured any Event of Default relating to the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same are due and prior to delinquency.

16.6 **Continuation of Lease.** So long as any Leasehold Mortgagee is complying with Sections 16.5.1, 16.5.2 and 16.5.3 above, then upon the acquisition of Tenant's Leasehold Estate by a Leasehold Foreclosure Transferee, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

16.6.1. Tenant's encumbrance of its Leasehold Estate with a Leasehold Mortgage shall not constitute an assignment or other Transfer under Article X or otherwise, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed hereunder; provided, however, that any Leasehold Foreclosure Transferee shall be deemed to be an assignee or transferee and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Tenant to be performed hereunder from and after the effective date on which such Leasehold Foreclosure Transferee acquires title to the Leasehold Estate, but only for so long as such purchaser or assignee is the owner of the leasehold estate.

16.6.2. Any Leasehold Mortgagee (or its designee) that becomes a Leasehold Foreclosure Transferee, upon acquiring title to Tenant's Leasehold Estate, without causing a default under this Lease and without obtaining County's consent, shall have a one-time right to assign the Leasehold Estate to an assignee having a net worth equal to or greater than two (2) times the value of the leasehold estate created by this Lease and senior management that individually have more than ten (10) years of experience managing, maintaining and operating developments like that on the Premises. Upon such assignment, the Leasehold Foreclosure Transferee shall automatically be released of all obligations thereafter accruing under this Lease, provided that, substantially concurrently with such assignment, the assignee delivers to County a written agreement assuming Tenant's obligations under the Lease thereafter accruing. Any subsequent

Transfers occurring after the one-time assignment permitted under this Section shall be subject to Article X.

16.7 Leasehold Mortgagee's Right to New Lease

16.7.1. Notwithstanding anything in this Lease to the contrary, if this Lease is terminated for any reason (including by reason of any Event of Default or rejection or disaffirmance of this Lease pursuant to bankruptcy law or any other law affecting creditor's rights) without the prior written consent of all Leasehold Mortgagees, other than by reason of a Total Taking, County shall give prompt notice thereof to any Leasehold Mortgagee of whom County has received notice pursuant to Section 16.3 above. Such Leasehold Mortgagee (subject to Section 16.8 below if more than one Leasehold Mortgagee then exists) shall then have the right, exercisable by written notice to County at any time within thirty (30) days following receipt of such notice, to require County to enter into a new lease of the Premises with such Leasehold Mortgagee, or its designee, which new lease ("**New Lease**") shall commence as of the date of such termination of this Lease and shall continue for the remainder of the scheduled term of this Lease, at the same Rent that is payable under this Lease, and on the same terms, covenants, conditions and agreements that are contained in this Lease (including any extension options, purchase options and rights of first refusal, if any, provided for in this Lease), and subject to the rights of any residents under resident agreements or other subtenants then in valid occupancy of the Premises and Improvements and further subject to any then existing senior Leasehold Mortgagees, provided that, substantially concurrently with the delivery of such notice requiring County to enter into a New Lease, Leasehold Mortgage shall pay to County all Rent or any other amounts payable by Tenant hereunder which is then due and shall commence and proceed with diligence to cure all nonmonetary defaults under this Lease, other than those nonmonetary defaults which are personal to the foreclosed tenant and impossible for the Leasehold Mortgagee to remedy.

16.7.2. If such Leasehold Mortgagee elects to enter into a New Lease pursuant to Section 16.7.1 above, then County and the Leasehold Mortgagee (or its designee) shall promptly prepare and enter into a written New Lease, but until such written New Lease is mutually executed and delivered, this Lease shall be deemed to constitute the New Lease, as modified by this Section 16.7, and Leasehold Mortgagee (or its designee) shall, from and after the giving of notice pursuant to Section 16.7.1, (i) be entitled to possession of the Premises and to exercise all rights of Tenant hereunder, (ii) pay to County all Rent accruing under the New Lease as it becomes owing, and (iii) perform or cause to be performed all of the other covenants and agreements under the New Lease on Tenant's part to be performed. Further, at such time as the written New Lease is mutually executed and delivered, Leasehold Mortgagee (or its designee) shall pay to County its reasonable expenses, including reasonable attorneys' fees, incurred in connection with the termination of this Lease and with the preparation, execution and delivery of such written New Lease.

16.7.3. In the event that County receives any net income (*i.e.*, gross income less gross expenses on a cash basis), if any, from the Premises and Improvements during any period that County may control the same, then the tenant under the New Lease shall be entitled to an offset against the next Rent then owing under the New Lease in the amount of such net income received by County except to the extent that it was applied to cure any default of Tenant.

16.7.4. All rights and claims of Tenant under this Lease shall be subject and subordinate to all right and claims of the tenant under the New Lease.

16.8 **Multiple Leasehold Mortgages.** If more than one Leasehold Mortgagee shall make a written request upon County for a New Lease in accordance with the provisions of Section 16.7, then such New Lease shall be entered into pursuant to the request of the Leasehold Mortgagee holding the Leasehold Mortgage that is junior in priority to all other requesting Leasehold Mortgagees, provided that: (a) any junior Leasehold Mortgagee whose Leasehold Mortgage was made in violation of any restrictions on junior encumbrances included in any bona fide senior Leasehold Mortgage made in good faith and for value shall be disregarded for purposes of Sections 16.7 and 16.8 and shall have no rights under this Lease; (b) all Leasehold Mortgagees that are senior in priority shall have been paid all amounts then due and owing under such Leasehold Mortgagees, plus all expenses, including attorneys' fees, incurred by such senior Leasehold Mortgagees in connection with any default by Tenant under this Lease and in connection with the New Lease; (c) the new Tenant will assume, in writing, all of the obligations of the mortgagor(s) under all senior Leasehold Mortgages, subject to any nonrecourse or other exculpatory provisions (if any) therein contained; (d) the New Lease shall contain all of the same provisions and rights in favor of and for the benefit of Leasehold Mortgagees thereof as are contained in this Lease; and (e) all senior Leasehold Mortgagees (at no expense to such senior Leasehold Mortgagees or County) shall have received endorsements or other assurances satisfactory to such senior Leasehold Mortgagees from their respective title insurers insuring that their respective senior Leasehold Mortgages (and any assignment of rents and other security instruments executed in connection therewith) will continue as a Leasehold Mortgage with respect to such New Lease in the same manner and order of priority of lien as existed with respect to this Lease; and thereupon the leasehold estate of the new tenant under the New Lease shall be subject to the lien of each of the senior Leasehold Mortgages in the same manner and order of priority of lien as existed with respect to this Lease.

In the event that not all of the foregoing provisions shall have been satisfied by or with respect to any such junior Leasehold Mortgagee, the Leasehold Mortgagee next senior in priority to such junior Leasehold Mortgagee shall have paramount rights to the benefits set forth in Section 16.7 above, subject nevertheless to the provisions hereof respecting the senior Leasehold Mortgagees, if any. In the event of any dispute as to the respective senior and junior priorities of any such Leasehold Mortgages, the certification of a national title company licensed in the State of California shall be conclusively binding on all parties concerned. Should there be a dispute among Leasehold Mortgagees as to compliance with the foregoing provisions, County may rely on the affidavit of the most senior Leasehold Mortgagee as to compliance by any junior Leasehold Mortgagee. County's obligation to enter into a New Lease with any junior Leasehold Mortgagee shall be subject to the receipt by County of evidence reasonably satisfactory to it that the conditions set forth in clauses (a), (b) and (c) in the paragraph immediately above in this Section have been satisfied with respect to each senior Leasehold Mortgagee.

The right of a senior Leasehold Mortgagee under Section 16.7 above to request a New Lease may, notwithstanding any limitation of time set forth above in this Section 16.7, be exercised by the senior leasehold Mortgagee within twenty (20) days following the failure of a junior Leasehold Mortgagee to have exercised such right, but not more than sixty (60) days after the giving of notice by County of termination of this Lease as set forth in Section 16.7 above.

If a junior Leasehold Mortgagee shall fail or refuse to exercise the rights set forth in this Section 16.8, any senior Leasehold Mortgagee, in the inverse order of the seniority of their respective liens, shall have the right to exercise such rights subject to the provisions of this Lease.

Notwithstanding anything herein to the contrary, County shall have no duty or obligation to resolve any disputes or conflicting demands between Leasehold Mortgagees. In the event of any conflicting demands made upon County by multiple Leasehold Mortgagees, County may (subject to any applicable court orders to the contrary) rely on the direction of the Leasehold Mortgagee whose Leasehold Mortgage is recorded first in time in the Official Records of the County, as determined by any national title company.

16.9 **Condemnation and Insurance Proceeds.** Any condemnation proceeds or insurance proceeds to which Tenant is entitled pursuant to this Lease shall be subject to and paid in accordance with the requirement of any Leasehold Mortgage, subject, however, to any requirement in this Lease that such proceeds must be used to repair and restore the Improvements to the Premises which were damaged or destroyed by such condemnation or casualty (including, without limitation, as required in Section 7.3 following a casualty and in Section 9.4.3 following a condemnation). The handling and disbursement of any such proceeds used to repair or restore the Improvements to the Premises shall be subject to the requirements of any Leasehold Mortgage, so long as such proceeds are used towards repair or reconstruction of the Improvements to the Premises to the extent required by this Lease.

16.10 **Mortgagee Clauses.** A standard mortgagee clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Tenant hereunder, provided that any such Leasehold Mortgagee shall hold and apply such insurance proceeds subject to the provisions of this Lease.

16.11 **No Waiver.** No payment made to County by a Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease; and a Leasehold Mortgagee having made any payment to County pursuant to County's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof.

16.12 **Fees and Costs.** Tenant agrees to reimburse County for its reasonable attorney's fees and costs incurred in connection with County's review and/or approval of any documentation which may be required in connection with any Leasehold Mortgage by Tenant as provided herein.

ARTICLE XVII

BEST MANAGEMENT PRACTICES

17.1 Tenant and all of Tenant's, subtenant, agents, employees and contractors shall conduct operations under this Lease so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and gutters that are part of the street systems ("**Stormwater Drainage System**"), and to ensure that pollutants do not directly impact "**Receiving Waters**" (as used herein, Receiving Waters include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays and oceans).

17.2 The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System ("NPDES") permits ("**Stormwater Permits**") to the County, and to the County and cities within Orange County, as co-permittees (hereinafter collectively referred to as "**County Parties**") which regulate the discharge of urban runoff from areas within the County of Orange, including the Premises leased under this Lease. The County Parties have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

17.3 To assure compliance with the Stormwater Permits and water quality ordinances, the County Parties have developed a Drainage Area Management Plan ("**DAMP**") which includes a Local Implementation Plan ("**LIP**") for each jurisdiction that contains Best Management Practices ("**BMPs**") that parties using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in a cost effective manner. These BMPs are found within the County's LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as "**BMP Fact Sheets**") and contain pollution prevention and source control techniques to eliminate non-stormwater discharges and minimize the impact of pollutants on stormwater runoff.

17.4 BMP Fact Sheets that apply to uses authorized under this Lease include the BMP Fact Sheets that are attached hereto as **Exhibit F**. These BMP Fact Sheets may be modified during the term of the Lease; and the Chief Real Estate Officer shall provide Tenant with any such modified BMP Fact Sheets. Tenant, its agents, contractors, representatives and employees and all persons authorized by Tenant to conduct activities on the Premises shall, throughout the term of this Lease, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this Lease commences or as the Stormwater Permits may be modified. Tenant agrees to maintain current copies of the BMP Fact Sheets on the Premises throughout the term of this Lease. The BMPs applicable to uses authorized under this Lease must be performed as described within all applicable BMP Fact Sheets.

17.5 Tenant may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to the Chief Real Estate Officer for review and approval prior to implementation.

17.6 Chief Real Estate Officer may enter the Premises and/or review Tenant's records at any reasonably time during normal business hours to assure that activities conducted on the Premises comply with the requirements of this Section. Tenant may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this Section.

ARTICLE XVIII

GENERAL CONDITIONS & MISCELLANEOUS PROVISIONS

18.1 **Signs.** Tenant agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon the Premises except as approved in writing in advance by Chief Real Estate Officer, which approval may be withheld in the sole and absolute discretion of the Chief Real Estate

Officer. Tenant further agrees not to construct, maintain, or allow billboards or outdoor advertising signs upon the Premises. Unapproved signs, banners, flags, etc., may be removed by Chief Real Estate Officer without prior notice to Tenant.

18.2 **Nondiscrimination.** Tenant agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease.

18.3 **Taxes and Assessments.** Pursuant to California Revenue and Taxation Code Section 107.6, Tenant is specifically informed that this Lease may create a possessory interest which is subject to the payment of taxes levied on such interest. It is understood and agreed that all taxes and assessments (including but not limited to said possessory interest tax) which become due and payable upon the Premises or upon fixtures, equipment, or other property installed or constructed thereon, shall be the full responsibility of Tenant, and Tenant shall cause said taxes and assessments to be paid promptly.

18.4 **Quitclaim of Interest upon Termination.** Upon execution of this Lease, Tenant shall execute, acknowledge, and deliver to County, within thirty (30) days a good and sufficient deed, in a form as approved by the Chief Real Estate Officer, whereby all right, title, and interest of Tenant in the Premises is quitclaimed to County ("**Quitclaim Deed**"). The Quitclaim Deed shall be retained by the Chief Real Estate Officer for the Term and shall be recorded in the event of the termination of this Lease for any reason to remove any cloud on title created by this Lease.

18.5 **Public Records.** Tenant acknowledges that any written information submitted to and/or obtained by County from Tenant or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise is a public record open to inspection by the public pursuant to the California Records Act (Government Code §6250, *et seq.*) as now in force or hereafter amended, or any Law in substitution thereof, or otherwise made available to the public, unless such information is exempt from disclosure pursuant to the applicable sections of the California Records Act. In the event that a public records act request is made for any financial statements and records (not including Gross Receipts Statements) and the County determines that the records must be turned over, the County will give Tenant fifteen (15) days written notice prior to turning over such records so that Tenant can take any necessary action.

18.6 **Attorney's Fees.** In any action or proceeding brought to enforce or interpret any provision of this Lease, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

18.7 **Payment Card Compliance.** Should Tenant conduct credit/debit card transactions in conjunction with Tenant's business with the County, on behalf of the County, or as part of the business that Tenant conducts on the Premises, Tenant covenants and warrants that it will during the course of such activities be Payment Card Industry Data Security Standard ("**PCI/DSS**") and Payment Application Data Security Standard ("**PA/DSS**") compliant and will remain compliant during the entire duration of its conduct of such activities. Tenant agrees to immediately notify County in the event Tenant should ever become non-compliant at a time when compliance is required hereunder, and will take all necessary steps to return to compliance and shall be compliant within ten (10) days of the commencement of any such interruption. Upon demand by County,

Tenant shall provide to County written certification of Tenant's PCI/DSS and/or PA/DSS compliance.

18.8 Right to Work and Minimum Wage Laws.

18.8.1. In accordance with the United States Immigration Reform and Control Act of 1986, Tenant shall require its employees that directly or indirectly service the Premises, pursuant to the terms and conditions of this Lease, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Tenant shall also require and verify that its contractors or any other persons servicing the Premises, pursuant to the terms and conditions of this Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

18.8.2. Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Section 1178.5, Tenant shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises, in any manner whatsoever. Tenant shall require and verify that all its contractors or other persons servicing the Premises on behalf of the Tenant also pay their employees no less than the greater of the Federal or California Minimum Wage.

18.8.3. Tenant shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Premises or terms and conditions of this Lease.

18.8.4. Notwithstanding the minimum wage requirements provided for in this Section 18.8, Tenant, where applicable, shall comply or cause its contractors or subcontractors to comply with the prevailing wage and related requirements, as provided for in Subsection 5.1.8. below.

18.9 Declaration of Knowledge by Tenant. Tenant warrants that Tenant has carefully examined this Lease and by investigation of the site and of all matters relating to the Lease arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of the Lease improvements and business practices required in the operation and management of the uses contemplated hereunder.

18.10 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

18.11 Venue. The Parties hereto agree that this Lease has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Lease, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties hereto specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

18.12 **Headings and Titles.** The captions of the Articles or Sections of this Lease are only to assist the parties in reading this Lease and shall have no effect upon the construction or interpretation of any part hereof.

18.13 **Interpretation.** Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "**Tenant**" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission. In any provision relating to the conduct, acts or omissions of County, the term "**County**" shall include County's agents, employees, contractors, invitees, successors or others using the Premises with County's expressed or implied permission.

18.14 **Ambiguities.** Each party hereto has reviewed this Lease with legal counsel, and has revised (or requested revisions of) this Lease based on the advice of counsel, and therefore any rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Lease or any exhibits hereto.

18.15 **Successors and Assigns.** Except as otherwise specifically provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

18.16 **Time is of the Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

18.17 **Severability.** If any term or provision of this Lease is held invalid or unenforceable to any extent under any applicable law by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, and each remaining term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

18.18 **Integration.** This Lease, along with any exhibits, attachments or other documents affixed hereto or referred to herein, constitutes the entire agreement between County and Tenant relative to the leasing of the Premises. This Lease and such exhibits, attachments and other documents may be amended or revoked only by an instrument in writing signed by both County and Tenant. County and Tenant hereby agree that no prior agreement, understanding or representation pertaining to any matter covered or mentioned in this Lease shall be effective for any purpose.

18.19 **Notices.** Unless otherwise expressly stated in this Agreement, all notices under this Agreement shall be effective upon (i) personal delivery, (ii) e-mail transmission, (iii) one (1) business day after deposit with an overnight courier service (e.g., Federal Express), or (iv) three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the applicable Party as follows:

If to County:

County of Orange
CEO/ Real Estate
ATTN: Chief Real Estate Officer
333 W. Santa Ana Blvd, 3rd Floor
Santa Ana, CA 92701
Email: thomas.miller@ocgov.com
Facsimile: 714/834-3018

If to Tenant:

Mind OC
ATTN: Marshall Moncrief
5020 Campus Drive
Newport Beach, CA 92660
Email: Marshall.Moncrief@stjoe.org

With a copy to:

Allen Matkins Leck Gamble Mallory
& Natsis LLP
ATTN: Gary S. McKitterick, Esq
1900 Main Street, 5th Floor
Irvine, CA 92614
Email: gmckitterick@allenmatkins.com

Either Party may change the address for notices by giving the other Party at least ten (10) calendar days' prior written notice of the new address.

18.20 **Amendments.** This Lease is the sole and only agreement between the Parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this Lease shall be in writing and shall be properly executed by both Parties.

18.21 **Dispositions of Abandon Property.** If Tenant abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at County's option, be deemed to have been transferred to County. County shall have the right to remove and to dispose of such property at Tenant's cost, including the cost of labor, materials, equipment and an administrative fee equal to fifteen percent (15%) of the sum of such costs without liability therefor to Tenant or to any person claiming under Tenant, and shall have no need to account therefor. Such costs shall be deducted from any security deposit of Tenant, or at Chief Real Estate Officer's option, Chief Real Estate Officer may provide Tenant with an invoice for such costs, which invoice Tenant agrees to pay within fifteen (15) days of receipt.

18.22 **Brokers.** If Tenant has engaged a broker in this transaction pursuant to a separate agreement, Tenant shall be solely responsible for the payment of any broker commission or similar fee payable pursuant to such separate agreement. Tenant each hereby agree to indemnify and hold the County and County harmless from and against all costs, expenses or liabilities (including attorney fees and court costs, whether or not taxable and whether or not any action is prosecuted to judgment) incurred by the County in connection with any claim or demand by a person or entity for any broker's, finder's or other commission or fee from the County in connection with the Tenant's entry into this Lease and the transactions contemplated hereby based upon any alleged statement or representation or agreement of the Tenant. No broker, finder or other agent of any party hereto shall be a third-party beneficiary of this Lease.

18.23 **No Partnership.** This Lease shall not be construed to constitute any form of partnership or joint venture between County and Tenant. County and Tenant mutually acknowledge that no business or financial relationship exists between them other than as County and tenant, and that County is not responsible in any way for the debts of Tenant or any other party.

18.24 **Authorization.** County and Tenant (each, a "signing party") each represents and warrants to the other that the person or persons signing this Lease on behalf of the signing party has full authority to do so and that this Lease binds the signing party. Concurrently with the execution of this Lease, each signing party shall deliver to the other a certified copy of a resolution of the signing party's board of directors or other governing board authorizing the execution of this Lease by the signing party.

18.25 **Recording.** This Lease itself shall not be recorded, but in the event that the Tenant encumbers the leasehold as set forth in Article XVI, a memorandum hereof may be recorded in the form of **Exhibit G** attached hereto (the "**Memorandum**"). The Memorandum may be executed concurrently with this Lease and thereafter recorded in the Official Records of the County Recorder only after the Effective Date of this Lease has occurred. Tenant shall be responsible for the payment of all charges imposed in connection with the recordation of the Memorandum, including, without limitation, any documentary transfer tax imposed in connection with this transaction and all recording fees and charges.

18.26 **Exhibits.** This Lease contains the following exhibits, schedules and addenda, each of which is attached to this Lease and incorporated herein in its entirety by this reference:

Exhibit A:	Legal Description of the Premises
Exhibit A-1:	Rendering of the Premises
Exhibit B:	Construction Schedule
Exhibit C:	Construction Budget
Exhibit D:	Construction Drawings
Exhibit E:	Specifications
Exhibit F:	Best Management Practices Fact Sheets
Exhibit G:	Form of Memorandum of Lease
Exhibit H:	Form of Non-Disturbance Agreement

18.27 **Consent/Duty to Act Reasonably.** Except as otherwise expressly provided herein, whenever this Lease grants County or Tenant the right to take any action, grant any approval or consent, or exercise any discretion, County and Tenant shall act reasonably and in good faith and take no action which might result in the frustration of the other Party's reasonable expectations concerning the benefits to be enjoyed under this Lease, provided that the foregoing shall only apply to the County when acting in its proprietary capacity as owner of the Premises and not as a government agency with jurisdiction over the Premises.

18.28 **Counterparts.** For the convenience of the parties to this Lease, this Lease may be executed in several original counterparts, each of which shall together constitute but one and the same agreement. Original executed pages may be assembled together into one fully executed document.

[Signatures On Following Pages]

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

APPROVED AS TO FORM:
COUNTY COUNSEL

By: Michelle Humbert
Deputy

Date 5/22/19

TENANT

MIND OC,
a California nonprofit corporation

By: Richard Afable
Name: RICHARD AFABLE
Title: PRESIDENT.

By: Marshall Moneris
Name: Marshall Moneris (MM)
Title: Authorized Signatory

COUNTY

COUNTY OF ORANGE,
a political subdivision of the State of California

Thomas A. Miller
Thomas A. Miller, Chief Real Estate Officer
Orange County, California

EXHIBIT 3

AGREEMENT FOR PROVISION OF
BEHAVIORAL HEALTH SYSTEM TRANSFORMATION INNOVATION PROJECT
BETWEEN
COUNTY OF ORANGE
AND
MIND OC
OCTOBER 15, 2019 THROUGH JUNE 30, 2022

THIS AGREEMENT entered into this 15th day of October 2019, (effective date), is by and between the COUNTY OF ORANGE, a political subdivision of the State of California (COUNTY) and MIND OC., a California nonprofit corporation (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein individually as “Party” or collectively as “Parties.” This Agreement shall be administered by the Director of the COUNTY’s Health Care Agency or an authorized designee (“ADMINISTRATOR”).

WITNESSETH:

WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Behavioral Health System Transformation Innovation Project described herein to the residents of Orange County; and

WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS

Term: October 15, 2019 through June 30, 2022

Period One means the period from October 15, 2019 through June 30, 2020

Period Two means the period from July 1, 2020 through June 30, 2021

Period Three means the period from July 1, 2021 through June 30, 2022

Maximum Obligation:	Period One Maximum Obligation:	\$1,925,000

	Period Two Maximum Obligation:	\$2,887,500

	Period Three Maximum Obligation	<u>\$2,887,500</u>

	TOTAL MAXIMUM OBLIGATION:	\$7,700,000

Basis for Reimbursement: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR DUNS Number: 11-192-2215

CONTRACTOR TAX ID Number: 82-3901590

Notices to COUNTY and CONTRACTOR:

COUNTY: County of Orange

Health Care Agency

Contract Services

405 West 5th Street, Suite 600

Santa Ana, CA 92701-4637

CONTRACTOR: Mind OC

5020 Campus Drive

Newport Beach, CA 92660

Contact Name: Marshall Moncrief

Contact E-Mail: Marshall.Moncrief@Mind-OC.org

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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Agreement:

A. ARRA	American Recovery and Reinvestment Act of 2009
B. CAP	Corrective Action Plan
C. CCR	California Code of Regulations
D. CFR	Code of Federal Regulations
E. COI	Certificate of Insurance
F. CSW	Clinical Social Worker
G. DHCS	California Department of Health Care Services
H. DRS	Designated Record Set
I. EOC	Equal Opportunity Clause
J. FTE	Full Time Equivalent
K. GAAP	Generally Accepted Accounting Principles
L. HCA	County of Orange Health Care Agency
M. HHS	Federal Health and Human Services Agency
N. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public Law 104-191
O. HSC	California Health and Safety Code
P. IRIS	Integrated Records and Information System
Q. MFT	Marriage and Family Therapist
R. MH	Mental Health
S. MHP	Mental Health Plan
T. MHS	Mental Health Specialist
U. MHSA	Mental Health Services Act
V. MSN	Medical Safety Net
W. NPI	National Provider Identifier
X. OPM	Federal Office of Personnel Management
Y. P&P	Policy and Procedure
Z. PC	California Penal Code
AA. PHI	Protected Health Information
AB. PII	Personally Identifiable Information
AC. PRA	California Public Records Act
AD. SIR	Self-Insured Retention
AE. SMA	Statewide Maximum Allowable (rate)
AF. USC	United States Code
AG. WIC	Women, Infants and Children

II. ALTERATION OF TERMS

A. This Agreement, together with Exhibit A attached hereto and incorporated herein, fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject matter of this Agreement.

B. Unless otherwise expressly stated in this Agreement, no addition to, or alteration of the terms of this Agreement or any Exhibit, whether written or verbal, made by the Parties, their officers, employees or agents shall be valid unless made in the form of a written amendment to this Agreement, which has been formally approved and executed by both parties.

III. ASSIGNMENT OF DEBTS

Unless this Agreement is followed without interruption by another Agreement between the Parties hereto for the same services and substantially the same scope, at the termination of this Agreement, CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of persons receiving services pursuant to this Agreement. CONTRACTOR shall immediately notify by mail each of the respective Parties, specifying the date of assignment, the County of Orange as assignee, and the address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf of said persons, shall be immediately given to COUNTY.

IV. COMPLIANCE

A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for the purpose of ensuring adherence to all rules and regulations related to federal and state health care programs.

1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to General Compliance and Annual Provider Trainings.

2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own compliance program, code of conduct and any compliance related policies and procedures. CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall be verified by ADMINISTRATOR's Compliance Department to ensure they include all required elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to this Agreement. These elements include:

- a. Designation of a Compliance Officer and/or compliance staff.
- b. Written standards, policies and/or procedures.
- c. Compliance related training and/or education program and proof of completion.
- d. Communication methods for reporting concerns to the Compliance Officer.
- e. Methodology for conducting internal monitoring and auditing.
- f. Methodology for detecting and correcting offenses.

g. Methodology/Procedure for enforcing disciplinary standards.

3. If CONTRACTOR does not provide proof of its own compliance program to ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement a signed acknowledgement that CONTRACTOR will internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete ADMINISTRATOR's annual compliance training to ensure proper compliance.

4. If CONTRACTOR elects to have its own compliance program, code of conduct and any Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement. ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor's proposed compliance program and code of conduct contain all required elements to the ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

5. Upon written confirmation from ADMINISTRATOR's compliance officer that the CONTRACTOR's compliance program, code of conduct and any compliance related policies and procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of CONTRACTOR's compliance program, code of conduct, related policies and procedures and contact information for the ADMINISTRATOR's Compliance Program.

B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Agreement monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General Services Administration's Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death Master File, and/or any other list or system as identified by ADMINISTRATOR.

1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of

1 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or
2 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
3 CONTRACTOR has elected to use its own).

4 2. An Ineligible Person shall be any individual or entity who:

5 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
6 federal and state health care programs; or

7 b. has been convicted of a criminal offense related to the provision of health care items or
8 services and has not been reinstated in the federal and state health care programs after a period of
9 exclusion, suspension, debarment, or ineligibility.

10 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
11 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
12 Agreement.

13 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to
14 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its
15 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of
16 California health programs and have not been excluded or debarred from participation in any federal or
17 state health care programs, and to further represent to CONTRACTOR that they do not have any
18 Ineligible Person in their employ or under contract.

19 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any
20 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.
21 CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing
22 services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an
23 Ineligible Person.

24 6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal
25 and state funded health care services by contract with COUNTY in the event that they are currently
26 sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If
27 CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,
28 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY
29 business operations related to this Agreement.

30 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
31 entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened.
32 Such individual or entity shall be immediately removed from participating in any activity associated with
33 this Agreement. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to
34 CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall
35 promptly return any overpayments within forty-five (45) business days after the overpayment is verified
36 by ADMINISTRATOR.

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1 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance
2 Training available to Covered Individuals.

3 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's
4 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;
5 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
6 representative to complete the General Compliance Training when offered.

7 2. Such training will be made available to Covered Individuals within thirty (30) calendar days
8 of employment or engagement.

9 3. Such training will be made available to each Covered Individual annually.

10 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
11 copies of training certification upon request.

12 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
13 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
14 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
15 CONTRACTOR shall provide copies of the certifications.

16 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
17 Provider Training, where appropriate, available to Covered Individuals.

18 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
19 Individuals relative to this Agreement. This includes compliance with federal and state healthcare
20 program regulations and procedures or instructions otherwise communicated by regulatory agencies;
21 including the Centers for Medicare and Medicaid Services or their agents.

22 2. Such training will be made available to Covered Individuals within thirty (30) calendar days
23 of employment or engagement.

24 3. Such training will be made available to each Covered Individual annually.

25 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
26 provide copies of the certifications upon request.

27 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
28 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
29 group setting while CONTRACTOR shall retain the certifications. Upon written request by
30 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

31 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

32 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
33 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
34 and are consistent with federal, state and county laws and regulations. This includes compliance with
35 federal and state health care program regulations and procedures or instructions otherwise communicated
36 by regulatory agencies including the Centers for Medicare and Medicaid Services or their agents.

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2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims for payment or reimbursement of any kind.

3. CONTRACTOR shall bill only for those eligible services actually rendered which are also fully documented. When such services are coded, CONTRACTOR shall use proper billing codes which accurately describes the services provided and must ensure compliance with all billing and documentation requirements.

4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in coding of claims and billing, if and when, any such problems or errors are identified.

5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by the ADMINISTRATOR.

6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and participate in the quality improvement activities developed in the implementation of the Quality Management Program.

7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9, §1810.410.subds.(c)-(d).

F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a breach of the Agreement on the part of CONTRACTOR and grounds for COUNTY to terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Agreement on the basis of such default.

V. CONFIDENTIALITY

A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any audio and/or video recordings, in accordance with all applicable federal, state and county codes and regulations, as they now exist or may hereafter be amended or changed.

B. Prior to providing any services pursuant to this Agreement, all members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the confidentiality of any and all information and records which may be obtained in the course of providing such services. This Agreement shall specify that it is effective irrespective of all subsequent resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns.

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VI. CONFLICT OF INTEREST

CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of goods and services provided under this Agreement. CONTRACTOR's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence COUNTY staff or elected officers in the performance of their duties.

VII. COST REPORT

A. CONTRACTOR shall submit separate individual and/or consolidated Cost Reports for Period 1, Period 2 and Period 3, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the period for which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple Agreements for mental health services that are administered by HCA, consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.

1. If CONTRACTOR fails to submit an accurate and complete individual and/or consolidated Cost Report within the time period specified above, ADMINISTRATOR shall have sole discretion to impose one or both of the following:

a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each business day after the above specified due date that the accurate and complete individual and/or consolidated Cost Report is not submitted. Imposition of the late penalty shall be at the sole discretion of the ADMINISTRATOR. The late penalty shall be assessed separately on each outstanding individual and/or consolidated Cost Report due COUNTY by CONTRACTOR.

b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR pursuant to any or all agreements between COUNTY and CONTRACTOR until such time that the accurate and complete individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.

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1 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
2 individual and/or consolidated Cost Report setting forth good cause for justification of the request.
3 Approval of such requests shall be at the sole discretion of ADMINISTRATOR and shall not be
4 unreasonably denied.

5 3. In the event that CONTRACTOR does not submit an accurate and complete individual
6 and/or consolidated Cost Report within one hundred and eighty (180) calendar days following the
7 termination of this Agreement, and CONTRACTOR has not entered into a subsequent or new agreement
8 for any other services with COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the
9 term of the Agreement shall be immediately reimbursed to COUNTY.

10 B. The individual and/or consolidated Cost Report prepared for each period shall be the final
11 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
12 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are
13 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The
14 individual and/or consolidated Cost Report shall be the final financial record for subsequent audits, if
15 any.

16 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
17 less applicable revenues and any late penalty, not to exceed COUNTY's Maximum Obligation as set
18 forth in the Referenced Contract Provisions of this Agreement. CONTRACTOR shall not claim
19 expenditures to COUNTY which are not reimbursable pursuant to applicable federal, state and
20 COUNTY laws, regulations and requirements. Any payment made by COUNTY to CONTRACTOR,
21 which is subsequently determined to have been for an unreimbursable expenditure or service, shall be
22 repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30)
23 calendar days of submission of the individual and/or consolidated Cost Report or COUNTY may elect to
24 reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due
25 COUNTY.

26 D. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
27 services provided pursuant to this Agreement, less applicable revenues and late penalty, are lower than
28 the aggregate of interim monthly payments to CONTRACTOR, CONTRACTOR shall remit the
29 difference to COUNTY. Such reimbursement shall be made, in cash, or other authorized form of
30 payment, with the submission of the individual and/or consolidated Cost Report. If such reimbursement
31 is not made by CONTRACTOR within thirty (30) calendar days after submission of the individual
32 and/or consolidated Cost Report, COUNTY may, in addition to any other remedies, reduce any amount
33 owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

34 E. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
35 services provided pursuant to this Agreement, less applicable revenues and late penalty, are higher than
36 the aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR
37 the difference, provided such payment does not exceed the Maximum Obligation of COUNTY.

F. Unless approved by ADMINISTRATOR, costs that exceed the Statewide Maximum Allowance (SMA) rates per Medi-Cal Unit of Services, as determined by the DHCS, shall be unreimbursable to CONTRACTOR.

G. In the event that CONTRACTOR is authorized to retain unanticipated revenues as described in the Budget Paragraph of Exhibit A to this Agreement, CONTRACTOR shall specify in the individual and/or consolidated Cost Report the services rendered with such revenues.

H. All Cost Reports shall contain the following attestation, which may be typed directly on or attached to the Cost Report:

"I HEREBY CERTIFY that I have executed the accompanying Cost Report and supporting documentation prepared by _____ for the cost report period beginning _____ and ending _____ and that, to the best of my knowledge and belief, costs reimbursed through this Agreement are reasonable and allowable and directly or indirectly related to the services provided and that this Cost Report is a true, correct, and complete statement from the books and records of (provider name) in accordance with applicable instructions, except as noted. I also hereby certify that I have the authority to execute the accompanying Cost Report.

Signed _____
 Name _____
 Title _____
 Date _____"

VIII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without prior written consent of COUNTY. CONTRACTOR shall provide written notification of CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation. Any attempted assignment or delegation in derogation of this paragraph shall be void.

B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's business prior to completion of this Agreement, and COUNTY agrees to an assignment of the Agreement, the new owners shall be required under the terms of sale or other instruments of transfer to assume CONTRACTOR's duties and obligations contained in this Agreement and complete them to satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the prior written consent of COUNTY.

1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%) of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an

1 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
2 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
3 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

4 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
5 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of
6 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
7 change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR
8 at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or
9 delegation in derogation of this subparagraph shall be void.

10 3. If CONTRACTOR is a governmental organization, any change to another structure,
11 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board
12 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an
13 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of this
14 subparagraph shall be void.

15 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
16 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
17 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
18 the effective date of the assignment.

19 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
20 CONTRACTOR shall provide written notification within thirty (30) calendar days to
21 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
22 governing body of CONTRACTOR at one time.

23 6. COUNTY reserves the right to immediately terminate the Agreement in the event COUNTY
24 determines, in its sole discretion, that the assignee is not qualified or is otherwise unacceptable to
25 COUNTY for the provision of services under the Agreement.

26 C. CONTRACTOR's obligations undertaken pursuant to this Agreement may be carried out by
27 means of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR,
28 meet the requirements of this Agreement as they relate to the service or activity under subcontract,
29 include any provisions that ADMINISTRATOR may require, and are authorized in writing by
30 ADMINISTRATOR prior to the beginning of service delivery.

31 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
32 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
33 subsequently fails to meet the requirements of this Agreement or any provisions that
34 ADMINISTRATOR has required. ADMINISTRATOR may disallow subcontractor expenses reported
35 by CONTRACTOR.

36 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
37 pursuant to this Agreement.

3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR, amounts claimed for subcontracts not approved in accordance with this paragraph.

4. This provision shall not be applicable to service agreements usually and customarily entered into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services provided by consultants.

D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's status with respect to name changes that do not require an assignment of the Agreement. CONTRACTOR is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party to any litigation against COUNTY, or a party to litigation that may reasonably affect the CONTRACTOR's performance under the Contract, as well as any potential conflicts of interest between CONTRACTOR and County that may arise prior to or during the period of Agreement performance. While CONTRACTOR will be required to provide this information without prompting from COUNTY any time there is a change in CONTRACTOR's name, conflict of interest or litigation status, CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever requested by COUNTY.

IX. DISPUTE RESOLUTION

A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Agreement is not disposed of in a reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be brought to the attention of the COUNTY Purchasing Agency by way of the following process:

1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Agreement, unless COUNTY, on its own initiative, has already rendered such a final decision.

2. CONTRACTOR's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Agreement, CONTRACTOR shall include with the demand a written statement signed by an authorized representative indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Agreement, CONTRACTOR agrees to proceed diligently with the performance of services secured via this Agreement, including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed diligently shall be considered a material breach of this Agreement.

C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final decision adverse to CONTRACTOR's contentions.

1 D. This Agreement has been negotiated and executed in the State of California and shall be
2 governed by and construed under the laws of the State of California. In the event of any legal action to
3 enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent
4 jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to
5 the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the
6 Parties specifically agree to waive any and all rights to request that an action be transferred for
7 adjudication to another county.

8 9 **X. EMPLOYEE ELIGIBILITY VERIFICATION**

10 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and regulations
11 regarding the employment of aliens and others and to ensure that employees, subcontractors, and
12 consultants performing work under this Agreement meet the citizenship or alien status requirement set
13 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,
14 subcontractors, and consultants performing work hereunder, all verification and other documentation of
15 employment eligibility status required by federal or state statutes and regulations including, but not
16 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently exist
17 and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all
18 covered employees, subcontractors, and consultants for the period prescribed by the law.

19 20 **XI. EQUIPMENT**

21 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
22 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
23 ADMINISTRATOR to assist in performing the services described in this Agreement. "Relatively
24 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000 or
25 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital
26 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and
27 other taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain PHI
28 or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to
29 phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of
30 Equipment purchased, in whole or in part, with funds paid pursuant to this Agreement shall be
31 depreciated according to GAAP.

32 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any
33 Equipment with funds paid pursuant to this Agreement. Upon delivery of Equipment, CONTRACTOR
34 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
35 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
36 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
37 purchased asset in an Equipment inventory.

1 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to COUNTY
2 the cost of the approved Equipment purchased by CONTRACTOR. To "expense," in relation to
3 Equipment, means to charge the proportionate cost of Equipment in the fiscal year in which it is
4 purchased. Title of expensed Equipment shall be vested with COUNTY.

5 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part with
6 funds paid through this Agreement, including date of purchase, purchase price, serial number, model and
7 type of Equipment. Such inventory shall be available for review by ADMINISTRATOR, and shall
8 include the original purchase date and price, useful life, and balance of depreciated Equipment cost, if
9 any.

10 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical
11 inventories of all Equipment. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any
12 or all Equipment to COUNTY.

13 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
14 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,
15 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
16 Equipment are moved from one location to another or returned to COUNTY as surplus.

17 G. Unless this Agreement is followed without interruption by another agreement between the
18 Parties for substantially the same type and scope of services, at the termination of this Agreement for any
19 cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through this
20 Agreement.

21 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the proper
22 use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

23 24 **XII. FACILITIES, PAYMENTS AND SERVICES**

25 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
26 with this Agreement. COUNTY shall compensate, and authorize, when applicable, said services.
27 CONTRACTOR shall operate continuously throughout the term of this Agreement with at least the
28 minimum number and type of staff which meet applicable federal and state requirements, and which are
29 necessary for the provision of the services hereunder.

30 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
31 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation for
32 the appropriate Period as well as the Total Maximum Obligation. The reduction to the Maximum
33 Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an amount
34 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
35 services, staffing, facilities or supplies.

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XIII. INDEMNIFICATION AND INSURANCE

A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this Agreement have been complied with. CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with COUNTY during the entire term of this Agreement. In addition, all subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR.

C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection by COUNTY representative(s) at any reasonable time.

D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved, CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this Agreement, agrees to all of the following:

1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole cost and expense with counsel approved by Board of Supervisors against same; and

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2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the CONTRACTOR's SIR provision shall be interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

E. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of this Agreement, the COUNTY may terminate this Agreement.

F. QUALIFIED INSURER

1. The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims -made \$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

H. REQUIRED COVERAGE FORMS

1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a substitute form providing liability coverage at least as broad.

2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

I. REQUIRED ENDORSEMENTS

1. The Commercial General Liability policy shall contain the following endorsements, which shall accompany the COI:

a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange, its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN AGREEMENT***.

b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

J. All insurance policies required by this Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, agents and employees***, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN AGREEMENT***.

L. All insurance policies required by this Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

M. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy cancellation and within ten (10) days for non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to suspend or terminate this Agreement.

N. If CONTRACTOR's Professional Liability, Technology Errors & Omissions and/or Network Security & Privacy Liability are "Claims-Made" policies, CONTRACTOR shall agree to maintain coverage for two (2) years following the completion of the Agreement.

O. The Commercial General Liability policy shall contain a "severability of interests" clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

P. Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

Q. If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

1 R. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
2 insurance of any of the above insurance types throughout the term of this Agreement. Any increase or
3 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately
4 protect COUNTY.

5 S. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
6 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with
7 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, this
8 Agreement may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled
9 to all legal remedies.

10 T. The procuring of such required policy or policies of insurance shall not be construed to limit
11 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
12 this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

13 U. SUBMISSION OF INSURANCE DOCUMENTS

14 1. The COI and endorsements shall be provided to COUNTY as follows:
15 a. Prior to the start date of this Agreement.
16 b. No later than the expiration date for each policy.
17 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
18 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

19 2. The COI and endorsements shall be provided to the COUNTY at the address as specified in
20 the Referenced Contract Provisions of this Agreement.

21 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
22 provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall have
23 sole discretion to impose one or both of the following:

24 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
25 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the
26 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are
27 submitted to ADMINISTRATOR.

28 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
29 COI or endorsement for each business day, pursuant to any and all Agreements between COUNTY and
30 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
31 provisions stipulated in this Agreement are submitted to ADMINISTRATOR.

32 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
33 CONTRACTOR's monthly invoice.

34 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
35 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
36 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.

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XIV. INSPECTIONS AND AUDITS

A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any other of their authorized representatives, shall to the extent permissible under applicable law have access to any books, documents, and records, including but not limited to, financial statements, general ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the premises in which they are provided.

B. CONTRACTOR shall actively participate and cooperate with any person specified in Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this Agreement, and shall provide the above mentioned persons adequate office space to conduct such evaluation or monitoring.

C. AUDIT RESPONSE

1. Following an audit report, in the event of non-compliance with applicable laws and regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement appropriate corrective action. A CAP shall be submitted to ADMINISTRATOR in writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR.

2. If the audit reveals that money is payable from one Party to the other, that is, reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60) calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within fourteen (14) calendar days of receipt.

E. CONTRACTOR shall forward to ADMINISTRATOR a copy of any audit report within fourteen (14) calendar days of receipt. Such audit shall include, but not be limited to, management, financial, programmatic or any other type of audit of CONTRACTOR's operations, whether or not the cost of such operation or audit is reimbursed in whole or in part through this Agreement

XV. LICENSES AND LAWS

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Agreement.

B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and requirements shall include, but not be limited to, the following:

1. ARRA of 2009.
2. Trafficking Victims Protection Act of 2000.
3. WIC, Division 5, Community Mental Health Services.
4. WIC, Division 6, Admissions and Judicial Commitments.
5. WIC, Division 7, Mental Institutions.
6. HSC, §§1250 et seq., Health Facilities.
7. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
8. CCR, Title 9, Rehabilitative and Developmental Services.
9. CCR, Title 17, Public Health.
10. CCR, Title 22, Social Security.
11. CFR, Title 42, Public Health.
12. CFR, Title 45, Public Welfare.
13. USC Title 42. Public Health and Welfare.
14. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
15. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
16. 42 USC §1857, et seq., Clean Air Act.
17. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
18. 31 USC 7501.70, Federal Single Audit Act of 1984.
19. Policies and procedures set forth in Mental Health Services Act.
20. Policies and procedures set forth in DHCS Letters.
21. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
22. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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1 C. CONTRACTOR shall at all times be capable and authorized by the State of California to
2 provide treatment and bill for services provided to Medi-Cal eligible clients while working under the
3 terms of this Agreement.

4 D. CONTRACTOR shall make every reasonable effort to obtain appropriate licenses and/or
5 waivers to provide Medi-Cal billable treatment services at school or other sites requested by
6 ADMINISTRATOR.

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8 **XVI. LITERATURE, ADVERTISEMENTS AND SOCIAL MEDIA**

9 A. Any written information or literature, including educational or promotional materials, distributed
10 by CONTRACTOR to any person or organization for purposes directly or indirectly related to this
11 Agreement must be approved at least thirty (30) days in advance and in writing by ADMINISTRATOR
12 before distribution. For the purposes of this Agreement, distribution of written materials shall include,
13 but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads, and electronic media
14 such as the Internet.

15 B. Any advertisement through radio, television broadcast, or the Internet, for educational or
16 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this
17 Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

18 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
19 available social media sites) in support of the services described within this Agreement, CONTRACTOR
20 shall develop social media policies and procedures and have them available to ADMINISTRATOR upon
21 reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used
22 to either directly or indirectly support the services described within this Agreement. CONTRACTOR
23 shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media
24 developed in support of the services described within this Agreement. CONTRACTOR shall also
25 include any required funding statement information on social media when required by
26 ADMINISTRATOR.

27 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement by
28 COUNTY, unless ADMINISTRATOR consents thereto in writing.

29
30 **XVII. MAXIMUM OBLIGATION**

31 A. The Total Maximum Obligation of COUNTY for services provided in accordance with this
32 Agreement, and the separate Maximum Obligations for each period under this Agreement, are as
33 specified in the Referenced Contract Provisions of this Agreement, except as allowed for in
34 Subparagraph B. below.

35 B. ADMINISTRATOR may amend the Maximum Obligation by an amount not to exceed ten
36 percent (10%) of the first full year of funding for this Agreement.

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XVIII. MINIMUM WAGE LAWS

A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the federal or California Minimum Wage to all its employees that directly or indirectly provide services pursuant to this Agreement, in any manner whatsoever. CONTRACTOR shall require and verify that all its contractors or other persons providing services pursuant to this Agreement on behalf of CONTRACTOR also pay their employees no less than the greater of the federal or California Minimum Wage.

B. CONTRACTOR shall comply and verify that its contractors comply with all other federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to providing services pursuant to this Agreement.

C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR, where applicable, shall comply with the prevailing wage and related requirements, as provided for in accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (§§1770, et seq.), as it now exists or may hereafter be amended.

XIX. NONDISCRIMINATION**A. EMPLOYMENT**

1. During the term of this Agreement, CONTRACTOR and its Covered Individuals (as defined in the "Compliance" paragraph of this Agreement) shall not unlawfully discriminate against any employee or applicant for employment because of his/her race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Additionally, during the term of this Agreement, CONTRACTOR and its Covered Individuals shall require in its subcontracts that subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of his/her race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

3. CONTRACTOR shall not discriminate between employees with spouses and employees with domestic partners, or discriminate between domestic partners and spouses of those employees, in the provision of benefits.

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1 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
2 employment, notices from ADMINISTRATOR and/or the United States Equal Employment Opportunity
3 Commission setting forth the provisions of the EOC.

4 5. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR
5 and/or subcontractor shall state that all qualified applicants will receive consideration for employment
6 without regard to race, religious creed, color, national origin, ancestry, physical disability, mental
7 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
8 expression, age, sexual orientation, or military and veteran status. Such requirements shall be deemed
9 fulfilled by use of the term EOE.

10 6. Each labor union or representative of workers with which CONTRACTOR and/or
11 subcontractor has a collective bargaining agreement or other contract or understanding must post a notice
12 advising the labor union or workers' representative of the commitments under this Nondiscrimination
13 Paragraph and shall post copies of the notice in conspicuous places, available to employees and
14 applicants for employment.

15 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
16 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
17 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability,
18 medical condition, genetic information, marital status, sex, gender, gender identity, gender expression,
19 age, sexual orientation, or military and veteran status in accordance with Title IX of the Education
20 Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964
21 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6,
22 Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information Nondiscrimination Act of
23 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated
24 pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be
25 hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, discrimination
26 includes, but is not limited to the following based on one or more of the factors identified above:

27 1. Denying a Client or potential Client any service, benefit, or accommodation.
28 2. Providing any service or benefit to a Client which is different or is provided in a different
29 manner or at a different time from that provided to other Clients.

30 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
31 others receiving any service and/or benefit.

32 4. Treating a Client differently from others in satisfying any admission requirement or
33 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
34 any service and/or benefit.

35 5. Assignment of times or places for the provision of services.

36 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all Clients
37 through a written statement that CONTRACTOR's and/or subcontractor's Clients may file all complaints

1 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
2 ADMINISTRATOR.

3 1. Whenever possible, problems shall be resolved at the point of service. CONTRACTOR
4 shall establish an internal informal problem resolution process for Clients not able to resolve such
5 problems at the point of service. Clients may initiate a grievance or complaint directly with
6 CONTRACTOR either orally or in writing.

7 a. COUNTY shall establish a formal resolution and grievance process in the event
8 informal processes do not yield a resolution.

9 b. Throughout the problem resolution and grievance process, Client rights shall be
10 maintained, including access to the COUNTY's Patients' Rights Office at any point in the process.
11 Clients shall be informed of their right to access the COUNTY's Patients' Rights Office at any time.

12 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as
13 to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right to
14 request a State Fair Hearing.

15 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
16 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
17 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended
18 (42 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
19 discrimination against qualified persons with disabilities in all programs or activities, and if applicable,
20 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together
21 with succeeding legislation.

22 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
23 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
24 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
25 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to enforce
26 rights secured by federal or state law.

27 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and state
28 law, this Agreement may be canceled, terminated or suspended in whole or in part and CONTRACTOR
29 or subcontractor may be declared ineligible for further contracts involving federal, state or COUNTY
30 funds.

31 **XX. NOTICES**

32 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
33 authorized or required by this Agreement shall be effective:

34 1. When written and deposited in the United States mail, first class postage prepaid and
35 addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed
36 by ADMINISTRATOR;
37

2. When faxed, transmission confirmed;
3. When sent by E-Mail; or
4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed, transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COUNTY property in possession of CONTRACTOR.

D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by ADMINISTRATOR.

XXI. NOTIFICATION OF DEATH

A. Upon becoming aware of the death of any person served pursuant to this Agreement, CONTRACTOR shall immediately notify ADMINISTRATOR.

B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain the name of the deceased, the date and time of death, the nature and circumstances of the death, and the name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by telephone immediately upon becoming aware of the death due to non-terminal illness of any person served pursuant to this Agreement; notice need only be given during normal business hours.

2. WRITTEN NOTIFICATION

a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send via encrypted E-Mail to ADMINISTRATOR a written report within sixteen (16) hours after becoming aware of the death due to non-terminal illness of any person served pursuant to this Agreement.

b. TERMINAL ILLNESS – CONTRACTOR shall notify ADMINISTRATOR by written report hand delivered, faxed, sent via encrypted E-Mail, within forty-eight (48) hours of becoming aware of the death due to terminal illness of any person served pursuant to this Agreement.

c. When notification via encrypted E-Mail is not possible or practical CONTRACTOR may hand deliver or fax to a known number said notification.

C. If there are any questions regarding the cause of death of any person served pursuant to this Agreement who was diagnosed with a terminal illness, or if there are any unusual circumstances related to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with this Notification of Death Paragraph.

1 **XXII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

2 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in
3 whole or part by the COUNTY, except for those events or meetings that are intended solely to serve
4 clients or occur in the normal course of business.

5 B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance of
6 any applicable public event or meeting. The notification must include the date, time, duration, location
7 and purpose of public event or meeting. Any promotional materials or event related flyers must be
8 approved by ADMINISTRATOR prior to distribution.

9
10 **XXIII. RECORDS MANAGEMENT AND MAINTENANCE**

11 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of
12 this Agreement, prepare, maintain and manage records appropriate to the services provided and in
13 accordance with this Agreement and all applicable requirements.

14 1. CONTRACTOR shall maintain records that are adequate to substantiate the services for
15 which claims are submitted for reimbursement under this Agreement and the charges thereto. Such
16 records shall include, but not be limited to, individual patient charts and utilization review records.

17 2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN
18 Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was
19 rendered, and such additional information as ADMINISTRATOR or DHCS may require.

20 3. CONTRACTOR shall maintain books, records, documents, accounting procedures and
21 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature
22 claimed to have been incurred in the performance of this Agreement and in accordance with Medicare
23 principles of reimbursement and GAAP.

24 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
25 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
26 necessity of the service, and the quality of care provided. Records shall be maintained in accordance
27 with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

28 B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards
29 to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of PHI in
30 violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the extent
31 practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal or state
32 regulations and/or COUNTY policies.

33 C. CONTRACTOR's participant, client, and/or patient records shall be maintained in a secure
34 manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish and
35 implement written record management procedures.

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1 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
2 termination of the contract, unless a longer period is required due to legal proceedings such as litigations
3 and/or settlement of claims.

4 E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years following
5 discharge of the participant, client and/or patient.

6 F. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
7 billings, and revenues available at one (1) location within the limits of the County of Orange. If
8 CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide
9 written approval to CONTRACTOR to maintain records in a single location, identified by
10 CONTRACTOR.

11 G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
12 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all
13 information that is requested by the PRA request.

14 H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that
15 clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or
16 request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records
17 maintained by or for a covered entity that is:

18 1. The medical records and billing records about individuals maintained by or for a covered
19 health care provider;

20 2. The enrollment, payment, claims adjudication, and case or medical management record
21 systems maintained by or for a health plan; or

22 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

23 I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance
24 with the terms of this Agreement and common business practices. If documentation is retained
25 electronically, CONTRACTOR shall, in the event of an audit or site visit:

26 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit
27 or site visit.

28 2. Provide auditor or other authorized individuals access to documents via a computer terminal.

29 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
30 requested.

31 J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and
32 security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or security
33 of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law or
34 regulation, and copy ADMINISTRATOR on such notifications.

35 K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or
36 security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall
37 pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

1 **XXIV. RESEARCH AND PUBLICATION**

2 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of,
3 or developed, as a result of this Agreement for the purpose of personal or professional research, or for
4 publication.

5 **XXV. SEVERABILITY**

6 If a court of competent jurisdiction declares any provision of this Agreement or application thereof
7 to any person or circumstances to be invalid or if any provision of this Agreement contravenes any
8 federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or
9 the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain in
10 full force and effect, and to that extent the provisions of this Agreement are severable.

11
12 **XXVI. SPECIAL PROVISIONS**

13 A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following
14 purposes:

- 15 1. Making cash payments to intended recipients of services through this Agreement.
- 16 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
17 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use
18 of appropriated funds to influence certain federal contracting and financial transactions).
- 19 3. Fundraising.
- 20 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
21 CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of
22 Directors or governing body.
- 23 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body
24 for expenses or services.
- 25 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
26 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
27 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 28 7. Paying an individual salary or compensation for services at a rate in excess of the current
29 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
30 Schedule may be found at www.opm.gov.
- 31 8. Severance pay for separating employees.
- 32 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
33 codes and obtaining all necessary building permits for any associated construction.
- 34 10. Supplanting current funding for existing services.

35 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
36 shall not use the funds provided by means of this Agreement for the following purposes:

- 37 1. Funding travel or training (excluding mileage or parking).

2. Making phone calls outside of the local area unless documented to be directly for the purpose of Client care.
3. Payment for grant writing, consultants, certified public accounting, or legal services.
4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Agreement.
5. Purchasing or improving land, including constructing or permanently improving any building or facility, except for tenant improvements.
6. Providing inpatient hospital services or purchasing major medical equipment.
7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds (matching).
8. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's Clients.

XXVII. STATUS OF CONTRACTOR

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, volunteers, interns, or subcontractors. CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants, volunteers, interns, or subcontractors as they relate to the services to be provided during the course and scope of their employment. CONTRACTOR, its agents, employees, consultants, volunteers, interns, or subcontractors, shall not be entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner to be COUNTY's employees.

XXVIII. TERM

A. The term of this Agreement shall commence as specified in the Referenced Contract Provisions of this Agreement or the execution date, whichever is later. This Agreement shall terminate as specified in the Referenced Contract Provisions of this Agreement unless otherwise sooner terminated as provided in this Agreement. CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting, and accounting.

B. Any administrative duty or obligation to be performed pursuant to this Agreement on a weekend or holiday may be performed on the next regular business day.

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XXIX. TERMINATION

A. Either Party may terminate this Agreement, without cause, upon ninety (90) calendar days' written notice given the other Party.

B. CONTRACTOR shall be responsible for meeting all programmatic and administrative contracted objectives and requirements as indicated in this Agreement. CONTRACTOR shall be subject to the issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not meet goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe as determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved and/or the Agreement could be terminated.

C. Unless otherwise specified in this Agreement, COUNTY may terminate this Agreement upon five (5) calendar days' written notice if CONTRACTOR fails to perform any of the terms of this Agreement. At ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty (30) calendar days for corrective action.

D. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence of any of the following events:

1. The loss by CONTRACTOR of legal capacity.
2. Cessation of services.
3. The delegation or assignment of CONTRACTOR's services, operation or administration to another entity without the prior written consent of COUNTY.
4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty required pursuant to this Agreement.
5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this Agreement.
6. The continued incapacity of any physician or licensed person to perform duties required pursuant to this Agreement.
7. Unethical conduct or malpractice by any physician or licensed person providing services pursuant to this Agreement; provided, however, COUNTY may waive this option if CONTRACTOR removes such physician or licensed person from serving persons treated or assisted pursuant to this Agreement.

E. CONTINGENT FUNDING

1. Any obligation of COUNTY under this Agreement is contingent upon the following:
 - a. The continued availability of federal, state and county funds for reimbursement of COUNTY's expenditures, and
 - b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s) approved by the Board of Supervisors.
2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend, terminate or renegotiate this Agreement upon thirty (30) calendar days' written notice given

1 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated
2 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

3 F. In the event this Agreement is suspended or terminated prior to the completion of the term as
4 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its
5 sole discretion, reduce the Maximum Obligation of this Agreement in an amount consistent with the
6 reduced term of the Agreement.

7 G. In the event this Agreement is terminated by either Party pursuant to Subparagraphs B., C., or D.
8 above, CONTRACTOR shall do the following:

9 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which is
10 consistent with recognized standards of quality care and prudent business practice.

11 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
12 performance during the remaining contract term.

13 3. Until the date of termination, continue to provide the same level of service required by this
14 Agreement.

15 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
16 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an
17 orderly transfer.

18 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
19 Client's best interests.

20 6. If records are to be transferred to COUNTY, pack and label such records in accordance with
21 directions provided by ADMINISTRATOR.

22 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
23 supplies purchased with funds provided by COUNTY.

24 8. To the extent services are terminated, cancel outstanding commitments covering the
25 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
26 commitments which relate to personal services. With respect to these canceled commitments,
27 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
28 arising out of such cancellation of commitment which shall be subject to written approval of
29 ADMINISTRATOR.

30 9. Provide written notice of termination of services to each Client being served under this
31 Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
32 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar day
33 period.

34 G. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
35 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

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XXX. THIRD PARTY BENEFICIARY

Neither party hereto intends that this Agreement shall create rights hereunder in third parties including, but not limited to, any subcontractors or any Clients provided services pursuant to this Agreement.

XXXI. WAIVER OF DEFAULT OR BREACH

Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default or any breach by CONTRACTOR shall not be considered a modification of the terms of this Agreement.

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1 IN WITNESS WHEREOF, the Parties have executed this Agreement, in the County of Orange, State
2 of California.

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4 MIND OC

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6 DocuSigned by:
7 BY: Marshall Moncrief DATED: 9/16/2019
8 86D06FBA611D4F0...

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10 TITLE: CEO Mind OC
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16 COUNTY OF ORANGE

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18 DocuSigned by:
19 BY: Anna Peters DATED: 10/24/2019
20 FF01A70093884B...

HEALTH CARE AGENCY

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23
24
25 APPROVED AS TO FORM
26 OFFICE OF THE COUNTY COUNSEL
27 ORANGE COUNTY, CALIFORNIA
28

29 DocuSigned by:
30 BY: Brittany McLean DATED: 9/16/2019
31 0713A70671D4343D...

DEPUTY

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35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or
36 any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.
37 If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the board of directors
has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR..

EXHIBIT A
TO AGREEMENT FOR PROVISION OF
BEHAVIORAL HEALTH SYSTEM TRANSFORMATION INNOVATION PROJECT
BETWEEN
COUNTY OF ORANGE
AND
MINDOC
OCTOBER 15, 2019 THROUGH JUNE 30, 2022

I. COMMON TERMS AND DEFINITIONS

A. The parties agree to the following terms and definitions, and to those terms and definitions which, for convenience, are set forth elsewhere in the Agreement.

1. Admission means documentation, by CONTRACTOR, of completion of the entry and evaluation documents into the ADMINISTRATOR's IRIS or other database as approved by administrator.

2. Best Practices means a term that is often used inter-changeably with "evidence-based practice" and is best defined as an "umbrella" term for three levels of practice, measured in relation to Recovery-consistent mental health practices where the Recovery process is supported with scientific intervention that best meets the needs of the individual at this time.

a. EBP means Evidence-Based Practices and refers to the interventions utilized for which there is consistent scientific evidence showing they improved individual outcomes and meets the following criteria: it has been replicated in more than one geographic or practice setting with consistent results; it is recognized in scientific journals by one or more published articles; it has been documented and put into manual forms; it produces specific outcomes when adhering to the fidelity of the model.

b. Promising Practices means that experts believe the practices are likely to be raised to the next level when scientific studies can be conducted and are supported by some body of evidence, (evaluation studies or expert consensus in reviewing outcome data); it has been endorsed by recognized bodies of advocacy organizations and finally, produces specific outcomes.

c. Emerging Practices means that the practice(s) seems like a logical approach to addressing a specific behavior which is becoming distinct, recognizable among individuals and clinicians in practice, or innovators in academia or policy makers; and at least one recognized expert, group of researchers or other credible individuals have endorsed the practice as worthy of attention based on outcomes; and finally, it produces specific outcomes.

3. Care Coordinator is a MHS, CSW, or MFT that provides mental health, crisis intervention and case management services to those individuals who seek services in the COUNTY operated outpatient programs.

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1 4. Case Management means a process of identification, assessment of need, planning,
2 coordination and linkage to available resources. This includes supportive assistance to the participant.

3 5. Clinical Director means an individual who meets the minimum requirements set forth in
4 Title 9, CCR, and has at least two (2) years of full-time professional experience working in a mental
5 health setting.

6 6. Clinician means an individual who meets the minimum professional licensure requirements
7 set forth in Title 9, CCR, Section 625.

8 7. Collaboration means a process of participation through which groups, agencies, coalitions
9 and/ or task forces work together in a beneficial and well-defined relationship towards the service goals.

10 8. Community Planning Meetings means meetings that are facilitated by the CONTRACTOR
11 for the purpose of gathering feedback from local stakeholders, including consumers/clients, family
12 members, community-based behavioral health providers, COUNTY staff and other individuals related to
13 the services described under this Agreement.

14 9. Crisis Residential Program means a program that provides short-term Crisis Residential
15 Services to adults who are in behavioral health crises and may be at risk of psychiatric hospitalization.
16 Individuals are referred from Adult and Older Adult Behavioral Health County or County-contracted
17 behavioral health providers. The program operates twenty-four (24) hours a day, seven (7) days a week
18 and emulates a home-like environment. Intensive psychosocial services are provided on an individual
19 and group basis by mental health professionals, including therapy, crisis intervention, group education,
20 assistance with self-administration of medications and case management. The focus is on recovery and
21 intensive behavioral health treatment, management and discharge planning, linkage and reintegration
22 into the community. The average length of stay per client is fourteen (14) days.

23 10. Crisis Stabilization Unit (CSU) means a behavioral health crisis stabilization program that
24 operates twenty-four (24) hours a day that serves Orange County residents, aged eighteen (18) and
25 older, who are experiencing a behavioral health crisis that cannot wait until a regularly scheduled
26 appointment. Crisis Stabilization services include psychiatric evaluations, nursing assessments,
27 consultations with significant others and outpatient providers, individual and family education, crisis
28 intervention services, counseling/therapy services provided by a Licensed Clinical Social Worker or
29 Marriage Family Therapist, basic medical services, medication services, and referrals and linkages to the
30 appropriate level of continuing care and community services, including Peer Mentoring services. As a
31 designated outpatient facility, the CSU may evaluate and treat individuals for no longer than twenty-
32 three (23) hours and fifty-nine (59) minutes. The primary goal of the CSU is to help stabilize the crises
33 and begin treating individuals in order to refer them to the most appropriate, least restrictive non-
34 hospital setting when indicated or to facilitate admission to psychiatric inpatient units when the need for
35 this level of care is present.

36 11. Data Mining and Analysis Specialist means a person who is responsible for ensuring the
37 program maintains a focus on outcomes, by reviewing outcomes, and analyzing data as well as working

on strategies for gathering new data from the individuals' perspective, which will improve understanding of individuals' needs and desires towards furthering their Recovery. This individual will provide feedback to the program and work collaboratively with other staff in the program in strategizing improved outcomes in these areas. This position will be responsible for attending all data and outcome related meetings and ensuring that program is being proactive in all data collection requirements and changes at the local and state level.

12. DHCS means Department of Health Care Service and refers to the California Health and Human Services Agency that finances and administers a number of individual health care service delivery programs, including Medi-Cal, which provides health care services to low-income people.

13. Diagnosis means the definition of the nature of the Participant's disorder. When formulating the Diagnosis of the individual, CONTRACTOR shall use the diagnostic codes and axes as specified in the most current edition of the DSM published by the American Psychiatric Association. DSM diagnoses will be recorded on all IRIS documents or other database as appropriate.

14. Engagement means the process by which a trusting relationship between worker and individual(s) is established with the goal to link the individual(s) to the appropriate services. Engagement of individual(s) is the objective of a successful Outreach.

15. Evaluation means systematic collection, analysis, and use of program information for monitoring, improving programs, assessing Outcomes, planning, and policy-making in relation to this Agreement.

16. Family Member means any traditional and/ or non-traditional support system, significant other, or natural support designated by the Participant.

17. Innovation Projects means programs that are designed as research projects to evaluate the effectiveness of new approaches and practices. Innovation projects emphasize contribution to learning rather than service deliver. Projects are limited to a maximum of five years.

18. Intern means an individual enrolled in an accredited graduate program accumulating clinically supervised work experience hours as part of fieldwork, internship, or practicum requirements. Acceptable graduate programs include all programs that assist the student in meeting the educational requirements in becoming a MFT, a licensed CSW, or a licensed Clinical Psychologist.

19. IRIS means Integrated Records Information System and refers to a collection of applications and databases that serve the needs of programs within the COUNTY and includes functionality such as registration and scheduling, laboratory information system, billing and reporting capabilities, compliance with regulatory requirements, electronic medical records and other relevant applications.

20. Learning Goals/Objectives means the specific aims, goals and learning the Innovation project aims to achieve under services described within this Agreement and refers to a required component of the MHSA Innovation Guidelines.

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1 21. Linkage means when an individual is connected to programs or services through warm
2 hand-off or follow-up to ensure connection is made.

3 22. Medical Necessity means the requirements as defined in the Orange County MHP Medical
4 Necessity for Medi-Cal reimbursed Specialty Mental Health Services that includes Diagnosis,
5 Impairment Criteria and Intervention Related Criteria.

6 23. Mental Health Field means a business or service providing mental health Outreach,
7 Assessment, or treatment services to mental health Participants, or providing housing, educational,
8 counseling, employment, recreational or social services to mental health Participants.

9 24. Mental Health Services means interventions designed to provide the maximum reduction of
10 mental disability and restoration or maintenance of functioning consistent with the requirements for
11 learning, development and enhanced self-sufficiency. Services shall include:

12 a. Assessment means a service activity, which may include a clinical analysis of the
13 history and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural
14 issues and history, Diagnosis and the use of testing procedures.

15 b. Collateral means a significant support person in a beneficiary's life and is used to
16 define services provided to them with the intent of improving or maintaining the mental health status of
17 the individual. The beneficiary may or may not be present for this service activity.

18 c. Co-Occurring Integrated Treatment Model means, in evidence-based Integrated
19 Treatment programs, individuals who receive a combined treatment for mental illness and substance
20 abuse disorders from the same practitioner or treatment team.

21 d. Crisis Intervention means a service, lasting less than twenty-four (24) hours, to or on
22 behalf of an individual for a condition that requires more timely response than a regularly scheduled
23 visit. Service activities may include, but are not limited to, assessment, collateral and therapy.

24 e. Medication Support Services means those services provided by a licensed physician,
25 registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing
26 and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the
27 symptoms of mental illness. These services also include evaluation and documentation of the clinical
28 justification and effectiveness for use of the medication, dosage, side effects, compliance and response
29 to medication, as well as obtaining informed consent, providing medication education and plan
30 development related to the delivery of the service and/or assessment of the beneficiary.

31 f. Rehabilitation Service means an activity which includes assistance in improving,
32 maintaining, or restoring an individual's or group of individuals' functional skills, daily living skills,
33 social and leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources
34 and/or medication education.

35 g. Targeted Case Management means services that assist a beneficiary to access needed
36 medical, educational, social, prevocational, vocational, rehabilitative, or other community services. The
37 service activities may include, but are not limited to, communication, coordination and referral;

1 monitoring service delivery to ensure beneficiary access to service and the service delivery system;
2 monitoring of the beneficiary's progress; and plan development.

3 h. Therapy means a service activity which is a therapeutic intervention that focuses
4 primarily on symptom reduction as a means to improve functional impairments. Therapy may be
5 delivered to an individual or group of beneficiaries which may include family therapy in which the
6 beneficiary is present.

7 25. MHSA means Mental Health Services Act and refers to the law that provides funding for
8 expanded community Mental Health Services. It is also known as "Proposition 63."

9 26. MHSA Innovation Project Regulations refers to the Innovation component guidelines set
10 for by the MHSAOAC, referenced in Title 9 California Code of Regulations, Division 1, Chapter 14
11 MHSA.

12 27. Mental Health Services Oversight and Accountability Commission (MHSAOAC) means the
13 Commission responsible for the oversight and implementation of MHSA and refers to Section 10 of the
14 MHSA (Welfare and Institutions Code Section 5845).

15 28. Mental Health Worker means an individual that assists in planning, developing and
16 evaluating mental health services for individuals; provides liaison between individuals and service
17 providers; and has obtained a Bachelor's degree in a behavioral science field such as psychology,
18 counseling, or social work, or has two years of experience providing services to individuals
19 experiencing mental health, drug abuse or alcohol disorders. Education in a behavioral science field
20 such as psychology, counseling, or social work may be substituted for up to one year of the experience
21 requirement.

22 29. NPI means National Provider Identifier and refers to the standard unique health identifier
23 that was adopted by the Secretary of HHS under HIPAA for health care providers. All HIPAA covered
24 healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in
25 HIPAA standard transactions. The NPI is assigned for life.

26 30. NPP means Notice of Privacy Practices and refers to a document that notifies individuals of
27 uses and disclosures of PHI that may be made by or on behalf of the health plan or health care provider
28 as set forth in HIPAA.

29 31. Outcome means measurable change that occurs as a result of a project's overall
30 performance in implementing its services.

31 32. Outreach means activities that are intended to engage and inform potential participants
32 about project services.

33 33. Participant means an individual, referred by ADMINISTRATOR or enrolled in
34 CONTRACTOR's program for services under this Agreement.

35 34. Paraprofessional means a title given to persons, in various occupational fields, such as
36 education, healthcare, or Mental Health Field under this Agreement, who are trained to assist other
37 clinicians/ professionals but are not licensed or in the licensing process at a professional level.

35. Peer Recovery Specialist/Counselor means an individual who has been through the same or similar Recovery process as those he/she is now assisting to attain their Recovery goals while being paid for this function by the program. A Peer Recovery Specialist/Counselor's practice is informed by his/her own experience.

36. PHI means Personal Health Information and refers to individually identifiable health information usually transmitted by electronic media, maintained in any medium as defined in the regulations, or for an entity such as a health plan, transmitted or maintained in any other medium. It is created or received by a covered entity and relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to an individual, or the past, present, or future payment for health care provided to an individual.

37. PII means any information that could be readily used to identify a specific person, including but not limited to: name, address, telephone number, E-Mail address, driver's license number, Social Security number, bank account information, credit card information, or any combination of data that could be used to identify a specific person, such as birth date, zip code, mother's maiden name and gender.

38. Pre-Licensed Psychologist means an individual who has obtained a Ph.D. or Psy.D. in Clinical Psychology and is registered with the Board of Psychology as a registered Psychology Intern or Psychological Assistant, acquiring hours for licensing and waived in accordance with Welfare and Institutions Code section 575.2. The waiver may not exceed five (5) years.

39. Pre-Licensed Therapist means an individual who has obtained a Master's Degree in Social Work or Marriage and Family Therapy and is registered with the BBS as an Associate CSW or MFT Intern acquiring hours for licensing. An individual's registration is subject to regulations adopted by the BBS.

40. Program Development means the ongoing systematic process of planning, implementing and evaluating a program, which involves a collaborative relationship between the CONTRACTOR and ADMINISTRATOR.

41. Program Director means an individual who has complete responsibility for the day-to-day function of the program. The Program Director is the highest level of decision-making at a local, program level.

42. Promotora de Salud Model means a model where trained individuals, Promotores, work towards improving the health of their communities by linking their neighbors to health care and social services, educating their peers about mental illness, disease and injury prevention.

43. Promotores means individuals who are members of the community who function as natural helpers to address some of their communities' unmet mental health, health and human service needs. They are individuals who represent the ethnic, socio-economic and educational traits of the population he/she serves. Promotores are respected and recognized by their peers and have the pulse of the community's needs.

44. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623.

45. Psychologist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 624.

46. Quality Assurance means the systematic process of ensuring services are meeting specified requirements as set forth by the ADMINISTRATOR.

47. Recovery means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential, and identifies four major dimensions to support Recovery in life:

a. Health: Overcoming or managing one's disease(s) as well as living in a physically and emotionally healthy way;

b. Home: A stable and safe place to live;

c. Purpose: Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income, and resources to participate in society; and

d. Community: Relationships and social networks that provide support, friendship, love, and hope.

48. Referral means the process of sending an individual from one service to another for health care, behavioral health services, and/ or other support services, or an unsuccessful Linkage attempt.

49. Stakeholder means adults and seniors with severe mental illness, families of children, adults and seniors with severe mental illness, providers of services, law enforcement agencies, education, social services agencies, veterans, representatives from veterans organizations, providers of alcohol and drug services, health care organizations, and other important interests.

50. Units of Service mean the number and/or type of activities the CONTRACTOR will fulfill during the term of the Agreement.

B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Common Terms and Definitions Paragraph of this Exhibit A to the Agreement.

II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this Exhibit A to the Agreement and the following budgets, which are set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

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	<u>PERIOD ONE</u>	<u>PERIOD TWO</u>	<u>PERIOD THREE</u>	<u>TOTAL</u>
ADMINISTRATIVE COSTS				
Indirect Costs	\$ 180,746	\$ 271,119	\$ 271,119	\$ 722,984
SUBTOTAL ADMIN COSTS	\$ 180,746	\$ 271,119	\$ 271,119	\$ 722,984
PROGRAM COSTS				
Salaries	\$ 539,225	\$ 808,837	\$ 808,837	\$ 2,156,899
Benefits	\$ 161,767	\$ 242,651	\$ 242,651	\$ 647,069
Services & Supplies	\$ 508,002	\$ 930,155	\$ 930,155	\$ 2,368,312
Subcontractors	\$ 423,158	\$ 634,738	\$ 634,738	\$ 1,692,634
Start-up Costs	\$ 112,102	\$ 0	\$ 0	\$ 112,102
SUBTOTAL PROGRAM COSTS	\$ 1,744,254	\$ 2,616,381	\$ 2,616,381	\$ 6,977,016
TOTAL GROSS COSTS	\$ 1,925,000	\$ 2,887,500	\$ 2,887,500	\$ 7,700,000
REVENUE				
MHSA	\$ 1,925,000	\$ 2,887,500	\$ 2,887,500	\$ 7,700,000
TOTAL REVENUE	\$ 1,925,000	\$ 2,887,500	\$ 2,887,500	\$ 7,700,000
TOTAL MAXIMUM OBLIGATION	\$ 1,925,000	\$ 2,887,500	\$ 2,887,500	\$ 7,700,000

B. CONTRACTOR shall not collect fees and insurance, including Medicare, for services specifically provided pursuant to the Agreement.

C. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds between budgeted line items within a program for the purpose of meeting specific program needs or for providing continuity of care to its guests, by utilizing a Budget/Staffing Modification Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing Modification Request to ADMINISTRATOR for consideration, in advance, which will include a justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s) may result in disallowance of those costs.

D. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records will reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will be made in accordance with generally accepted principles of accounting, and Medicare regulations. The individual eligibility determination and fee charged to and collected from individuals, together with a

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1 record of all billings rendered and revenues received from any source, on behalf of individuals treated
2 pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

3 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
4 Budget Paragraph of this Exhibit A to the Agreement.

5 6 **III. PAYMENTS**

7 A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of
8 \$213,888 per month for Period One and \$240,625 per month for Period Two and Period Three as
9 specified in the Referenced Contract Provisions of the Agreement. All payments are interim payments
10 only, and subject to Final Settlement in accordance with the Cost Report Paragraph of the Agreement
11 for which CONTRACTOR shall be reimbursed for the actual cost of providing the services hereunder;
12 provided, however, the total of such payments does not exceed COUNTY's Maximum Obligation as
13 specified in the Referenced Contract Provisions of the Agreement and, provided further,
14 CONTRACTOR's costs are reimbursable pursuant to COUNTY, state, and federal regulations.
15 ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the
16 provisional amount specified above has not been fully paid.

17 1. In support of the monthly invoice, CONTRACTOR shall submit an Expenditure and
18 Revenue Report as specified in the Reports Paragraph of this Exhibit A to the Agreement.
19 ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to
20 CONTRACTOR as specified in Subparagraphs A.2. and A.3., below.

21 2. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
22 provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may
23 reduce payments to CONTRACTOR by an amount not to exceed the difference between the
24 year-to-date provisional amount payments to CONTRACTOR's and the year-to-date actual cost
25 incurred by CONTRACTOR.

26 3. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
27 provisional amount payments are less than the actual cost of providing services, ADMINISTRATOR
28 may authorize an increase in the provisional amount payment to CONTRACTOR by an amount not to
29 exceed the difference between the year-to-date provisional amount payments to CONTRACTOR and
30 the year-to-date actual cost incurred by CONTRACTOR.

31 B. CONTRACTOR's invoices shall be on a form approved or supplied by ADMINISTRATOR
32 and provide such information as is required by ADMINISTRATOR. Invoices are due the tenth (10th)
33 day of each month. Invoices received after the due date may not be paid within the same month.
34 Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days
35 after receipt of the correctly completed invoice.

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37 //

1 C. All invoices to COUNTY shall be supported at CONTRACTOR's facility, by source
2 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statements,
3 canceled checks, receipts, receiving records, and records of services provided.

4 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
5 with any provision of the Agreement.

6 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
7 and/or termination of the Agreement, except as may otherwise be provided under the Agreement, or
8 specifically agreed upon in a subsequent Agreement.

9 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
10 Payments Paragraph of this Exhibit A to the Agreement.

11 **IV. REPORTS**

12
13 A. CONTRACTOR shall maintain records and make statistical reports as required by
14 ADMINISTRATOR and DHCS on forms provided by either agency.

15 **B. FISCAL**

16 1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to
17 ADMINISTRATOR. These reports will be on a form acceptable to, or provided by, ADMINISTRATOR
18 and will report actual costs and revenues for CONTRACTOR's program described in the Services
19 Paragraph of this Exhibit A to the Agreement. Such reports will also include actual productivity as
20 defined by ADMINISTRATOR. The reports will be received by ADMINISTRATOR no later than the
21 twentieth (20th) day following the end of the month being reported. CONTRACTOR must request in
22 writing any extensions to the due date of the monthly required reports. If an extension is approved by
23 ADMINISTRATOR, the total extension will not exceed more than five (5) business days.

24 2. CONTRACTOR shall submit monthly Year-End Projection Reports to ADMINISTRATOR.
25 These reports will be on a form acceptable to, or provided by, ADMINISTRATOR and will report
26 anticipated year-end actual costs and revenues for CONTRACTOR's program described in the Services
27 Paragraph of this Exhibit A to the Agreement. Such reports will include actual monthly costs and
28 revenue to date and anticipated monthly costs and revenue to the end of the fiscal year. Year-End
29 Projection Reports will be submitted in conjunction with the Monthly Expenditure and Revenue Reports.

30 **C. PROGRAMMATIC**

31 1. PROGRAMMATIC REPORT - CONTRACTOR shall submit written programmatic
32 reports to ADMINISTRATOR for each quarter during the term of the Agreement. Programmatic
33 reports shall be submitted no more than thirty (30) calendar days after each quarter ending September,
34 December, March, and June, and include:

- 35 a. Any difficulties or special problems;
- 36 b. Staff changes;
- 37 c. Status of licenses and/or certifications;

- d. Listing of training for staff;
- e. A summary of contract productivity;
- f. A summary of activities;
- g. A summary of activities intended to build relationships and increase collaboration with external agencies.

D. ADDITIONAL REPORTS – CONTRACTOR shall, as mutually agreed between CONTRACTOR and ADMINISTRATOR, make additional reports as reasonably required by ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the duties and purposes contained in this Agreement. ADMINISTRATOR will provide CONTRACTOR with at least thirty (30) calendar days’ notice if such additional reports are required, and shall explain any procedures for reporting the required information.

E. CONTRACTOR shall provide effective Administrative management of the budget, staffing, recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but are not limited to the following:

1. Designate the responsible position(s) in your organization for managing the funds allocated to this program;
2. Maximize the use of the allocated funds;
3. Ensure timely and accurate reporting of monthly expenditures;
4. Maintain appropriate staffing levels;
5. Request budget and/or staffing modifications to the Agreement;
6. Effectively communicate and monitor the program for its success;
7. Track and report expenditures electronically;
8. Maintain electronic and telephone communication between key staff and the Contract and Program Administrators; and
9. Have a system in place to respond to and act quickly to identify and solve problems that may be occurring with any of the subcontractors.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports Paragraph of this Exhibit A to the Agreement.

V. SERVICES

A. FACILITY

1. CONTRACTOR shall provide or make available services, such as facilitation of community engagement meetings with local stakeholders, discussions with State departments and development and execution of initial procurement contracts as required by this Agreement at the following location, or any other facility designated, in writing, by ADMINISTRATOR:

Mind OC
5020 Campus Drive
Newport Beach, CA 92660

B. ACTIVITIES TO BE PROVIDED

1. Track One: CONTRACTOR shall facilitate at minimum thirty (30) community planning meetings with local stakeholders, such as consumers and family members, annually, within each of the five Orange County Districts, to discuss topics including but not limited to:

a. Identifying community values and preferred performance standards.

2. Track Two: CONTRACTOR shall facilitate at a minimum six (6) community planning meetings with local and/or State level behavioral health departments, such as community-based behavioral health providers, faith based organizations, DHCS, public health plans and other public or government agencies with a behavioral health focus and integrated approach, annually, to discuss topics including but not limited to:

a. Exploring the feasibility of a universal reimbursement rate/structure that encourages equal access to services regardless of insurance status, insurance type or level of clinical need.

b. Exploring available funding streams for braiding public and private funds and all applicable State and Federal rules and regulations.

c. Exploring service provider qualifications and certifications, cultural background and training, etc. that would form the foundation for a culturally responsive and inclusive provider network.

d. Exploring methods to incentivize service delivery based on community-defined standards and to increase access to care for unserved and underserved communities

e. Guidance and feedback from DHCS legal, fiscal and regulatory teams for technical assistance and guidance on proposed strategies to align fiscal and regulatory requirements.

3. Track Three: CONTRACTOR shall facilitate at minimum four (4) meetings with local private insurance plans, annually, to discuss topics including but not limited it:

a. Exploring the feasibility of a universal reimbursement rate/structure that encourages equal access to services regardless of insurance status, insurance type or level of clinical need.

b. Identifying available funding streams for braiding public and private funds and all applicable State and Federal rules and regulations.

4. All advertising, social media, and printed or electronic communication marketing any community engagement event must be approved by ADMINISTRATOR before use.

5. CONTRACTOR shall provide progress updates to the MHSOAC.

6. CONTRACTOR shall make its best effort to provide services pursuant to this Agreement in a manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR shall maintain documents of such efforts which may include; but not be limited to: records of participation in COUNTY-sponsored or other applicable training; recruitment and hiring policies and

1 | procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of
2 | measures taken to enhance accessibility for, and sensitivity to, individuals who are physically
3 | challenged.

4 | 7. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding
5 | sources, with respect to any person who has been referred to CONTRACTOR by COUNTY under the
6 | terms of this Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not
7 | be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian
8 | institution, or religious belief.

9 | 8. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to
10 | conduct research activity on COUNTY guests without obtaining prior written authorization from
11 | ADMINISTRATOR.

12 | C. DELIVERABLES - For the purpose of evaluating the impact or contribution of
13 | CONTRACTOR's services under the terms of this Agreement, CONTRACTOR shall meet or exceed
14 | identified performance outcome measures. On a quarterly basis, CONTRACTOR shall report the status
15 | of performance outcome measures as outlined below:

16 | 1. CONTRACTOR shall facilitate, at minimum thirty (30) local community planning
17 | meetings with consumers and family members.

18 | a. CONTRACTOR shall operationalize identified values and performance standards into
19 | quantified outcome metrics.

20 | 2. CONTRACTOR shall facilitate, at minimum six (6) meetings with local and or State level
21 | behavioral health departments, public health plans and other related organizations, as authorized by
22 | County with prior approval.

23 | a. CONTRACTOR shall explore the feasibility of a universal reimbursement
24 | rate/structure that encourages equal access to services regardless of insurance status, insurance type or
25 | level of clinical need.

26 | b. CONTRACTOR shall propose strategies to braid funds across the public, private and
27 | philanthropic/non-profit sectors

28 | c. CONTRACTOR shall identify service provider qualifications and certifications,
29 | cultural background and training, etc. that would form the foundation for a culturally responsive and
30 | inclusive provider network

31 | d. CONTRACTOR shall develop methods to incentivize service delivery based on
32 | community-defined standards and to increase access to care for unserved and underserved communities.

33 | 3. CONTRACTOR shall facilitate four (4) meetings with local private insurance plans.

34 | a. CONTRACTOR shall explore the feasibility of a universal reimbursement
35 | rate/structure that encourages equal access to services regardless of insurance status, insurance type or
36 | level of clinical need.

37 | //

1 4. CONTRACTOR shall develop a stakeholder driven blueprint and execute initial
2 solicitations and contract boiler plates designed to braid funds and include community-defined values
3 and performance-based metrics (in addition to regulatory requirements).

4 a. CONTRACTOR shall streamline reporting processes so that participating agencies are
5 able to comply with multiple sets of regulations and new performance outcome standards more easily.

6 5. CONTRACTOR shall provide technical assistance for local providers and appropriate
7 community based organizations, as needed, to prepare them for new contracting and performance
8 standards.

9 6. CONTRACTOR shall provide quarterly updates to local stakeholders and annual progress
10 updates to the MHSAAC.

11 7. CONTRACTOR shall track all deliverables including but not limited to number of
12 community engagements, meeting topics, outreach contacts to specific agencies or organizations,
13 number of individuals participating in events, and participant demographics.

14 8. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
15 Performance Outcomes Paragraph of this Exhibit A to the Agreement.

16 D. MEETINGS - CONTRACTOR shall attend meetings as requested by COUNTY, including but
17 not limited to:

18 1. Monthly COUNTY management meetings with ADMINISTRATOR to discuss contractual
19 and other issues related to, but not limited to whether it is or is not progressing satisfactorily in
20 achieving all the terms of the Agreement and, if not, what steps will be taken to achieve satisfactory
21 progress, compliance with P&Ps, review of statistics and clinical services.

22 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
23 Services Paragraph of this Exhibit A to the Agreement.

24 VI. STAFFING

25 A. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold
26 languages as determined by COUNTY. Whenever possible, bilingual/bicultural staff should be retained.
27 Any clinical vacancies occurring at a time when bilingual and bicultural composition of the clinical
28 staffing does not meet the above requirement must be filled with bilingual and bicultural staff unless
29 ADMINISTRATOR consents, in advance and in writing, to the filling of those positions with non-
30 bilingual staff. Salary savings resulting from such vacant positions may not be used to cover costs other
31 than salaries and employees benefits unless otherwise authorized, in writing and in advance, by
32 ADMINISTRATOR.
33

34 B. CONTRACTOR shall make its best effort to ensure that services provided pursuant to the
35 Agreement are provided in a manner that is culturally and linguistically appropriate for the population(s)
36 served. CONTRACTOR shall ensure that documents are maintained of such efforts which may
37 include, but not be limited to, records of participation in COUNTY-sponsored or other applicable

1 training; recruitment and hiring P&Ps; copies of literature in multiple languages and formats, as
 2 appropriate; and descriptions of measures taken to enhance accessibility for, and sensitivity to,
 3 individuals who are physically challenged.

4 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of
 5 any staffing vacancies or filling of vacant positions that occur during the term of the Agreement.

6 D. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) days in advance
 7 of any new staffing changes, including promotions, temporary FTE changes and internal or external
 8 temporary staffing assignment requests that occur during the term of the Agreement.

9 E. CONTRACTOR shall ensure that all staff complete the COUNTY's Annual Provider Training
 10 and Annual Compliance Training.

11 F. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in
 12 FTEs continuously throughout the term of the Agreement. One (1) FTE will be equal to an average of
 13 forty (40) hours of work per week.

	<u>FTE</u>
PROGRAM SERVICES	
Chief Clinical Officer	0.75
Director of Operations	1.00
Director of System of Care	1.00
Director of QI and Network Development	1.00
Senior Executive Assistant	0.75
Subcontractor	<u>1.44</u>
PROGRAM TOTAL FTE	5.94

24
 25
 26 6. CONTRACTOR shall maintain personnel files for each employed staff member, including
 27 management and other administrative positions, which will include, but not be limited to, an application
 28 for employment, qualifications for the position, documentation of bicultural/bilingual capabilities (if
 29 applicable), pay rate and evaluations justifying pay increases.

30 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 31 Staffing Paragraph of this Exhibit A to the Agreement.

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EXHIBIT 4

1 MASTER SERVICES AGREEMENT
2 FOR PROVISION OF
3 MENTAL HEALTH AND RECOVERY SERVICES
4 BETWEEN
5 COUNTY OF ORANGE
6 AND
7 MIND OC
8 OCTOBER 1, 2022 THROUGH JUNE 30, 2025
9

10 THIS CONTRACT entered into this 1st day of October, 2022 (effective date), is by and between the
11 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and MIND OC a
12 California Non-Profit (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred
13 to herein individually as "Party" or collectively as "Parties." This Contract shall be administered by the
14 County of Orange Health Care Agency (ADMINISTRATOR).
15

16 W I T N E S S E T H :
17

18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Mental Health
19 and Recovery Services described herein to the residents of Orange County; and

20 WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and
21 conditions hereinafter set forth:

22 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
23 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS

Term: October 1, 2022 through June 30, 2025
Period One means the period from October 1, 2022 through June 30, 2023
Period Two means the period from July 1, 2023 through June 30, 2024
Period Three means the period from July 1, 2024 through June 30, 2025

Maximum Obligation:		
Period One Maximum Obligation:		\$17,408,804
Period Two Maximum Obligation:		\$23,211,738
Period Three Maximum Obligation:		<u>\$23,211,738</u>
TOTAL MAXIMUM OBLIGATION:		\$63,832,280

Basis for Reimbursement: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR UEI Number: 111922215

CONTRACTOR TAX ID Number: 82-3901590

Notices to COUNTY and CONTRACTOR:

COUNTY:	County of Orange	CONTRACTOR:	Mind OC
	Health Care Agency		Marshall Moncrief
	Procurement & Contract Services		18650 MacArthur Blvd., Suite 220
	405 West 5th Street, Suite 600		Irvine, CA 92612
	Santa Ana, CA 92701-4637		Marshall.Moncrief@Mind-OC.org

CFDA#	FAIN#	Program/ Service Title	Federal Funding Agency	Federal Award Date	Amount	R&D Award (Y/N)
Pending	Pending	Pending	Pending	Pending	Pending	Pending

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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Contract:

A.	AES	Advanced Encryption Standard
B.	AOD	Alcohol and Other Drug
C.	ARRA	American Recovery and Reinvestment Act
D.	ASAM	American Society of Addiction Medicine
E.	ASRS	Alcohol and Drug Programs Reporting System
F.	BCP	Business Continuity Plan
G.	CalOMS	California Outcomes Measurement System
H.	CAP	Corrective Action Plan
I.	CCC	California Civil Code
J.	CCR	California Code of Regulations
K.	CD/DVD	Compact Disc/Digital Video or Versatile Disc
L.	CEO	County Executive Office
M.	CESI	Client Evaluation of Self at Intake
N.	CEST	Client Evaluation of Self and Treatment
O.	CHHS	California Health and Human Services Agency
P.	CFR	Code of Federal Regulations
Q.	CHPP	COUNTY HIPAA Policies and Procedures
R.	CHS	Correctional Health Services
S.	CIPA	California Information Practices Act
T.	CMPPA	Computer Matching and Privacy Protection Act
U.	COI	Certificate of Insurance
V.	CSU	Crisis Stabilization Unit
W.	DATAR	Drug Abuse Treatment Access Report
X.	DHCS	Department of Health Care Services
Y.	D/MC	Drug/Medi-Cal
Z.	DMC ODS	Drug Medi-Cal Organized Delivery System
AA.	DoD	US Department of Defense
AB.	DPFS	Drug Program Fiscal Systems
AC.	DRP	Disaster Recovery Plan
AD.	DRS	Designated Record Set
AE.	DSM-5	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
AF.	DSS	Department of Social Services
AG.	EBPs	Evidenced Based Treatment Practices
AH.	EHR	Electronic Health Records

1	AI. ePHI	Electronic Protected Health Information
2	AJ. EPSDT	Early Periodic Screening, Diagnostic and Treatment
3	AK. FIPS	Federal Information Processing Standards
4	AL. FTE	Full Time Equivalent
5	AM. GAAP	Generally Accepted Accounting Principles
6	AN. HCA	Health Care Agency
7	AO. HHS	Health and Human Services
8	AP. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
9		Law 104–191
10	AQ. HITECH Act	The Health Information Technology for Economic and Clinical Health
11		Act, Public Law 111–005
12	AR. HSC	California Health and Safety Code
13	AS. ID	Identification
14	AT. IEA	Information Exchange Contract
15	AU. IRIS	Integrated Records and Information System
16	AV. ISO	Insurance Services Office
17	AW. LPHA	Licensed Practitioner of the Healing Arts
18	AX. MAT	Medication Assisted Treatment
19	AY. NIST	National Institute of Standards and Technology
20	AZ. NPI	National Provider Identifier
21	BA. NPPES	National Plan and Provider Enumeration System
22	BB. OCPD	Orange County Probation Department
23	BC. OCR	Office for Civil Rights
24	BD. OIG	Office of Inspector General
25	BE. OMB	Office of Management and Budget
26	BF. OPM	Federal Office of Personnel Management
27	BG. P&P	Policy and Procedure
28	BH. PA DSS	Payment Application Data Security Standard
29	BI. PC	State of California Penal Code
30	BJ. PCI DSS	Payment Card Industry Data Security Standard
31	BK. PHI	Protected Health Information
32	BL. PII	Personally Identifiable Information
33	BM. PI	Personal Information
34	BN. RPC	Residential Placement Coordinator
35	BO. RTS	Residential Treatment Services
36	BP. SIR	Self-Insured Retention
37	BQ. SMA	Statewide Maximum Allowance

1	BR. STC	Special Terms and Conditions
2	BS. SUD	Substance Use Disorder
3	BT. TB	Tuberculosis
4	BU. UMDAP	Uniform method of Determining Ability to Pay
5	BV. USC	United States Code

6 7 **II. ALTERATION OF TERMS**

8 A. This Contract, together with Exhibits A, B and C attached hereto and incorporated herein, fully
9 expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject
10 matter of this Contract.

11 B. Unless otherwise expressly stated in this Contract, no addition to, or alteration of the terms of
12 this Contract or any Exhibits, whether written or verbal, made by the parties, their officers, employees or
13 agents shall be valid unless made in the form of a written amendment to this Contract, which has been
14 formally approved and executed by both parties.

15 16 **III. ASSIGNMENT OF DEBTS**

17 Unless this Contract is followed without interruption by another Contract between the Parties hereto
18 for the same services and substantially the same scope, at the termination of this Contract,
19 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of
20 persons receiving services pursuant to this Contract. CONTRACTOR shall immediately notify by mail
21 each of the respective Parties, specifying the date of assignment, the County of Orange as assignee, and
22 the address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf
23 of said persons, shall be immediately given to COUNTY.

24 25 **IV. BENEFICIARIES' RIGHTS**

26 A. CONTRACTOR shall post the current Drug Medi-Cal Organized Delivery System (DMC-
27 ODS) Grievance and Appeals poster in locations readily available to Clients and staff and have
28 Grievance and Appeal forms in the threshold languages and envelopes readily accessible to Clients to
29 take without having to request it on the unit.

30 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an
31 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have
32 access.

33 1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance and/or
34 utilization management guidelines and procedures. The beneficiary has the right to utilize either or both
35 grievance process simultaneously in order to resolve their dissatisfaction.

36 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a
37 statutory rights violation or a denial or abuse complaint with the County Patients' Rights Office. The

1 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,
 2 which involve ADMINISTRATOR'S Director of Behavioral Health Care and the State Patients' Rights
 3 Office.

4 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to
 5 CONTRACTOR and file a grievance or complaint.

6 D. No provision of this Contract shall be construed as replacing or conflicting with the duties of
 7 County Patients' Rights Office pursuant to Welfare and Institutions Code Section 5500.

8 9 **V. COMPLIANCE**

10 A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for
 11 the purpose of ensuring adherence to all rules and regulations related to federal and state health care
 12 programs.

13 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and
 14 procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to
 15 General Compliance and Annual Provider Trainings.

16 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
 17 compliance program, code of conduct and any compliance related policies and procedures.
 18 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall
 19 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required
 20 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to
 21 this Contract. These elements include:

- 22 a. Designation of a Compliance Officer and/or compliance staff.
- 23 b. Written standards, policies and/or procedures.
- 24 c. Compliance related training and/or education program and proof of completion.
- 25 d. Communication methods for reporting concerns to the Compliance Officer.
- 26 e. Methodology for conducting internal monitoring and auditing.
- 27 f. Methodology for detecting and correcting offenses.
- 28 g. Methodology/Procedure for enforcing disciplinary standards.

29 3. If CONTRACTOR does not provide proof of its own compliance program to
 30 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance
 31 Program and Code of Conduct, CONTRACTOR shall submit to ADMINISTRATOR within thirty (30)
 32 calendar days of execution of this Contract a signed acknowledgement that CONTRACTOR shall
 33 internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct.
 34 CONTRACTOR shall have as many Covered Individuals it determines necessary complete
 35 ADMINISTRATOR's annual compliance training to ensure proper compliance.

36 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any
 37 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR

1 shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures
 2 to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract.
 3 ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a
 4 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if
 5 CONTRACTOR's proposed compliance program and code of conduct contain all required elements to
 6 ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of
 7 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and
 8 CONTRACTOR shall revise its compliance program and code of conduct to meet
 9 ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's
 10 Compliance Officer's determination and resubmit the same for review by ADMINISTRATOR.

11 5. Upon written confirmation from ADMINISTRATOR's compliance officer that the
 12 CONTRACTOR's compliance program, code of conduct and any compliance related policies and
 13 procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals
 14 relative to this Contract are made aware of CONTRACTOR's compliance program, code of conduct,
 15 related policies and procedures and contact information for ADMINISTRATOR's Compliance Program.

16 B. SANCTION SCREENING – CONTRACTOR must screen all Covered Individuals employed
 17 or retained to provide services related to this Contract to ensure that they are not designated as Ineligible
 18 Persons, as pursuant to this Contract. Screening must be conducted against the Social Security
 19 Administration's Death Master File at the date of employment. Screening must be conducted monthly
 20 against the General Services Administration's Excluded Parties List System or System for Award
 21 Management, the Health and Human Services/Office of Inspector General List of Excluded
 22 Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, and/or any
 23 other list or system as identified by ADMINISTRATOR.

24 1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees,
 25 interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items
 26 or services or who perform billing or coding functions on behalf of ADMINISTRATOR.
 27 CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of
 28 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or
 29 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
 30 CONTRACTOR has elected to use its own).

31 2. An Ineligible Person shall be any individual or entity who:
 32 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
 33 federal and state health care programs; or
 34 b. has been convicted of a criminal offense related to the provision of health care items or
 35 services and has not been reinstated in the federal and state health care programs after a period of
 36 exclusion, suspension, debarment, or ineligibility.

37 //

3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this Contract.

4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of California health programs and have not been excluded or debarred from participation in any federal or state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible Person in their employ or under contract.

5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing services directly relative to this Contract becomes debarred, excluded or otherwise becomes an Ineligible Person.

6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Contract.

7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be immediately removed from participating in any activity associated with this Contract. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by ADMINISTRATOR.

C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance Training available to Covered Individuals.

1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's Compliance Program shall use its best efforts to encourage completion by all Covered Individuals; provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated representative to complete the General Compliance Training when offered.

2. Such training will be made available to Covered Individuals within thirty (30) calendar days of employment or engagement.

3. Such training will be made available to each Covered Individual annually.

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1 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
2 copies of training certification upon request.

3 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
4 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
5 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
6 CONTRACTOR shall provide copies of the certifications.

7 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
8 Provider Training, where appropriate, available to Covered Individuals.

9 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
10 Individuals relative to this Contract. This includes compliance with federal and state healthcare
11 program regulations and procedures or instructions otherwise communicated by regulatory agencies;
12 including the Centers for Medicare and Medicaid Services or their agents.

13 2. Such training will be made available to Covered Individuals within thirty (30) calendar
14 days of employment or engagement.

15 3. Such training will be made available to each Covered Individual annually.

16 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
17 provide copies of the certifications upon request.

18 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
19 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
20 group setting while CONTRACTOR shall retain the certifications. Upon written request by
21 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

22 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

23 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
24 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
25 and are consistent with federal, state and county laws and regulations. This includes compliance with
26 federal and state health care program regulations and procedures or instructions otherwise
27 communicated by regulatory agencies including the Centers for Medicare and Medicaid Services or
28 their agents.

29 2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims
30 for payment or reimbursement of any kind.

31 3. CONTRACTOR shall bill only for those eligible services actually rendered which are also
32 fully documented. When such services are coded, CONTRACTOR shall use proper billing codes which
33 accurately describes the services provided and must ensure compliance with all billing and
34 documentation requirements.

35 4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in
36 coding of claims and billing, if and when, any such problems or errors are identified.

37 //

5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by ADMINISTRATOR.

6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement Standards established by Authority and Quality Improvement Services (AQIS) and participate in the quality improvement activities developed in the implementation of the DMC-ODS Quality Management Program. CONTRACTOR shall establish an internal Quality Management program and appoint designated Quality Improvement (QI) staff consisting of at least one dedicated QI coordinator/professional to participate in QI activities with ADMINISTRATOR and to ensure service delivery and support program staff implement QI initiatives and requirements appropriately at the program site.

7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9, §1810.410.subds.(c)-(d).

F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a breach of the Contract on the part of CONTRACTOR and grounds for COUNTY to terminate the Contract. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Contract on the basis of such default.

VI. CONFIDENTIALITY

A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any audio and/or video recordings, in accordance with all applicable federal, state and county codes and regulations, including 42 USC §290dd-2 (Confidentiality of Records), as they now exist or may hereafter be amended or changed.

B. Prior to providing any services pursuant to this Contract, all members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the confidentiality of any and all information and records which may be obtained in the course of providing such services. This Contract shall specify that it is effective irrespective of all subsequent resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns.

C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate disclosure in connection with activity funded under this Contract. This system shall include provisions for employee education on the confidentiality requirements, and the fact that disciplinary action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative, physical, and

1 technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and
2 availability of all confidential information that it creates, receives, maintains or transmits.
3 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

4 D. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known
5 to CONTRACTOR, or its subcontractors or agents in violation of the applicable state and federal
6 regulations regarding confidentiality.

7 E. CONTRACTOR shall monitor compliance with the above provisions on confidentiality and
8 security, and shall include them in all subcontracts.

9 F. CONTRACTOR shall notify ADMINISTRATOR within twenty-four (24) hours during a work
10 week, of any suspected or actual breach of its computer system.

11 12 **VII. CONFLICT OF INTEREST**

13 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions
14 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation
15 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of
16 goods and services provided under this Contract. CONTRACTOR's efforts shall include, but not be
17 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from
18 providing or offering gifts, entertainment, payments, loans or other considerations which could be
19 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of
20 their duties.

21 22 **VIII. COST REPORT**

23 A. CONTRACTOR shall submit an individual and/or consolidated Cost Report for each Period, or
24 for a portion thereof to COUNTY no later than forty-five (45) calendar days following the period for
25 which they are prepared or termination of this Contract. CONTRACTOR shall prepare the individual
26 and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY
27 requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall
28 allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in
29 accordance with such requirements and consistent with prudent business practice, which costs and
30 allocations shall be supported by source documentation maintained by CONTRACTOR, and available at
31 any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple
32 Contracts for mental health services that are administered by HCA, consolidation of the individual Cost
33 Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR.
34 CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business
35 days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a
36 consolidated Cost Report.

37 //

1 1. If CONTRACTOR fails to submit an accurate and complete Cost Report within the time
2 period specified above, ADMINISTRATOR has sole discretion to impose one or both of the following:

3 a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each
4 business day after the above specified due date that the accurate and complete Cost Report is not
5 submitted. Imposition of the late penalty shall be at the sole discretion of ADMINISTRATOR. The late
6 penalty shall be assessed separately on each outstanding Cost Report due COUNTY by
7 CONTRACTOR.

8 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
9 pursuant to any or all contracts between COUNTY and CONTRACTOR until such time that the
10 accurate and complete Cost Report is delivered to ADMINISTRATOR.

11 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
12 Cost Report setting forth good cause for justification of the request. Approval of such requests shall be
13 at the sole discretion of ADMINISTRATOR and shall not be unreasonably denied. In no case shall
14 extensions be granted for more than seven (7) calendar days.

15 3. In the event that CONTRACTOR does not submit an accurate and complete Cost Report
16 within one hundred and eighty (180) calendar days following the termination of this Contract, and
17 CONTRACTOR has not entered into a subsequent or new contract for any other services with
18 COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Contract shall
19 be immediately reimbursed to COUNTY.

20 B. The individual and/or consolidated Cost Report prepared for each period shall be the final
21 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
22 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are
23 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The
24 Cost Report shall be the final financial record for subsequent audits, if any.

25 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
26 less applicable revenues and any late penalty, not to exceed the negotiated rate as specified in the
27 Contract. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable
28 pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment
29 made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an
30 unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or
31 other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or
32 COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the
33 reimbursement due COUNTY.

34 D. Costs of Medi-Cal services shall not exceed the negotiated rate as specified in this Contract.

35 E. If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to
36 this Contract, less applicable revenues and any late penalty, are higher than the aggregate of interim
37 monthly payments to CONTRACTOR, then COUNTY shall pay CONTRACTOR the difference,

provided such payment does not exceed the COUNTY's Total Aggregate Maximum Obligation and separate non-Medi-Cal Aggregate Maximum Obligation and Aggregate Medi-Cal Maximum Obligation.

F. All Cost Reports shall contain the following attestation, which may be typed directly on or attached to the Cost Report:

"I HEREBY CERTIFY that I have executed the accompanying Cost Report and supporting documentation prepared by _____ for the cost report period beginning _____ and ending _____ and that, to the best of my knowledge and belief, costs reimbursed through this Contract are reasonable and allowable and directly or indirectly related to the services provided and that this Cost Report is a true, correct, and complete statement from the books and records of (provider name) in accordance with applicable instructions, except as noted. I also hereby certify that I have the authority to execute the accompanying Cost Report.

Signed _____
 Name _____
 Title _____
 Date _____"

IX. DEBARMENT AND SUSPENSION CERTIFICATION

A. CONTRACTOR certifies that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency.

2. Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

3. Are not presently indicted for or otherwise criminally or civilly charged by a federal, state, or local governmental entity with commission of any of the offenses enumerated in Subparagraph A.2. above.

4. Have not within a three-year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

5. Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR Part 9, Subpart 9.4), debarred,

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suspended, declared ineligible, or voluntarily excluded from participation in such transaction unless authorized by the State of California.

6. Shall include without modification, the clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transaction," (i.e., transactions with sub-grantees and/or contractors) and in all solicitations for lower tier covered transactions in accordance with 2 CFR Part 376.

B. The terms and definitions of this paragraph have the meanings set out in the Definitions and Coverage sections of the rules implementing 51 F.R. 6370.

X. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS

A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without prior written consent of COUNTY. CONTRACTOR shall provide written notification of CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation. Any attempted assignment or delegation in derogation of this paragraph shall be void.

B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's business prior to completion of this Contract, and COUNTY agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume CONTRACTOR's duties and obligations contained in this Contract and complete them to the satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the prior written consent of COUNTY.

1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%) of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

2. If CONTRACTOR is a for-profit organization, any change in the business structure, including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

3. If CONTRACTOR is a governmental organization, any change to another structure, including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an

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1 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of
2 this subparagraph shall be void.

3 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
4 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
5 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
6 the effective date of the assignment.

7 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
8 CONTRACTOR shall provide written notification within thirty (30) calendar days to
9 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
10 governing body of CONTRACTOR at one time.

11 6. COUNTY reserves the right to immediately terminate the Contract in the event COUNTY
12 determines, in its sole discretion, that the assignee is not qualified or is otherwise unacceptable to
13 COUNTY for the provision of services under the Contract.

14 C. CONTRACTOR's obligations undertaken pursuant to this Contract may be carried out by
15 means of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR,
16 meet the requirements of this Contract as they relate to the service or activity under subcontract, include
17 any provisions that ADMINISTRATOR may require, and are authorized in writing by
18 ADMINISTRATOR prior to the beginning of service delivery.

19 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
20 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
21 subsequently fails to meet the requirements of this Contract or any provisions that ADMINISTRATOR
22 has required. ADMINISTRATOR may disallow subcontractor expenses reported by CONTRACTOR.

23 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
24 pursuant to this Contract.

25 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR,
26 amounts claimed for subcontracts not approved in accordance with this paragraph.

27 4. This provision shall not be applicable to service contracts usually and customarily entered
28 into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services
29 provided by consultants.

30 D. CONTRACTOR shall notify COUNTY in writing of any change in CONTRACTOR's status
31 with respect to name changes that do not require an assignment of the Contract. CONTRACTOR is also
32 obligated to notify COUNTY in writing if CONTRACTOR becomes a party to any litigation against
33 COUNTY, or a party to litigation that may reasonably affect CONTRACTOR's performance under the
34 Contract, as well as any potential conflicts of interest between CONTRACTOR and COUNTY that may
35 arise prior to or during the period of Contract performance. While CONTRACTOR will be required to
36 provide this information without prompting from COUNTY any time there is a change in
37 //

1 CONTRACTOR's name, conflict of interest or litigation status, CONTRACTOR must also provide an
2 update to COUNTY of its status in these areas whenever requested by COUNTY.

4 **XI. DISPUTE RESOLUTION**

5 A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the
6 dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a
7 reasonable period of time by CONTRACTOR and ADMINISTRATOR, such matter shall be brought to
8 the attention of the COUNTY Purchasing Agent by way of the following process:

9 1. CONTRACTOR shall submit to the COUNTY Purchasing Agent a written demand for a
10 final decision regarding the disposition of any dispute between the Parties arising under, related to, or
11 involving this Contract, unless COUNTY, on its own initiative, has already rendered such a final
12 decision.

13 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if
14 such demand involves a cost adjustment to the Contract, CONTRACTOR shall include with the demand
15 a written statement signed by an authorized representative indicating that the demand is made in good
16 faith, that the supporting data are accurate and complete, and that the amount requested accurately
17 reflects the Contract adjustment for which CONTRACTOR believes COUNTY is liable.

18 B. Pending the final resolution of any dispute arising under, related to, or involving this Contract,
19 CONTRACTOR agrees to proceed diligently with the performance of services secured via this Contract,
20 including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed
21 diligently shall be considered a material breach of this Contract.

22 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and
23 shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY does not render a
24 decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed
25 a final decision adverse to CONTRACTOR's contentions.

26 D. This Contract has been negotiated and executed in the State of California and shall be governed
27 by and construed under the laws of the State of California. In the event of any legal action to enforce or
28 interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in
29 Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of
30 such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically
31 agree to waive any and all rights to request that an action be transferred for adjudication to another
32 county.

34 **XII. EMPLOYEE ELIGIBILITY VERIFICATION**

35 CONTRACTOR attests that it shall fully comply with all federal and state statutes and regulations
36 regarding the employment of aliens and others and to ensure that employees, subcontractors, and
37 consultants performing work under this Contract meet the citizenship or alien status requirements set

1 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,
2 subcontractors, and consultants performing work hereunder, all verification and other documentation of
3 employment eligibility status required by federal or state statutes and regulations including, but not
4 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently
5 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all
6 covered employees, subcontractors, and consultants for the period prescribed by the law.

7 8 **XIII. EQUIPMENT**

9 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
10 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
11 ADMINISTRATOR to assist in performing the services described in this Contract. "Relatively
12 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000
13 or over, including freight charges, sales taxes, and other taxes, and installation costs are defined as
14 Capital Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes
15 and other taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain
16 PHI or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to
17 phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of
18 Equipment purchased, in whole or in part, with funds paid pursuant to this Contract shall be depreciated
19 according to GAAP.

20 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any
21 Equipment with funds paid pursuant to this Contract. Upon delivery of Equipment, CONTRACTOR
22 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
23 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
24 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
25 purchased asset in an Equipment inventory.

26 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to
27 COUNTY the cost of the approved Equipment purchased by CONTRACTOR. To "expense," in
28 relation to Equipment, means to charge the proportionate cost of Equipment in the fiscal year in which it
29 is purchased. Title of expensed Equipment shall be vested with COUNTY.

30 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part
31 with funds paid through this Contract, including date of purchase, purchase price, serial number, model
32 and type of Equipment. Such inventory shall be available for review by ADMINISTRATOR, and shall
33 include the original purchase date and price, useful life, and balance of depreciated Equipment cost, if
34 any.

35 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical
36 inventories of all Equipment. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any
37 or all Equipment to COUNTY.

1 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
2 approved by ADMINISTRATOR and the Notices Paragraph of this Contract. In addition,
3 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
4 Equipment are moved from one location to another or returned to COUNTY as surplus.

5 G. Unless this Contract is followed without interruption by another Contract between the Parties
6 for substantially the same type and scope of services, at the termination of this Contract for
7 any cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through
8 this Contract.

9 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the
10 proper use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

11 12 **XIV. FACILITIES, PAYMENTS AND SERVICES**

13 CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance with
14 this Contract. COUNTY shall compensate, and authorize, when applicable, said services.
15 CONTRACTOR shall operate continuously throughout the term of this Contract with at least the
16 minimum number and type of staff which meet applicable federal and state requirements, and which are
17 necessary for the provision of the services hereunder.

18 19 **XV. INDEMNIFICATION AND INSURANCE**

20 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
21 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
22 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
23 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
24 including but not limited to personal injury or property damage, arising from or related to the services,
25 products or other performance provided by CONTRACTOR pursuant to this Contract. If judgment is
26 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
27 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
28 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall
29 request a jury apportionment.

30 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to purchase all
31 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary
32 to satisfy COUNTY that the insurance provisions of this Contract have been complied with.
33 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance (COI), and
34 endorsements on deposit with COUNTY during the entire term of this Contract. In addition, all
35 subcontractors performing work on behalf of CONTRACTOR pursuant to this Contract shall obtain
36 insurance subject to the same terms and conditions as set forth herein for CONTRACTOR.

37 //

1 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of
 2 CONTRACTOR pursuant to this Contract shall be covered under CONTRACTOR's insurance as an
 3 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for
 4 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less
 5 than the level of coverage required by COUNTY from CONTRACTOR under this Contract. It is the
 6 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor
 7 and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of
 8 insurance must be maintained by CONTRACTOR through the entirety of this Contract for inspection by
 9 COUNTY representative(s) at any reasonable time.

10 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand
 11 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of
 12 CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved,
 13 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this
 14 Contract, agrees to all of the following:

15 1. In addition to the duty to indemnify and hold COUNTY harmless against any and all
 16 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or
 17 subcontractor's performance of this Contract, CONTRACTOR shall defend COUNTY at its sole cost
 18 and expense with counsel approved by Board of Supervisors against same; and

19 2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any
 20 duty to indemnify or hold harmless; and

21 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to
 22 which the duty to defend stated above applies, and CONTRACTOR's SIR provision shall be interpreted
 23 as though the CONTRACTOR was an insurer and COUNTY was the insured.

24 E. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this
 25 Contract, COUNTY may terminate this Contract.

26 F. QUALIFIED INSURER

27 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of
 28 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current
 29 edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred,
 30 but not mandatory, that the insurer be licensed to do business in the state of California (California
 31 Admitted Carrier).

32 2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of
 33 Risk Management retains the right to approve or reject a carrier after a review of the company's
 34 performance and financial ratings.

35 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
 36 limits and coverage as set forth below:

37 //

Coverage**Minimum Limits**

Commercial General Liability

\$1,000,000 per occurrence

\$2,000,000 aggregate

Automobile Liability including coverage
for owned, non-owned, and hired vehicles
(4 passengers or less)

\$1,000,000 per occurrence

Workers' Compensation

Statutory

Employers' Liability Insurance

\$1,000,000 per occurrence

Network Security & Privacy Liability

\$1,000,000 per claims -made

Professional Liability Insurance

\$1,000,000 per claims -made

\$1,000,000 aggregate

Sexual Misconduct Liability

\$1,000,000 per occurrence

H. REQUIRED COVERAGE FORMS

1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a substitute form providing liability coverage at least as broad.

2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

I. REQUIRED ENDORSEMENTS

1. The Commercial General Liability policy shall contain the following endorsements, which shall accompany the COI:

a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insureds, or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT.

b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

2. The Network Security and Privacy Liability policy shall contain the following endorsements, which shall accompany the COI:

1 a. An Additional Insured endorsement naming the County of Orange, its elected and
2 appointed officials, officers, agents and employees as Additional Insureds for its vicarious liability.

3 b. A primary and non-contributing endorsement evidencing that the CONTRACTOR's
4 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be
5 excess and non-contributing.

6 J. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving
7 all rights of subrogation against the County of Orange, its elected and appointed officials, officers,
8 agents and employees, or provide blanket coverage, which will state AS REQUIRED BY WRITTEN
9 CONTRACT.

10 K. All insurance policies required by this Contract shall waive all rights of subrogation against the
11 County of Orange, its elected and appointed officials, officers, agents and employees when acting within
12 the scope of their appointment or employment.

13 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) calendar days of any policy
14 cancellation and within ten (10) calendar days for non-payment of premium and provide a copy of the
15 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a
16 breach of CONTRACTOR's obligation hereunder and ground for COUNTY to suspend or terminate
17 this Contract.

18 M. If CONTRACTOR's Professional Liability, Technology Errors & Omissions and/or Network
19 Security & Privacy Liability are "Claims -Made" policies, CONTRACTOR shall agree to maintain
20 coverage for two (2) years following the completion of the Contract.

21 N. The Commercial General Liability policy shall contain a "severability of interests" clause also
22 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

23 O. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
24 insurance of any of the above insurance types throughout the term of this Contract. Any increase or
25 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to
26 adequately protect COUNTY.

27 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
28 CONTRACTOR does not deposit copies of acceptable COI and endorsements with COUNTY
29 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Contract may
30 be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal
31 remedies.

32 Q. The procuring of such required policy or policies of insurance shall not be construed to limit
33 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
34 this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

35 R. SUBMISSION OF INSURANCE DOCUMENTS

36 1. The COI and endorsements shall be provided to COUNTY as follows:

37 a. Prior to the start date of this Contract.

b. No later than the expiration date for each policy.

c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

2. The COI and endorsements shall be provided to COUNTY at the address as specified in the Referenced Contract Provisions of this Contract.

3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance provisions stipulated in this Contract by the above specified due dates, ADMINISTRATOR shall have sole discretion to impose one or both of the following:

a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR pursuant to any and all contracts between COUNTY and CONTRACTOR until such time that the required COI and endorsements that meet the insurance provisions stipulated in this Contract are submitted to ADMINISTRATOR.

b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late COI or endorsement for each business day, pursuant to any and all contracts between COUNTY and CONTRACTOR, until such time that the required COI and endorsements that meet the insurance provisions stipulated in this Contract are submitted to ADMINISTRATOR.

c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from CONTRACTOR's monthly invoice.

4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.

XVI. INSPECTIONS AND AUDITS

A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any other of their authorized representatives, shall to the extent permissible under applicable law have access to any books, documents, and records, including but not limited to, financial statements, general ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly pertinent to this Contract, for the purpose of responding to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in which they are provided.

B. CONTRACTOR shall actively participate and cooperate with any person specified in Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this Contract, and shall provide the above-mentioned persons adequate office space to conduct such evaluation or monitoring.

1 C. AUDIT RESPONSE

2 1. Following an audit report, in the event of non-compliance with applicable laws and
3 regulations governing funds provided through this Contract, COUNTY may terminate this Contract as
4 provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement
5 appropriate corrective action. A CAP shall be submitted to ADMINISTRATOR in writing within thirty
6 (30) calendar days after receiving notice from ADMINISTRATOR.

7 2. If the audit reveals that money is payable from one Party to the other, that is,
8 reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to
9 CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60)
10 calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to
11 COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may,
12 in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an
13 amount not to exceed the reimbursement due COUNTY.

14 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an
15 annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under
16 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
17 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within
18 fourteen (14) calendar days of receipt.

19 E. ADMINISTRATOR shall inform providers and CONTRACTOR, at the time they enter into a
20 contract, of the following:

21 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in
22 42 C.F.R. 438.400 through 42 C.F.R. 438.424.

23 2. The beneficiary's right to file grievances and appeals and the requirements and timeframes
24 for filing.

25 3. The availability of assistance to the beneficiary with filing grievances and appeals.

26 4. The beneficiary's right to request continuation of benefits that the ADMINISTRATOR
27 seeks to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable
28 timeframes, although the beneficiary may be liable for the cost of any continued benefits while the
29 appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

30 5. The conducting of random reviews to ensure beneficiaries are being notified in a timely
31 manner.

32 F. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,
33 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal
34 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms
35 of the Contract or determinations of amounts payable available at any time for inspection, examination
36 of copying by the State, CMS, HHS Inspector General, the United States Comptroller General, their
37 designees, and other authorized federal and state agencies. (42 CFR §438.3(h)) This audit right will

1 exist for ten (10) years from the final date of the contract period or from the date of completion of any
 2 audit, whichever is later. (42 CFR §438.230(c)(3)(iii)). The State, CMS, or the HHS Inspector General
 3 may inspect, evaluate, and audit CONTRACTOR at any time if there is a reasonable possibility of fraud
 4 or similar risk (42 CFR §438.230(c)(3)(iv)).

6 **XVII. LICENSES AND LAWS**

7 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout
 8 the term of this Contract, maintain all necessary licenses, permits, approvals, certificates, accreditations,
 9 waivers, and exemptions necessary for the provision of the services hereunder and required by the laws,
 10 regulations and requirements of the United States, the State of California, COUNTY, and all other
 11 applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and
 12 in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals,
 13 permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be
 14 cause for termination of this Contract. In addition, all treatment providers will be certified by the State
 15 Department of Health Care Services as a Drug Medi-Cal provider and must meet any additional
 16 requirements established by COUNTY as part of this certification

17 B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and
 18 requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and
 19 requirements shall include, but not be limited to, the following:

- 20 1. ARRA of 2009.
- 21 2. Trafficking Victims Protection Act of 2000.
- 22 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 23 4. CCC §§1798.80 through 1798.84, Customer Records.
- 24 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 25 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
 26 Security.
- 27 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse
 28 Master Plans.
- 29 8. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 30 9. Code of Federal Regulations, Title 42, Public Health.
- 31 10. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 32 11. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 33 12. 41 CFR 50, Public Contracts and Property Management.
- 34 13. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 35 14. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
 36 prevention and treatment block grants and/or projects for assistance in transition from homelessness
 37 grants.

15. 45 CFR 93, New Restrictions on Lobbying.
16. 45 CFR 96.127, Requirements regarding Tuberculosis.
17. 45 CFR 96.132, Additional Contracts.
18. 45 CFR 96.135, Restrictions on Expenditure of Grant.
19. 45 CFR 160, General Administrative Requirements.
20. 45 CFR 162, Administrative Requirements.
21. 45 CFR 164, Security and Privacy.
22. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
23. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
24. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions.
25. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
26. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services Administration.
27. 42 USC §290dd-2, Confidentiality of Records.
28. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
29. 42 USC §§1320d through 1320d-9, Administrative Simplification.
30. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
31. 42 USC §6101 et seq., Age Discrimination Act of 1975.
32. 42 USC §2000d, Civil Rights Act of 1964.
33. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
34. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants Policy Statement (10/13).
35. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
36. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other Drug Program Certification Standards, December 2020.
37. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
38. State of California, Department of Health Care Services ASRS Manual.
39. State of California, Department of Health Care Services DPFS Manual.
40. HSC §123145.
41. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
42. 5 USC §7321 – §7326, Political Activities (Hatch Act)
43. DMC Certification Title 22, California Code of Regulations (CCR).

44. DMC Billing Manual April 2019.
45. Federal Medicare Cost reimbursement principles and cost reporting standards.
46. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan
47. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions, August 2015, and subsequent versions.
48. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
49. California Code of Regulations (CCR), Title 22, Section 51341.1; 51490.1; 51516.1 and the Drug Medi-Cal Certification Standards for Substance Abuse Clinics.
50. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1.
51. Standards for Drug Treatment Programs (October 21, 1981).
52. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.
53. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
54. Title 9, CCR, Section 1810.435.
55. Title 9, CCR, Section 1840.105.
56. Title 22, CCR, §51009, Confidentiality of Records.
57. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
58. 2 CFR 200.501 – Single Audit Act

XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA

A. Any written information or literature, including educational or promotional materials, distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related to this Contract must be approved at least thirty (30) calendar days in advance and in writing by ADMINISTRATOR before distribution. For the purposes of this Contract, distribution of written materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads, and electronic media such as the Internet.

B. Any advertisement through radio, television broadcast, or the Internet, for educational or promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this Contract must be approved in advance at least thirty (30) calendar days and in writing by ADMINISTRATOR.

C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly available social media sites) in support of the services described within this Contract, CONTRACTOR shall develop social media policies and procedures and have them available to ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either directly or indirectly support the services described within this Contract. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media developed in support of the services described within this Contract. CONTRACTOR shall also

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1 include any required funding statement information on social media when required by
2 ADMINISTRATOR.

3 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement
4 by COUNTY, unless ADMINISTRATOR consents thereto in writing.

5 E. CONTRACTOR shall also clearly explain through these materials that there shall be no
6 unlawful use of drugs or alcohol associated with the services provided pursuant to this Contract, as
7 specified in HSC, §11999-11999.3.

8 9 **XIX. MAXIMUM OBLIGATION**

10 A. The Total Aggregate Maximum Obligation of COUNTY for services provided in accordance
11 with this Contract, and the separate Aggregate Maximum Obligations for each period under this
12 Contract, are as specified in the Referenced Contract Provisions of this Contract, except as allowed for
13 in Subparagraph B. below.

14 B. ADMINISTRATOR may amend the Aggregate Maximum Obligation by an amount not to
15 exceed ten percent (10%) of Period One funding for this Contract.

16 17 **XX. MINIMUM WAGE LAWS**

18 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
19 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the
20 federal or California Minimum Wage to all its Covered Individuals (as defined within the "Compliance"
21 paragraph of this Contract) that directly or indirectly provide services pursuant to this Contract, in any
22 manner whatsoever. CONTRACTOR shall require and verify that all of its Covered Individuals
23 providing services pursuant to this Contract be paid no less than the greater of the federal or California
24 Minimum Wage.

25 B. CONTRACTOR shall comply and verify that its Covered Individuals comply with all other
26 federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor
27 standards pursuant to providing services pursuant to this Contract.

28 C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR,
29 where applicable, shall comply with the prevailing wage and related requirements, as provided for in
30 accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the
31 State of California (§§1770, et seq.), as it now exists or may hereafter be amended.

32 33 **XXI. NONDISCRIMINATION**

34 **A. EMPLOYMENT**

35 1. During the term of this Contract, CONTRACTOR and its Covered Individuals (as defined
36 in the "Compliance" paragraph of this Contract) shall not unlawfully discriminate against any employee
37 or applicant for employment because of his/her race, religious creed, color, national origin, ancestry,

1 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,
2 gender identity, gender expression, age, sexual orientation, or military and veteran status. Additionally,
3 during the term of this Contract, CONTRACTOR and its Covered Individuals shall require in its
4 subcontracts that subcontractors shall not unlawfully discriminate against any employee or applicant for
5 employment because of his/her race, religious creed, color, national origin, ancestry, physical disability,
6 mental disability, medical condition, genetic information, marital status, sex, gender, gender identity,
7 gender expression, age, sexual orientation, or military and veteran status.

8 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
9 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or
10 recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection
11 for training, including apprenticeship.

12 3. CONTRACTOR shall not discriminate between employees with spouses and employees
13 with domestic partners, or discriminate between domestic partners and spouses of those employees, in
14 the provision of benefits.

15 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
16 employment, notices from ADMINISTRATOR and/or the United States Equal Employment
17 Opportunity Commission setting forth the provisions of the EOC.

18 5. All solicitations or advertisements for employees placed by or on behalf of
19 CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration
20 for employment without regard to race, religious creed, color, national origin, ancestry, physical
21 disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender
22 identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements
23 shall be deemed fulfilled by use of the term EOE.

24 6. Each labor union or representative of workers with which CONTRACTOR and/or
25 subcontractor has a collective bargaining contract or other contract or understanding must post a notice
26 advising the labor union or workers' representative of the commitments under this Nondiscrimination
27 Paragraph and shall post copies of the notice in conspicuous places, available to employees and
28 applicants for employment.

29 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
30 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
31 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental
32 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
33 expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the
34 Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights
35 Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division
36 4, Chapter 6, Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information
37 Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and

1 regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all
 2 may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination
 3 paragraph, discrimination includes, but is not limited to the following based on one or more of the
 4 factors identified above:

- 5 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 6 2. Providing any service or benefit to a Client which is different or is provided in a different
 7 manner or at a different time from that provided to other Clients.
- 8 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
 9 others receiving any service and/or benefit.
- 10 4. Treating a Client differently from others in satisfying any admission requirement or
 11 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
 12 any service and/or benefit.
- 13 5. Assignment of times or places for the provision of services.

14 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all Clients
 15 through a written statement that CONTRACTOR's and/or subcontractor's Clients may file all
 16 complaints alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
 17 ADMINISTRATOR or the U.S. Department of Health and Human Services' OCR.

18 1. Whenever possible, problems shall be resolved at the point of service. CONTRACTOR
 19 shall establish an internal problem resolution process for Clients not able to resolve such problems at the
 20 point of service. Clients may initiate a grievance or complaint directly with CONTRACTOR either
 21 orally or in writing.

22 a. COUNTY shall establish a formal resolution and grievance process in the event
 23 grievance is not able to be resolved at point of service.

24 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as
 25 to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right to
 26 request a State Fair Hearing.

27 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
 28 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
 29 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended (42
 30 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
 31 discrimination against qualified persons with disabilities in all programs or activities, and if applicable
 32 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together
 33 with succeeding legislation.

34 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
 35 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
 36 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
 37 //

1 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to
2 enforce rights secured by federal or state law.

3 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and
4 state law, this Contract may be canceled, terminated or suspended in whole or in part and
5 CONTRACTOR or subcontractor may be declared ineligible for further contracts involving federal,
6 state or COUNTY funds.

7 8 **XXII. NOTICES**

9 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
10 authorized or required by this Contract shall be effective:

11 1. When written and deposited in the United States mail, first class postage prepaid and
12 addressed as specified in the Referenced Contract Provisions of this Contract or as otherwise directed by
13 ADMINISTRATOR;

14 2. When faxed, transmission confirmed;

15 3. When sent by Email; or

16 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
17 Service, or any other expedited delivery service.

18 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
19 this Contract or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
20 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
21 Parcel Service, or any other expedited delivery service.

22 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
23 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
24 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
25 damage to any COUNTY property in possession of CONTRACTOR.

26 D. For purposes of this Contract, any notice to be provided by COUNTY may be given by
27 ADMINISTRATOR.

28 29 **XXIII. NOTIFICATION OF DEATH**

30 A. Upon becoming aware of the death of any person served pursuant to this Contract,
31 CONTRACTOR shall immediately notify ADMINISTRATOR.

32 B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain
33 the name of the deceased, the date and time of death, the nature and circumstances of the death, and the
34 name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

35 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by
36 telephone immediately upon becoming aware of the death due to non-terminal illness of any person
37 served pursuant to this Contract; notice need only be given during normal business hours.

2. WRITTEN NOTIFICATION

a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send via encrypted email to ADMINISTRATOR a written report within sixteen (16) hours after becoming aware of the death due to non-terminal illness of any person served pursuant to this Contract.

b. TERMINAL ILLNESS – CONTRACTOR shall notify ADMINISTRATOR by written report hand delivered, faxed, sent via encrypted email, within forty-eight (48) hours of becoming aware of the death due to terminal illness of any person served pursuant to this Contract.

c. When notification via encrypted email is not possible or practical CONTRACTOR may hand deliver or fax to a known number said notification.

C. If there are any questions regarding the cause of death of any person served pursuant to this Contract who was diagnosed with a terminal illness, or if there are any unusual circumstances related to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with this Notification of Death Paragraph.

D. All death reports must be verified by the coroner's office. The information should include date of the death as well as the cause of death.

XXIV. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS

A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in whole or in part by the COUNTY, except for those events or meetings that are intended solely to serve Clients or occur in the normal course of business.

B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance of any applicable public event or meeting. The notification must include the date, time, duration, location and purpose of the public event or meeting. Any promotional materials or event related flyers must be approved by ADMINISTRATOR prior to distribution.

XXV. RECORDS MANAGEMENT AND MAINTENANCE

A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of this Contract, prepare, maintain and manage records appropriate to the services provided and in accordance with this Contract and all applicable requirements.

1. CONTRACTOR shall maintain records that are adequate to substantiate the services for which claims are submitted for reimbursement under this Contract and the charges thereto. Such records shall include, but not be limited to, individual patient charts and utilization review records.

2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was rendered, and such additional information as ADMINISTRATOR or DHCS may require.

3. CONTRACTOR shall maintain books, records, documents, accounting procedures and practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature

1 | claimed to have been incurred in the performance of this Contract and in accordance with Medicare
2 | principles of reimbursement and GAAP.

3 | 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
4 | through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
5 | necessity of the service, and the quality of care provided. Records shall be maintained in accordance
6 | with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

7 | B. CONTRACTOR shall implement and maintain administrative, technical and physical
8 | safeguards to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of
9 | PHI in violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the
10 | extent practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal
11 | or state regulations and/or COUNTY policies.

12 | C. CONTRACTOR's participant, client, and/or patient records shall be maintained in a secure
13 | manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish
14 | and implement written record management procedures.

15 | D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
16 | termination of the contract, unless a longer period is required due to legal proceedings such as litigations
17 | and/or settlement of claims.

18 | E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years
19 | following discharge of the participant, client and/or patient.

20 | F. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
21 | billings, and revenues available at one (1) location within the limits of the County of Orange. If
22 | CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide
23 | written approval to CONTRACTOR to maintain records in a single location, identified by
24 | CONTRACTOR.

25 | G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
26 | of, this Contract, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all
27 | information that is requested by the PRA request.

28 | H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that
29 | clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or
30 | request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records
31 | maintained by or for a covered entity that is:

32 | 1. The medical records and billing records about individuals maintained by or for a covered
33 | health care provider;

34 | 2. The enrollment, payment, claims adjudication, and case or medical management record
35 | systems maintained by or for a health plan; or

36 | 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

37 | //

I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance with the terms of this Contract and common business practices. If documentation is retained electronically, CONTRACTOR shall, in the event of an audit or site visit:

1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit or site visit.

2. Provide auditor or other authorized individuals access to documents via a computer terminal.

3. Provide auditor or other authorized individuals a hardcopy printout of documents, if requested.

J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or security of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law or regulation, and copy ADMINISTRATOR on such notifications.

K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

L. CONTRACTOR shall obtain an NPI for each site identified as a location for providing contractual services. Provider's site NPIs must be submitted to ADMINISTRATOR prior to rendering services to Clients. If CONTRACTOR is providing direct or indirect services for State reporting must also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are on file with ADMINISTRATOR in advance of providing services to Clients. It is the responsibility of each provider site and individual staff member that bills Medi-Cal to obtain an NPI from the NPPES. Each contract site, as well as every staff member that provides billable services, is responsible for notifying the NPPES within thirty (30) calendar days of any updates to personal information, which may include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

XXVI. RESEARCH AND PUBLICATION

CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of, or developed, as a result of this Contract for the purpose of personal or professional research, or for publication.

XXVII. REVENUE

A. CLIENT FEES – CONTRACTOR shall not charge a fee to DMC beneficiaries to whom services are provided pursuant to this Contract, their estates and/or responsible relatives, unless a Share of Cost is determined per Medi-Cal eligibility

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1 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all
 2 available third-party reimbursement for which persons served pursuant to this Contract may be eligible.
 3 Charges to insurance carriers shall be on the basis of CONTRACTOR’s usual and customary charges.
 4 An Assignment of Benefits must be present in a Participant’s file when applicable.

5 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately
 6 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically
 7 provide for the identification of delinquent accounts and methods for pursuing such accounts.
 8 CONTRACTOR shall provide ADMINISTRATOR, monthly, a written report specifying the current
 9 status of fees which are billed, collected, transferred to a collection agency, or deemed by
 10 CONTRACTOR to be uncollectible.

11 **XXVIII. SEVERABILITY**

12 If a court of competent jurisdiction declares any provision of this Contract or application thereof to
 13 any person or circumstances to be invalid or if any provision of this Contract contravenes any federal,
 14 state or county statute, ordinance, or regulation, the remaining provisions of this Contract or the
 15 application thereof shall remain valid, and the remaining provisions of this Contract shall remain in full
 16 force and effect, and to that extent the provisions of this Contract are severable.

17 **XXIX. SPECIAL PROVISIONS**

18 A. CONTRACTOR shall not use the funds provided by means of this Contract for the following
 19 purposes:

- 20 1. Making cash payments to intended recipients of services through this Contract.
- 21 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
 22 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on
 23 use of appropriated funds to influence certain federal contracting and financial transactions).
- 24 3. Fundraising.
- 25 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
 26 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 27 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing
 28 body for expenses or services.
- 29 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
 30 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
 31 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 32 7. Paying an individual salary or compensation for services at a rate in excess of the current
 33 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
 34 Schedule may be found at www.opm.gov.
- 35 8. Severance pay for separating employees.
- 36
- 37

9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building codes and obtaining all necessary building permits for any associated construction.

10. Purchasing or improving land, including constructing or permanently improving any building or facility, except for tenant improvements.

11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal funds (matching).

12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.

13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or alcohol.

14. Promoting the legalization of any drug or other substance included in Schedule 1 of the Controlled Substance Act (21 USC 812).

15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug.

16. Assisting, promoting, or deterring union organizing.

17. Providing inpatient hospital services or purchasing major medical equipment.

B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR shall not use the funds provided by means of this Contract for the following purposes:

1. Funding travel or training (excluding mileage or parking).

2. Making phone calls outside of the local area unless documented to be directly for the purpose of client care.

3. Payment for grant writing, consultants, certified public accounting, or legal services.

4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Contract.

5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's clients.

C. Neither Party shall be responsible for delays or failures in performance to the extent resulting from acts beyond the control of the affected Party. Such acts shall include, but not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public related utility, or governmental statutes or regulations imposed after the fact.

XXX. STATUS OF CONTRACTOR

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Contract shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR

1 or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR
2 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or
3 subcontractors as they relate to the services to be provided during the course and scope of their
4 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be
5 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner
6 to be COUNTY's employees.

8 **XXXI. TERM**

9 A. This specific Contract with CONTRACTOR is only one of several Contracts to which the term
10 of this Contract applies. This specific Contract shall commence as specified in the Reference Contract
11 Provisions of this Contract or the execution date, whichever is later. This specific Contract shall
12 terminate as specified in the Referenced Contract Provisions of this Contract, unless otherwise sooner
13 terminated as provided in this Contract; provided, however, CONTRACTOR shall be obligated to
14 perform such duties as would normally extend beyond this term, including but not limited to, obligations
15 with respect to confidentiality, indemnification, audits, reporting and accounting.

16 B. Any administrative duty or obligation to be performed pursuant to this Contract on a weekend
17 or holiday may be performed on the next regular business day.

18 **XXXII. TERMINATION**

19 A. COUNTY may terminate this Contract, without cause, upon thirty (30) calendar days' written
20 notice. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
21 exclusive, and are in addition to any other rights and remedies provided by law or under this Contract.

22 B. CONTRACTOR is responsible for meeting all programmatic and administrative contracted
23 objectives and requirements as indicated in this Contract. CONTRACTOR shall be subject to the
24 issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not meet
25 goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe as
26 determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved
27 and/or the Contract could be terminated.

28 C. Unless otherwise specified in this Contract, COUNTY may terminate this Contract upon five
29 (5) calendar days' written notice if CONTRACTOR fails to perform any of the terms of this Contract.
30 At ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty (30) calendar
31 days for corrective action.

32 D. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of
33 any of the following events:

- 34 1. The loss by CONTRACTOR of legal capacity.
- 35 2. Cessation of services.
- 36

37 //

1 3. The delegation or assignment of CONTRACTOR's services, operation or administration to
2 another entity without the prior written consent of COUNTY.

3 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
4 required pursuant to this Contract.

5 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of
6 this Contract.

7 6. The continued incapacity of any physician or licensed person to perform duties required
8 pursuant to this Contract.

9 7. Unethical conduct or malpractice by any physician or licensed person providing services
10 pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR
11 removes such physician or licensed person from serving persons treated or assisted pursuant to this
12 Contract.

13 E. CONTINGENT FUNDING

14 1. Any obligation of COUNTY under this Contract is contingent upon the following:

15 a. The continued availability of federal, state and county funds for reimbursement of
16 COUNTY's expenditures, and

17 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
18 approved by the Board of Supervisors.

19 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
20 terminate or renegotiate this Contract upon thirty (30) calendar days' written notice given
21 CONTRACTOR. If COUNTY elects to renegotiate this Contract due to reduced or terminated funding,
22 CONTRACTOR shall not be obligated to accept the renegotiated terms.

23 F. In the event this Contract is suspended or terminated prior to the completion of the term as
24 specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its
25 sole discretion, reduce the Maximum Obligation of this Contract in an amount consistent with the
26 reduced term of the Contract.

27 G. In the event this Contract is terminated by either Party pursuant to Subparagraphs B., C., or D.
28 above, CONTRACTOR shall do the following:

29 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
30 is consistent with recognized standards of quality care and prudent business practice.

31 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
32 performance during the remaining contract term.

33 3. Until the date of termination, continue to provide the same level of service required by this
34 Contract.

35 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
36 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an
37 orderly transfer.

1 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
2 Client's best interests.

3 6. If records are to be transferred to COUNTY, pack and label such records in accordance
4 with directions provided by ADMINISTRATOR.

5 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
6 supplies purchased with funds provided by COUNTY.

7 8. To the extent services are terminated, cancel outstanding commitments covering the
8 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
9 commitments which relate to personal services. With respect to these canceled commitments,
10 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
11 arising out of such cancellation of commitment which shall be subject to written approval of
12 ADMINISTRATOR.

13 9. Provide written notice of termination of services to each Client being served under this
14 Contract, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
15 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendars
16 day period.

17
18 **XXXIII. THIRD-PARTY BENEFICIARY**

19 Neither Party hereto intends that this Contract shall create rights hereunder in third-parties
20 including, but not limited to, any subcontractors or any clients provided services pursuant to this
21 Contract.

22
23 **XXXIV. WAIVER OF DEFAULT OR BREACH**

24 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
25 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
26 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
27 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
28 Contract.

29 //

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IN WITNESS WHEREOF, the parties have executed this Contract, in the County of Orange, State of California.

MIND OC

DocuSigned by:
BY: Marshall Moncrief DATED: 9/30/2022
623CDA88DB3343E...

TITLE: CEO MIND OC

BY: DATED:

TITLE:

COUNTY OF ORANGE

DocuSigned by:
BY: Juan Corral DATED: 10/3/2022
35C5C61C98644C7...

HEALTH CARE AGENCY

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

DocuSigned by:
BY: Brittany McLean DATED: 10/3/2022
9713A4061B4343D...

DEPUTY

If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR.

EXHIBIT A
TO MASTER SERVICES AGREEMENT
FOR PROVISION OF
MENTAL HEALTH AND RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
MIND OC
OCTOBER 1, 2022 THROUGH JUNE 30, 2025

I. COMMON TERMS AND DEFINITIONS

A. The Parties agree to the following terms and definitions, and to those terms and definitions which, for convenience, are set forth elsewhere in this Contract.

1. AB109 means services for those Clients deemed eligible by Assembly Bill 109, Public Safety Realignment, under which the Client's last offense was non-violent, non-sexual, and non-serious.

2. AB109 Supervision means an offender released from prison to OCPD, or sentenced under AB109 and is doing their incarceration in jail instead of prison.

3. Acute Administrative Day means those days authorized by a designated point of authorization or utilization review committee in an acute inpatient facility when, due to the lack of a payer approved and/or county approved lower level of care placement, the Beneficiary's stay at an acute inpatient facility must be continued beyond the Beneficiary's need for acute care.

4. Acute Psychiatric Inpatient Hospital Services means services provided either in an acute care hospital, a freestanding psychiatric hospital or psychiatric health facility for the care and treatment of an acute episode of mental illness meeting the medical necessity criteria covered by the Medi-Cal program. Services provided in a freestanding hospital may only be reimbursed for person's age 21 or younger and 65 or older, unless a letter of agreement (LOA) or other contract permits otherwise.

5. Adult Mental Health Inpatient (AMHI) means the County contracted hospital(s) that provide adult mental health inpatient services for unfunded clients.

6. ART Team means a Health Care Agency Assessment for Residential Treatment team that conducts assessments and authorizes treatment for residential treatment services

7. ASAM Criteria means a comprehensive set of guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-occurring conditions.

8. Authorizations means a unique individual's complete UM process, which includes reviewing clinical documents when clinically indicated, evaluating medical necessity and formally deciding to authorize/deny additional inpatient psychiatric services, that lasts for the duration of the inpatient stay, i.e. initial admission notification to discharge aftercare planning whichever comes first.

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9. Bed Day means one (1) calendar day during which CONTRACTOR provides Residential Treatment Services as described in Exhibit B of the Contract. If admission and discharge occur on the same day, one (1) Bed Day will be charged.

10. Beneficiary means the primary Orange County Medi-Cal eligible user of Mental Health Services.

11. Beneficiary-directed means services delivered in a therapeutic alliance between providers and Beneficiaries where both are partners in goal setting and treatment planning. The final decision for treatment options rests with the Beneficiary and designated family members.

12. Beneficiary Satisfaction Surveys means surveys to measure Beneficiaries' overall satisfaction with Mental Health Services, and with specific aspects of those services in order to identify problems and opportunities for improvement.

13. Beneficiary Support System/Family means immediate family members, extended family members, significant others or other supports designated by the Beneficiary.

14. CalOMS means a statewide Client-based data collection and outcomes measurement system as required by the State to effectively manage and improve the provision of alcohol and drug treatment services at the State, COUNTY, and provider levels.

15. CalWORKs means the program implemented by COUNTY's Social Services Agency (SSA) after passage of AB 1542 regarding welfare reform

16. Care Coordination means the activities of managing services and coordinating care to Beneficiaries, including assessments, referrals, service planning, linkage, consultation, discharge planning and coordination. These functions shall be performed by COUNTY and COUNTY contracted staff.

17. Case Management or Care Coordination means services that assist a Client to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services.

18. CESI/CEST means self-administered survey instruments designed to assess Clients' motivation for change, engagement in treatment, social and peer support, and other psychosocial indicators of progress in recovery.

19. Client means a person who has a substance use disorder, for whom a COUNTY-approved intake and admission for Residential Treatment Services as appropriate have been completed pursuant to this Contract.

20. Clinical Component means services designed to improve a Client's ability to structure and organize tasks of daily living and recovery.

21. Clinical Documents means any clinical information, documentation or data collected from the service provider for purposes of conducting concurrent review and coordinating treatment.

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22. Completion means the completion of the Residential Treatment Services program whereby the Client has successfully completed goals and objectives documented in the Client's treatment plan and no longer has medical necessity for the Residential Level of Care.

23. Concurrent Review means the review of treatment authorization requests for inpatient mental health services by providers in order to approve, modify, or deny requests based on medical necessity. The review of the treatment authorization requests is concurrent with the provision of services and is required after the first day of admission through discharge.

24. Contract Monitor means a person designated by COUNTY to consult with and assist CONTRACTOR in the provision of services to COUNTY Beneficiaries as specified herein. The Contract Monitor shall at no time be construed as being ADMINISTRATOR.

25. Co-Occurring means a person has at least one substance use disorder and one mental health disorder that can be diagnosed independently of each other.

26. Credentialing means a review process, including a peer review process, based upon specific criteria, standards and prerequisites, to approve a provider or professional who applies to be contracted to provide care in a hospital, clinic, medical group or in a health plan.

27. CSI means DHCS required data elements pertaining to mental health Beneficiaries and the services they receive formulated in a database and reported to the State.

28. CYBH means the division of Behavioral Health Services responsible for the administration and oversight of Mental Health Services to children and adolescents.

29. DATAR means the DHCS system used to collect data on SUD treatment capacity and waiting lists.

30. DHCS LOC means a designation that is issued by DHCS to a residential program based on the services provided at the facility. For the purposes of this Contract, CONTRACTOR shall provide services in accordance with one of the following DHCS-Designated Levels of Care:

a. 3.1 - Clinically Managed Low-Intensity Residential Services: 24-hour structure with available trained personnel; at least five (5) hours of clinical service/week and prepare for outpatient treatment and/or sober living.

b. 3.3 - Clinically Managed Population-Specific High-Intensity Residential Services: 24-hour care with trained counselors to stabilize multidimensional imminent danger. Less intense milieu and group treatment with at least five (5) hours of clinical service/week for those with cognitive or other impairments unable to use full active milieu or therapeutic community and prepare for outpatient treatment.

c. 3.5 - Clinically Managed High-Intensity Residential Services: 24-hour care with trained counselors to stabilize multidimensional imminent danger, at least five (5) hours of clinical service/week, and prepare for outpatient treatment. Clients are able to tolerate and use full milieu or therapeutic community.

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31. Diagnosis means the definition of the nature of the Beneficiary's disorder. When formulating the diagnosis of the Beneficiary, CONTRACTOR shall use the diagnostic codes and axes as specified in the most current edition of the DSM published by the American Psychiatric Association. CONTRACTOR shall follow DSM procedures for all Beneficiaries.

32. EPSDT means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-covered beneficiaries less than twenty-one (21) years of age to receive any Medicaid service necessary to correct or help to improve a defect, mental illness, or other condition, such as a substance-related disorder, that is discovered during a health screening.

33. Family Member means any traditional or non-traditional support system, significant other or natural support designated by the Beneficiary.

34. FFS Provider means a Medi-Cal outpatient FFS provider serving Beneficiaries in his or her own independent practice or in a group practice.

35. Health Care Practitioner (HCP) means a person duly licensed and regulated under Division 2 (commencing with Section 500) of the Business and Professions Code, who is acting within the scope of their license or certificate.

36. Incidental Medical Services means optional services, approved by DHCS to be provided at a licensed adult alcoholism or drug use residential treatment facility by or under the supervision of a HCP that addresses medical issues associated with either detoxification or substance use.

37. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in which specific information about the Client is gathered including the ability to pay and standard admission forms pursuant to this Contract.

38. IRIS means a collection of applications and databases that serve the needs of programs within HCA and includes functionality such as registration and scheduling, laboratory information system, invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records and other relevant applications.

39. Linkage means connecting a Client to ancillary services such as outpatient and/or residential treatment and supportive services which may include self-help groups, social services, rehabilitation services, vocational services, job training services, or other appropriate services.

40. LPHA means any Physician, Nurse Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical Psychologists, Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Licensed Marriage and Family Therapists, or Licensed Eligible Practitioners working under the supervision of Licensed Clinicians within their scope of practice.

41. MAT Services means the use of Federal Drug Administration-approved medications in combination with behavioral therapies to provide a whole Client approach to treating substance use disorders.

42. MEDS means the information systems maintained by DHCS for all Medi-Cal recipient eligibility information.

43. Medical Necessity means criteria set forth by Title 9, California Code of Regulations, Chapter 11, Medi-Cal Specialty Mental Health Services for MHP reimbursement of Specialty Mental Health Services.

44. Medication Services means face-to-face or telephone services provided by a licensed physician, licensed psychiatric nurse practitioner, or other qualified medical staff. This service shall include documentation of the clinical justification for use of the medication, dosage, side effects, compliance, and response to medication.

45. MHP means COUNTY as the MHP Manager with COUNTY clinics as well as COUNTY contracted clinics, including CONTRACTOR, being providers in the Plan.

46. Mental Health Services means interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development, and enhanced self-sufficiency. Services shall include:

a. Assessment/Mental Health Evaluation means services designed to provide formal, documented evaluation or analysis of the cause or nature of a Beneficiary's mental, emotional, or behavioral disorders. The Parties understand that such services shall be primarily limited to initial telephone intake examinations to triage and refer the Beneficiary to a Network Provider who shall develop the treatment/service plan. Cultural issues should be addressed where appropriate. Additionally, this evaluation should include an appraisal of the individual's community functioning in several areas including living situation, daily activities, social support systems and health status.

b. Collateral Therapy means face-to-face or telephone contact(s) with significant others in the life of the Beneficiary necessary to meet the mental health needs of the Beneficiary. Family therapy provided on behalf of the individual Beneficiary is also considered collateral.

c. Individual Therapy means a goal directed face-to-face therapeutic intervention with the Beneficiary which focuses on the mental health needs of the Beneficiary.

d. Group Therapy means a goal directed face-to-face therapeutic intervention with a group of no less than two (2) and no more than eight (8) Beneficiaries receiving services at the same time. Such intervention shall be consistent with the Beneficiaries' goals and focus primarily on symptom reduction as a means to improve functional impairments.

47. MMEF means Monthly MEDS Extract file. This file contains data of current month and previous fifteen (15) months which provides eligibility data for all Orange County residents.

48. Network Provider means mental health service providers credentialed and under contract with CONTRACTOR. Such providers may be individual practitioners, provider groups, or clinics.

49. NPP means a document that notifies individuals of uses and disclosures of PHI that may be made by or on behalf of the health plan or health care provided as set forth in HIPAA.

50. Out-of-County means any California county other than COUNTY or border community.

51. Patients' Rights Advocacy means group responsible for providing outreach and educational materials to inform Beneficiaries about their rights and remedies in receiving mental health treatment;

1 representing Beneficiaries' interests in fair hearings, grievances and other legal proceedings related to
2 the provision of services; and monitoring mental health programs for compliance with patients' rights
3 legal standards as the designee of the Local Mental Health Director.

4 52. Perinatal means the condition of being pregnant or postpartum. This condition must be
5 documented to apply billing descriptor for perinatal attached to services.

6 53. Perinatal Residential Treatment Services means AOD treatment services that are provided
7 to a woman, eighteen (18) years and older, who is pregnant and/or has custody of dependent children up
8 to twelve (12) years of age, in her care; who has a primary problem of substance use disorder; and who
9 demonstrates a need for perinatal substance use disorder residential treatment services. Services are
10 provided in a twenty-four (24) hour residential program. These services are provided in a non-medical,
11 residential setting that has been licensed and certified by DHCS to provide perinatal services. These
12 treatment services are provided to both perinatal and parenting women in accordance with the Perinatal
13 Network Service Guidelines.

14 54. Postpartum means the 60-day period beginning on the last day of pregnancy, regardless of
15 whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar
16 month in which the 60th day occurs.

17 55. Primary Source Verification means procedures for the review and direct verification of
18 credentialing information submitted by care providers, including, but not limited to, confirmation of
19 references, appointments, and licensure.

20 56. QI means the use of interdisciplinary teams to review performance measures to identify
21 opportunities for improvement. The teams use participatory processes to analyze and confirm causes for
22 poor performance, design interventions to address causes, implement interventions, and measure
23 improvement. Successful improvements are then implemented wherever appropriate. Where
24 interventions are unsuccessful, the team again addresses the causes and designs new interventions until
25 improvements are achieved.

26 57. Recovery Services means billable services available after the Client has completed a course
27 of treatment. Recovery services emphasize the Client's central role in managing their health, using
28 effective self-management support strategies, and organizing internal and community resources to
29 provide ongoing self-management support to Client.

30 58. Referral means providing effective linkage of a Beneficiary to another service, when
31 indicated; with follow-up to be provided to assure that the Beneficiary has made contact with the
32 referred service.

33 59. Residential Treatment Authorization means the approval that is provided by the HCA ART
34 team for a Client to receive residential services to ensure that the beneficiary meets the requirements for
35 the service.

36 60. Retrospective Review means determination of the appropriateness or necessity of services
37 after they have been delivered, generally through the review of the medical or treatment record.

61. RSA Token means the security device which allows an individual user to access IRIS.

62. RTS means alcohol and other drug treatment services that are provided to Clients at a twenty-four (24) hour residential program. Services are provided in an alcohol and drug free environment and support recovery from alcohol and/or other drug related problems. These services are provided in a non-medical, residential setting that has been licensed and certified by DHCS.

63. Self-Help Meetings means a non-professional, peer participatory meeting formed by people with a common problem or situation offering mutual support to each other towards a goal or healing or recovery.

64. Service Authorization means the determination of appropriateness of services prior to the services being rendered, based upon medical or service necessity criteria. This includes the authorization of outpatient services authorized by CONTRACTOR.

65. Share of Cost means a monthly amount that the Beneficiary is to pay to receive Medi-Cal services.

66. SSA means COUNTY department responsible for child welfare services and Medi-Cal eligibility determination.

67. Structured Therapeutic Activities means organized program activities that are designed to meet treatment goals and objectives for increased social responsibility, self-motivation, and integration into the larger community. Such activities would include participation in the social structure of the residential program. It also includes the Client's progression, with increasing levels of responsibility and independence through job and other assignments culminating in employment seeking and employment-initiation activities in the community.

68. SUD means a condition in which the use of one or more substances leads to a clinically significant impairment or distress per the DSM-5.

69. Token means the security device which allows an individual user to access IRIS.

70. Utilization Management Program means the infrastructure required to carry out the concurrent review services according to this Contract including, but not limited to, policies and procedures, request staffing and information systems.

71. Warm Transfer means the referring party stays on the telephone call until the transfer and exchange of relevant information to the receiving party is complete.

B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Common Terms and Definitions Paragraph of this Exhibit A to the Contract.

II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph of this Exhibit A to the Contract and the following budget, which is set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

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	<u>PERIOD</u>	<u>PERIOD TWO</u>	<u>PERIOD</u>	<u>TOTAL</u>
	<u>ONE</u>		<u>THREE</u>	
ADMINISTRATIVE COSTS	\$ 1,350,000	\$ 1,800,000	\$ 1,800,000	\$ 4,950,000
PROGRAM COSTS				
Salaries	\$ 1,279,495	\$ 1,705,993	\$ 1,705,993	\$ 4,691,481
Benefits	\$ 548,355	\$ 731,140	\$ 731,140	\$ 2,010,635
Services and Supplies	\$11,773,086	\$16,516,737	\$16,516,737	\$44,806,560
Facility Reserves	\$1,457,868	\$1,457,868	\$1,457,868	\$4,373,604
Facility Operations Contingency	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
SUBTOTAL PROGRAM COSTS	\$16,058,804	\$21,411,738	\$21,411,738	\$58,882,280
TOTAL GROSS COST	\$17,408,804	\$23,211,738	\$23,211,738	\$63,832,280"

B. CONTRACTOR and ADMINISTRATOR mutually agree that the Maximum Obligation identified in Subparagraph II.A. of this Exhibit A to the Contract includes Indirect Costs not to exceed ten percent (10%) of Direct Costs, and which may include operating income estimated at two percent (2%). Final settlement paid to CONTRACTOR shall include Indirect Costs and such Indirect Costs may include operating income.

C. BUDGET/STAFFING MODIFICATIONS – CONTRACTOR may request to shift funds between programs, or between budgeted line items within a program, for the purpose of meeting specific program needs or for providing continuity of care to its members, by utilizing a Budget/Staffing Modification Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing Modification Request to ADMINISTRATOR for consideration, in advance, which will include a justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s) may result in disallowance of those costs.

D. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records will reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will be made in accordance with GAAP, and Medicare regulations. The Client eligibility determination and fee charged to and collected from Clients, together with a record of all billings rendered and revenues received from any source, on behalf of Clients treated pursuant to the Contract, must be reflected in

1 CONTRACTOR's financial records.

2 E. For all funds allocated to the Facility Reserves and the Facility Operations Contingency
3 budgeted line items in Paragraph II.A. of this Exhibit A, CONTRACTOR must obtain prior review and
4 written approval by the County Chief Executive ("CEO") or Chief Financial Officer ("CFO"), or their
5 designee, of any proposed use of such funds. CONTRACTOR's failure to obtain such prior review and
6 written approval for use of funds allocated to the Facility Reserves and/or the Facility Operations
7 Contingency budgeted line items may result in disallowance of the costs for such use.

8 F. With the exception of the review and approval requirement stated in Paragraph II.E. of this
9 Exhibit A, CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
10 Budget Paragraph of this Exhibit A to the Contract. Any modification to Paragraph II.E. must be
11 approved by the CEO or CFO, or their designee.

12 13 **III. PAYMENTS**

14 A. COUNTY shall pay CONTRACTOR monthly, in arrears, the provisional amount of
15 \$1,934,311. All payments are interim payments only and are subject to Final Settlement in accordance
16 with the Cost Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the
17 actual cost of providing the services, which may include Indirect Administrative Costs, as identified in
18 Subparagraph II.A. of this Exhibit A to the Contract; provided, however, the total of such payments does
19 not exceed COUNTY's Maximum Obligation as specified in the Referenced Contract provisions of the
20 Contract and, provided further, CONTRACTOR's costs are reimbursable pursuant to COUNTY, State
21 and/or Federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices or
22 make advance payments for any month during the term.

23 1. Payments of claims to providers shall be at rates set by CONTRACTOR, with mutual
24 agreement by ADMINISTRATOR, for all services.

25 2. In support of the monthly invoices, CONTRACTOR shall submit an Expenditure and
26 Revenue Report as specified in the Reports Paragraph of this Exhibit A to the Contract.
27 ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to
28 CONTRACTOR as specified in Subparagraphs A.2. and A.3., below.

29 3. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
30 provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may
31 reduce COUNTY payments to CONTRACTOR by an amount not to exceed the difference between the
32 year-to-date provisional amount payments to CONTRACTOR's and the year-to-date actual cost
33 incurred by CONTRACTOR.

34 4. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
35 provisional amount payments are less than the actual cost of providing services, ADMINISTRATOR
36 may authorize an increase in the provisional amount payment to CONTRACTOR by an amount not to
37 exceed the difference between the year-to-date provisional amount payments to CONTRACTOR and

1 the year-to-date actual cost incurred by CONTRACTOR.

2 B. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide
3 such information as is required by ADMINISTRATOR. Invoices are due the twentieth (20th) calendar
4 day of each month. Invoices received after the due date may not be paid within the same month.
5 Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days
6 after receipt of the correctly completed invoice form.

7 C. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source
8 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statements,
9 canceled checks, receipts, receiving records and records of services provided.

10 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
11 with any provision of the Contract.

12 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
13 and/or termination of the Contract, except as may otherwise be provided under the Contract, or
14 specifically agreed upon in a subsequent Contract.

15 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
16 Payments Paragraph of this Exhibit A to the Contract.

17 **IV. REPORTS**

18 A. CONTRACTOR shall maintain records, create and analyze statistical reports as required by
19 ADMINISTRATOR and DHCS in a format approved by ADMINISTRATOR. CONTRACTOR shall
20 provide ADMINISTRATOR with the following:

21 **1. FISCAL**

22 a. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure
23 and Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or
24 provided by ADMINISTRATOR and shall report actual costs and revenues for each of the
25 CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the
26 Contract. CONTRACTOR shall submit these reports by no later than twenty (20) calendar days
27 following the end of the month reported.

28 b. CONTRACTOR shall provide a check register and remittance summary by provider, as
29 well as a turnaround summary, for services provided by Network Providers, to ADMINISTRATOR
30 upon request.

31 c. CONTRACTOR shall track and provide IBNR information on a monthly basis.
32 Monthly IBNR shall be calculated and compared with the record of uncashed checks and stop-payment
33 checks, as well as to the undeliverable check report and the donated checks report. CONTRACTOR
34 shall prepare and submit to ADMINISTRATOR a monthly report showing total IBNR liability and
35 revenue received based upon the provisional payments received from COUNTY.
36

37 d. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR.

These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Contract. Such reports shall include actual monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and Revenue Reports.

2. STAFFING REPORT – CONTRACTOR shall submit monthly Staffing Reports to ADMINISTRATOR. CONTRACTOR's reports shall contain required information, and be on a form acceptable to, or provided by ADMINISTRATOR. CONTRACTOR shall submit these reports no later than twenty (20) calendar days following the end of the month being reported.

3. PROGRAMMATIC REPORTS – CONTRACTOR shall submit monthly Programmatic reports to ADMINISTRATOR. These reports shall be in a format approved by ADMINISTRATOR and shall include but not limited to, descriptions of any performance objectives, outcomes, and or interim findings as directed by ADMINISTRATOR. CONTRACTOR shall be prepared to present and discuss the programmatic reports at the monthly and quarterly meetings with ADMINISTRATOR, to include an analysis of data and findings, and whether or not CONTRACTOR is progressing satisfactorily and if not, specify what steps are being taken to achieve satisfactory progress.

B. CONTRACTOR shall provide records and program reports, as listed below, which shall be received by ADMINISTRATOR no later than twenty (20) calendar days following the end of the month being reported or as requested by ADMINISTRATOR.

1. MONTHLY

- a. Access Log
- b. Telephone Access Summary: Performance Targets
- c. Lower Level of Care Transitions
- d. Requested 837 UOS Reports by fiscal year
- e. UM Reports will be mutually agreed upon implementation of services
- f. Credentialing Reports

2. QUARTERLY

- a. QI – Beneficiary Satisfaction Survey, ASO's Access Line
- b. QI – Grievance Report
- c. QI – Provider Claims Appeals
- d. QI – NOA and Second Opinion Log
- e. High Utilizer by Provider
- f. Timeliness of Utilization Management Decision Making
- g. Authorizations and Access to Services
- h. Requested UOS Reports (837, ASO UOS, Cost Report UOS)
- i. Cost of Service Reports will be mutually agreed upon implementation of revised

1 Mental Health Claims processing

2 j. Period of Quarterly Reports:

3 1) July 1 through September 30

4 2) October 1 through December 31

5 3) January 1 through March 31

6 4) April 1 through June 30

7 3. ANNUAL

8 a. QI – Member Satisfaction Survey

9 b. QI – Provider Satisfaction Survey

10 c. QI – Committee Review

11 d. Year-end ASO UOS and Cost report UOS

12 d. Demographics- Network Providers

13 4. ACCESS LOG – CONTRACTOR shall develop and maintain a written Access Log of all
14 requests for services received via telephone, in writing, or in person. CONTRACTOR is responsible for
15 this written log that meets the DHCS regulations and requirements, as interpreted by COUNTY, and
16 records all services requested twenty-four (24) hours-seven (7) days a week. The Access Log shall
17 contain, at a minimum, whether or not the caller has Medi-Cal, the name of the individual, date of the
18 request, nature of the request, call status (emergent, urgent, routine), if the request is an initial request
19 for Specialty Mental Health Services, and the disposition of the request, which shall include
20 interventions. CONTRACTOR must be able to produce a sortable log, for any time-period specified by
21 COUNTY within twenty-four (24) hours of receiving the request from COUNTY. If the caller's name is
22 not provided, then the log shall reflect that the caller did not provide a name. CONTRACTOR shall
23 make available to ADMINISTRATOR upon request, the most recent telephone log which shall include
24 previous day's calls.

25 5. DATA COLLECTION AND REPORTING – ADMINISTRATOR shall provide
26 CONTRACTOR with the exact specifications required to enter data into ADMINISTRATOR approved
27 CONTRACTOR reporting system to allow ADMINISTRATOR to create the claims file used for Medi-
28 Cal claiming and for ADMINISTRATOR's CSI data reporting. CONTRACTOR shall submit Medi-Cal
29 837 claims, voids, and replacements, and CSI files electronically to ADMINISTRATOR. The Parties
30 understand that such requirements may be modified periodically by the State and those modifications
31 shall automatically become requirements of this Contract.

32 a. ADMINISTRATOR shall provide CONTRACTOR with a monthly MEDS Extract file
33 (MMFE) when available from DHCS.

34 b. CONTRACTOR shall ensure the timely data entry of information into COUNTY
35 approved CONTRACTOR reporting system.

36 c. Contractor shall use data collection and visualization systems identified by HCA
37 including, but not limited to, the IRIS Electronic Health Record system, OC Navigator resource referral

1 and linkage system, and other electronic platforms for digitized program workflows

2 d. CONTRACTOR shall conduct up-front and retrospective auditing of data to ensure the
3 accuracy, completeness, and timeliness of the information input into CONTRACTOR's reporting
4 system. CONTRACTOR shall build in audit trails and reconciliation reports to ensure accuracy and
5 comprehensiveness of the input data. In addition, transaction audit trails shall be thoroughly monitored
6 for accuracy and conformance to operating procedures.

7 e. CONTRACTOR shall input all required data regarding services provided to
8 Beneficiaries who are deemed, by the appropriate state or federal authorities, to be COUNTY's
9 responsibility.

10 f. CONTRACTOR shall correct all input data resulting in CSI and 837 Medi-Cal claim
11 denials and rejections. These errors will be communicated to CONTRACTOR immediately upon
12 discovery and must be corrected in a timely manner.

13 g. CONTRACTOR shall ensure the confidentiality of all administrative and clinical data.
14 This shall include both the electronic system as well as printed public reports. No identifying
15 information or data on the system shall be exchanged with any external entity or other business, or
16 among providers without prior written approval of the Beneficiary or ADMINISTRATOR.
17 Confidentiality procedures shall meet all local, state, and federal requirements.

18 h. CONTRACTOR shall ensure that information is safeguarded in the event of a disaster
19 and that appropriate service authorization and data collection continues.

20 C. CONTRACTOR shall respond to any requests that are needed with an immediate response time
21 due to any requests from entities that could include but not be limited to DHCS, internal and/or external
22 audits.

23 D. CONTRACTOR shall provide ADMINISTRATOR with a report key, established by
24 CONTRACTOR, and as agreed upon by ADMINISTRATOR, that describes each report, its purpose
25 and usefulness. CONTRACTOR shall update the report key when reports are added or deleted and
26 provide updated report key to ADMINISTRATOR within thirty (30) calendar days.

27 E. CONTRACTOR shall upon ADMINISTRATOR's request revise and make changes to all
28 reports as needed.

29 F. ADMINISTRATOR and CONTRACTOR may mutually agree, in writing, to modify the
30 frequency of the reports. Each report shall include an unduplicated client count and a fiscal year-to-date
31 summary and, unless otherwise specified, shall be reported in aggregate.

32 G. ADDITIONAL REPORTS – Upon ADMINISTRATOR's request, CONTRACTOR shall make
33 such additional reports as required by ADMINISTRATOR concerning CONTRACTOR's activities as
34 they affect the services hereunder. ADMINISTRATOR shall be specific as to the nature of information
35 requested and allow thirty (30) calendar days for CONTRACTOR to respond.

36 H. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
37 Reports Paragraph of this Exhibit A to the Contract.

V. CRISIS STABILIZATION SERVICES

A. FACILITIES

1. CONTRACTOR shall maintain the capability to provide Crisis Stabilization Services to clients aged thirteen (13) and above.

2. CONTRACTOR shall provide Crisis Stabilization Services twenty-four (24) hours per day seven (7) days per week, 365 days per year.

3. CONTRACTOR shall commence service delivery thirty (30) calendar days to sixty (60) calendar days from contract start date. A written request for an extension must be submitted in advance to ADMINISTRATOR for approval if CONTRACTOR is not ready to provide services by the target date.

4. The facility shall have access for persons presenting on a drive-up basis, via police drop off and ambulance delivery.

5. The facility shall have a minimum of seventy-three hundred (7,300) square feet with the majority of the space dedicated to clients served and their care. Treatment areas shall be in visible line of sight from the nursing area. Space shall be allocated for: rest; socialization/living room; dining; seclusion/quiet rooms for agitated persons; private intake/exam space; medication room; and sufficient work space for staff and conference/meeting rooms. Space shall be designed for the clients treated and treatment staff to congregate for the majority of the time and shall enable them to work together in an easily accessible fashion. There shall be space dedicated for their families and significant others/support network to receive collateral treatment and areas for family/significant others to participate in program, visit, and stay with the client being treated as clinically indicated.

6. The facility shall be used exclusively for the CSU and COUNTY shall have full access to the facility and to COUNTY's service providers. CONTRACTOR is responsible for maintenance, repair, and capital improvements to the facility.

7. The facility shall meet the standards of the applicable sections of:

a. Sections 1840.338 and 1840.348 of California Code of Regulations (CCR) Title 9, for Crisis Stabilization Services;

b. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq., as implemented in 45 CFR 84.1 et seq.);

c. Americans with Disabilities Act of 1990 (42 U.S.C. 12101, et seq.) pertaining to the prohibition of discrimination against qualified persons with disabilities in all programs or activities, as they exist now or may be hereafter amended together with succeeding legislation;

d. All SD/MC requirements as delineated in California Code of Regulations, Title 9, Chapter 11, Medi-Cal Specialty Mental Health Services; and

e. All applicable requirements delineated in Division 5 of the California Welfare & Institutions Code and required by ADMINISTRATOR for LPS designated facilities.

8. Contractor shall be SD/MC certified prior to the effective date for commencing contracted

1 services. To obtain COUNTY'S certification of CONTRACTOR'S site, CONTRACTOR shall be
2 responsible for making any necessary changes to meet or maintain Medi-Cal site standards.

3 9. CONTRACTOR shall be LPS designated prior to the effective date for commencing
4 contracted services.

5 10. The facility shall have a capacity to serve twenty-four (24) clients per day and will include
6 adequate physical space to support the services identified within this Contract.

7 11. CONTRACTOR'S administrative staff holiday schedule shall be consistent with
8 COUNTY'S holiday schedule unless otherwise approved in writing by ADMINISTRATOR.

9 B. CLIENTS TO BE SERVED:

- 10 1. Orange County Residents;
- 11 2. Experiencing a behavioral health emergency, may have a co-occurring disorder, at risk of
12 hospitalization and cannot wait for a regularly scheduled appointment; and
- 13 3. Between the ages of thirteen (13) and fifty-nine (59), including Transitional Age Youth
14 (TAY) between the ages of eighteen and twenty-five. Adults over sixty years of age whose needs are
15 compatible with those of other clients may be included in target population if they require the same level
16 of care and supervision.

17 C. SERVICES TO BE PROVIDED

18 1. CONTRACTOR shall provide psychiatric crisis stabilization services on a twenty-four (24)
19 hours a day basis to provide a viable option to the default presentation to emergency departments for
20 persons in behavioral health crisis. Crisis Stabilization Services shall be rendered to any individual
21 presenting for services who is in a behavioral health crisis and cannot wait for their regularly scheduled
22 appointment if it is medically safe to do so. Crisis Stabilization services shall include, but are not
23 limited to: psychiatric assessment, physical screening, collateral history, therapy, crisis intervention,
24 medication services, education, nursing assessment, peer specialist services, coordination of referrals to
25 continuing care and emergency housing, post discharge planning and facilitation of transfer of clients to
26 inpatient treatment facilities when clinically appropriate and indicated. Services described herein are
27 primarily designed to provide timely and effective crisis intervention and stabilization for persons
28 experiencing behavioral health emergencies. The goals also include: minimize distress for the
29 client/family resulting from lengthy waits in emergency departments, reduce the wait time for law
30 enforcement presenting clients for emergency behavioral health treatment; and treating the client in the
31 least restrictive, most dignified setting as appropriate in lieu of inpatient settings, utilizing alternative,
32 less restrictive treatment options whenever possible and appropriate. Services shall be provided in
33 compliance with Welfare & Institutions Code and consistent with all patients' rights regulations,
34 upholding the dignity and respect of all clients served and meeting the goals for such services. The
35 services shall also be provided utilizing Trauma Informed and Recovery Model principles that are
36 person-centered, strengths-based, individualized, focused on imparting hope and identifying strengths
37 and resiliency in all persons served. Services shall be tailored to the unique strengths of each client and

1 will use shared decision-making to encourage the client to manage their behavioral health treatment, set
2 their own path toward recovery and fulfillment of their hopes and dreams.

3 2. CONTRACTOR shall perform clinical and psycho-diagnostic assessment using the most
4 recent DSM and/or ICD10 to include clinical consideration of each fundamental need: physical,
5 psychological, familial, educational, social, environmental and recreational. Additional examinations,
6 tests and evaluations may be conducted as clinically indicated. Findings of the examinations and
7 evaluations shall be documented in the client record and signed by CONTRACTOR's appropriate and
8 responsible staff.

9 3. CONTRACTOR shall provide psychiatric evaluations by licensed psychiatrist or
10 psychiatric nurse practitioner(s) who shall issue prescriptions and order medications as clinically
11 indicated. Medication support services shall include a system of medication quality review provided by
12 well-trained, experienced psychiatrists knowledgeable in the use of medication to improve functioning.

13 4. CONTRACTOR shall complete physical health assessments which shall be performed by a
14 physician, doctor of osteopathy, a nurse practitioner or registered nurse. CONTRACTOR shall provide
15 or arrange for laboratory tests as are necessary to adequately complete the assessment and to support
16 continued psychiatric stabilization of the client. Non-emergency medical intervention will be provided
17 on-site by qualified and trained and appropriately licensed individuals.

18 5. CONTRACTOR shall engage both the client and the clients' family or other significant
19 support persons whenever possible. Such collateral services may include providing therapy to
20 parents/guardians, adult caregivers or significant others to help the client in maintaining living
21 arrangements in the community. CONTRACTOR shall refer such caregiver(s) to appropriate
22 community supports, and/or educational services. CONTRACTOR shall document contact with
23 family/support persons or document why such contact is not possible or not advisable.

24 6. CONTRACTOR shall obtain valid consents from the clients served.

25 7. CONTRACTOR shall provide a sufficient amount of treatment services at all times to
26 accommodate the clients served and their supports not able to participate during regular daytime hours.

27 8. CONTRACTOR shall provide individual sessions for intake, recovery planning, and
28 discharge. Additional individual counseling sessions shall take place as clinically necessary.

29 9. CONTRACTOR shall use individual therapy, brief intensive services, motivational
30 interviewing, and short-term group therapy modalities including psycho-educational, cognitive
31 behavioral and self-soothing therapy techniques.

32 10. CONTRACTOR shall promote recovery via individual and/or group sessions. Topics may
33 include, but not be limited to: building a wellness toolbox or resource list, trauma informed principles of
34 self-care, healthy habits, symptom monitoring, triggers and early warning signs of symptoms/relapse,
35 identifying a crisis plan, and WRAP, etc.

36 11. CONTRACTOR shall provide all necessary substance use disorder treatment services for
37 clients who are living with a co-occurring substance use disorder problem in addition to their behavioral

1 health issues as appropriate.

2 12. CONTRACTOR shall develop strategies to advance trauma-informed care and to
3 accommodate the vulnerabilities of trauma survivors.

4 13. Services are to be provided in an environment which is compatible with and supportive of a
5 recovery model. Services shall be delivered in the spirit of recovery and resiliency, tailored to the
6 unique strengths of each client. The focus will be on personal responsibility for symptom management
7 and independence, which fosters empowerment, hope, and an expectation of recovery from behavioral
8 //

9 health illness. Recovery oriented and trauma informed language and principles shall be evident and
10 incorporated in CONTRACTOR's policies, program design and space, and practice.

11 14. CONTRACTOR shall sustain a culture that supports and employs Peer Recovery
12 Specialist/Counselors in providing supportive socialization for clients that will assist in their recovery,
13 self-sufficiency and in seeking meaningful life activities and relationships. Peers shall be encouraged to
14 share their stories of recovery as much as possible to stimulate the milieu with the notion that recovery
15 is possible and to destigmatize behavioral health issues, inspire, and provide guidance.

16 15. CONTRACTOR shall ensure that clients leave the facility with a medication supply
17 sufficient to bridge them to their aftercare appointment by establishing a contractual agreement with a
18 licensed pharmacy to deliver and supply discharge medications as necessary.

19 16. CONTRACTOR shall ensure prescribers consider respective formularies as part of their
20 prescribing practices.

21 17. CONTRACTOR shall have light meals and snacks available as needed. Food will be
22 nutritious and balanced and consist of an array of different foods that consider the special dietary and
23 ethnic and cultural needs/values of the clients served.

24 18. CONTRACTOR shall provide linkage and consultation with both more restrictive levels of
25 care and community based services designed to avoid hospitalization.

26 19. CONTRACTOR shall develop a written discharge and aftercare plan, including written
27 discharge instructions for each client that shall be based on the assessment and diagnosis of that client.
28 The discharge/aftercare plan and discharge instructions shall include all required elements for
29 designated facilities.

30 20. CONTRACTOR shall adhere to any/all LPS designated facility requirements including
31 providing assessments for involuntary hospitalization when necessary. This service must be available
32 twenty-four (24) hours per day, seven (7) days per week, 365 days per year.

33 21. CONTRACTOR will make follow up calls to assist clients in making successful linkage to
34 on-going behavioral health services. Such calls shall be initiated within twenty-four (24) hours during
35 business days and seventy-two (72) hours of discharge during weekend periods and shall be documented
36 in the medical record as billable Case Management Services as appropriate.

37 22. As a designated outpatient facility, the facility may evaluate and treat clients for no longer

than twenty-three (23) hours and fifty-nine (59) minutes. CONTRACTOR shall have a process in place for describing actions taken when a person seen at the CSU has an episode that exceeds the twenty-three (23) hours and fifty-nine (59) minute limitation for a CSU stay. At a minimum, the CONTRACTOR will notify the COUNTY's Patient Rights Advocate of these instances. CONTRACTOR shall follow designated outpatient requirements as modified by the state for Crisis Stabilization.

23. CONTRACTOR is responsible to provide or arrange for the transport of clients requiring an inpatient level of care.

D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Crisis Stabilization Services Paragraph of this Exhibit A to the Contract.

VI. CRISIS RESIDENTIAL SERVICES

A. FACILITIES

1. CONTRACTOR shall maintain a facility(ies) for the provision of Adult Crisis Residential Services. The facility(ies) shall include space to support the services identified within the Contract.

2. CONTRACTOR shall meet the standards of the applicable sections of:

- a. HSC Code 1520 et seq;
- b. CCR, Title 22. Division 6, Chapter 2, Social Rehabilitation Facilities; Subchapter 1, Article 7;
- c. CCR, Title 9, Division 1, Chapter 3, Article 3.5 Standards for the Certification of Social Rehabilitation Programs;
- d. WIC Division 5, Part 2, Chapter 2.5, Article 1, section 5670.5;
- e. Section 504 of the Rehabilitation Act of 1973 -- (29 U.S.C. 794 et seq., as implemented in 45 CFR 84.1 et seq.);
- f. Americans with Disabilities Act of 1990 (42 U.S.C. 12101, et seq.) pertaining to the prohibition of discrimination against qualified persons with disabilities in all programs or activities, as they exist now or may be hereafter amended together with succeeding legislation.

3. The facility shall have a capacity of fifteen (15) beds and include adequate physical space to support the services identified within the Contract.

4. The facility shall be open for regular admissions between the hours of 8:00 a.m. and 8:00 p.m. Monday through Sunday, and will also maintain the ability to accept an admission outside of these hours as requested. Services to Clients in this program will be provided on a twenty-four (24) hour, seven (7) day per week, three hundred sixty-five (365) day per year basis.

5. CONTRACTOR's holiday schedule shall be consistent with COUNTY's holiday schedule unless otherwise approved, in advance and in writing, by ADMINISTRATOR.

B. INDIVIDUALS TO BE SERVED – CONTRACTOR shall provide short-term crisis residential services to individuals evaluated by and referred by COUNTY and COUNTY contractors as appropriate. CONTRACTOR shall not provide walk-in evaluation and admission services unless

mutually agreed upon, in writing, between CONTRACTOR and ADMINISTRATOR. ADMINISTRATOR will serve as the principal source to authorize admissions of individuals who meet the following criteria:

1. Adults between ages eighteen and fifty-nine (18 and 59) and individuals over sixty (60) years of age whose needs are compatible with those of other Clients if they require the same level of care and supervision and all Community Care Licensing requirements can be met.;

2. COUNTY Client;

3. Diagnosed with a behavioral health disorder and who may have a co-occurring disorder;

4. In crisis and at the risk of hospitalization and could safely benefit from this level of care;

and

5. Willing to participate fully and voluntarily in services.

C. ADULT CRISIS RESIDENTIAL PROGRAM – This program operates twenty-four (24) hours a day, seven (7) days a week, emulates a home-like environment and supports a social rehabilitation model, which is designed to enhance individuals' social connections with family or community so that they can move back into the community and prevent inpatient stays. Short-term crisis residential services will be provided to adults who are in behavioral health crises and may be at risk of psychiatric hospitalization and will involve families and significant others throughout the treatment episodes so that the dynamics of the Clients' circumstances are improved prior to discharge. Individuals are referred from Adult and Older Adult Behavioral Health County or County-contracted behavioral health providers and services will be rich in collaborating with these existing providers to arrange for discharge planning, appropriate housing placements, as needed, in addition to securing linkages to ongoing treatment providers prior to discharge. Crisis residential services provide positive, temporary alternatives for people experiencing acute psychiatric episodes or intense emotional distress who might otherwise face voluntary or involuntary inpatient treatment. Programs will provide crisis intervention, therapy, medication monitoring and evaluation to determine the need for the type and intensity of additional services within a framework of evidence based and trauma-informed approaches to recovery planning, including a rich peer support component. Program will include treatment for co-occurring disorders based on either harm-reduction or abstinence-based approaches to wellness and recovery, including providing a safe, smoke free, drug free, accepting environment that nurtures individuals' processes of personal growth and overall wellness. The programs must emphasize mastery of daily living skills and social development using strength-based approaches that support recovery and wellness. The residential settings will create solid links to the continuum of care with heavy emphasis on housing supports and linkages that will ease the transitions into independent living and prevent recidivism.

Intensive psychosocial services are provided on an individual and group basis by licensed and licensed waived mental health professionals, including therapy, crisis intervention, group education, assistance with self-administration of medications and case management. The focus is on recovery and intensive behavioral health treatment, management and discharge planning, linkage and reintegration

1 into the community. The average length of stay per Client is fourteen (14) days. The program will
 2 offer an environment where Clients are supported as they look at their own life experiences, set their
 3 own paths toward recovery, and work towards the fulfillment of their hopes and dreams. The Clients
 4 are expected to participate fully in all program activities, including all individual sessions, groups, and
 5 recovery oriented outings.

6 1. CONTRACTOR shall operate the program in such a manner that meets or exceeds the
 7 following regulations:

- 8 a. HSC 1520 et.seq;
- 9 b. CCR, Title 22, Division 6, Chapter 2 Social Rehabilitation Facilities;
- 10 c. CCR, Title 9, Division 1, Chapter 3, Article 3.5 Standards for the Certification of
 11 Social Rehabilitation Programs, Section 531-535; and
- 12 d. WIC Division 5, Part 2, Chapter 2.5, Article 1, section 5670, 5670.5 and 5671.

13 2. CONTRACTOR shall provide short term crisis residential program services as follows:

14 a. Admission Services:

15 1) CONTRACTOR shall admit individuals who have been determined to meet
 16 admission criteria and will have the Client sign an admission agreement describing the services to be
 17 provided, Client rights, and the expectations of the Client regarding house rules and involvement in all
 18 aspects of the program, including individual and group therapy sessions.

19 2) CONTRACTOR shall complete a thorough behavioral health assessment and
 20 psychiatric evaluation within twelve (12) hours of admission.

21 3) During the initial seventy-two (72) hours subsequent to admission, Clients will be
 22 expected to remain on site at all times to ensure integration into the program. After this initial period,
 23 Client may be eligible for a day pass to an approved activity, usually an MD appointment or an
 24 appointment for housing, etc. Prior to the approved activity pass, the Client must be clinically
 25 evaluated an hour prior to departure and immediately upon returning to the facility. These clinical
 26 evaluations will be clearly documented in the individual's chart.

27 4) CONTRACTOR shall obtain or complete a medical history within twenty-four (24)
 28 hours of admission.

29 5) CONTRACTOR shall be responsible for Client's TB testing upon admission if
 30 Client has not completed the test prior to admission to the program.

31 6) CONTRACTOR shall not deny referrals if CONTRACTOR has available space
 32 and appropriate staffing, unless mutually agreed upon by CONTRACTOR and ADMINISTRATOR.

33 7) CONTRACTOR and Client will together develop a written treatment/service plan
 34 specifying goals and objectives, involving Client's family and support persons as appropriate, and as
 35 aligned with a recovery focused, person-centered and directed approach within seventy-two (72) hours
 36 of admission. CONTRACTOR shall involve the Client's family and support persons or document
 37 attempts to obtain consent until consent is obtained or the Client is discharged.

8) Within seventy-two (72) hours of admission, CONTRACTOR shall establish a discharge date in concert with the Client and their family/support system. The targeted discharge date will be within fourteen (14) calendar days after admission.

b. Therapeutic Services:

1) CONTRACTOR shall provide structured day and evening services seven (7) calendar days a week which will include individual, group therapy, and community meetings amongst the Clients and crisis residential staff.

2) CONTRACTOR shall provide group counseling sessions at least four (4) times daily to assist Clients in developing skills that enable them to progress towards self-sufficiency and to reside in less intensive levels of care. Topics may include, but not be limited to: self-advocacy, personal identity, goal setting, developing hope, coping alternatives, processing feelings, conflict resolution, relationship management, proper nutrition, personal hygiene and grooming, household management, personal safety, symptom monitoring, etc. These groups will be clearly documented in the individual's chart. All therapeutic process groups will be facilitated by a licensed clinician.

3) CONTRACTOR shall provide individual therapeutic sessions provided by a licensed clinician at least one time a day to each Client and these sessions will be clearly documented in the chart.

4) CONTRACTOR shall support a culture of "recovery" which focuses on personal responsibility for a Client's behavioral health management and independence, and fosters Client empowerment, hope, and an expectation of recovery from mental illness. Activities and chores shall be encouraged and assigned to each Client on a daily basis to foster responsibility and learning of independent living skills. These chores will be followed up on by residential staff, in the spirit of learning, who will also assist the Client in learning the new skills and completing the chores as needed.

5) CONTRACTOR's program will be designed to enhance Client motivation to actively participate in the program, provide Clients with intensive assistance in accessing community resources, and assist Clients developing strategies to maintain independent living in the community and improve their overall quality of life. Therapeutic outings (to local museums, art galleries, nature centers, parks, coffee shops) will be provided for all Clients in support of these goals.

6) CONTRACTOR shall assist the Client in developing and working on a WRAP throughout their stay at the program and will promote Client recovery on a daily basis via individual and/or group sessions. This will assist Clients in monitoring and responding to their symptoms in order to achieve the highest possible level of wellness, stability and quality of life. Topics may include but not be limited to: building a wellness toolbox or resource list, symptom monitoring, triggers and early warning signs of symptoms, identifying a crisis plan, etc.

7) CONTRACTOR shall engage both the Client and family/support persons in the program whenever possible. CONTRACTOR shall document contact with family/support persons or document why such contact is not possible or not advisable.

8) CONTRACTOR shall support a Dual Disorders Integrated Treatment Model that is non-confrontational, follows behavioral principles, considers interactions between behavioral health disorders and substance abuse and has gradual expectations of abstinence. CONTRACTOR shall provide, on a regularly scheduled basis, education via individual and/or group sessions to Clients on the effects of alcohol and other drug abuse, triggers, relapse prevention, and community recovery resources. Twelve (12) step groups and Smart Recovery groups will be encouraged at the facility on a regular basis.

9) CONTRACTOR shall support a culture that supports a smoke free environment in the facility and on the campus. CONTRACTOR shall provide educational groups regarding tobacco cessation and provide viable alternatives such as tobacco patches and other approved methods that support tobacco use reduction and cessation.

10) CONTRACTOR shall assist Clients in developing prevocational and vocational plans to achieve gainful employment and/or perform volunteer work if identified as a goal in the service plan.

11) CONTRACTOR shall provide crisis intervention and crisis management services designed to enable the Client to cope with the crisis at hand while maintaining his/her functioning status within the community and to prevent further decompensation or hospitalization.

12) CONTRACTOR shall provide assessments for involuntary hospitalization when necessary. This service must be available twenty-four (24) hours per day, seven (7) days per week.

13) CONTRACTOR will provide information, support, advocacy education, and assistance with including the Client's natural support system in treatment and services.

14) CONTRACTOR shall sustain a culture that supports Peer Recovery Specialist/Counselors in providing supportive socialization for Clients that will assist Clients in their recovery, self-sufficiency and in seeking meaningful life activities and relationships. Peers shall be encouraged to share their stories of recovery as much as possible to infuse the milieu with the notion that recovery is possible.

15) CONTRACTOR shall provide close supervision and be aware of Clients' whereabouts at all times to ensure the safety of all Clients. Every clinician and residential counselor will have an assigned caseload and be responsible for the monitoring of the assigned individuals. CONTRACTOR shall provide routine room checks in the evening and document observations. Rounds are completed by staff on regular intervals.

16) CONTRACTOR will actively explore, research and present ideas for additional evidence-based practices in order to continually improve and refine aspects of the program.

c. Case Management/Discharge Services:

1) CONTRACTOR shall actively engage in discharge planning from the day of admission, instructing and assisting Clients with successful linkage to community resources such as outpatient mental health clinics, substance abuse treatment programs, housing, including providing

1 supportive assistance to the individual in identifying and securing adequate and appropriate follow up
2 living arrangements, FSP, physical health care, and government entitlement programs.

3 2) CONTRACTOR shall collaborate proactively with Client's Mental Health Plan
4 Provider when such is required to link Clients to COUNTY or contracted housing services which may
5 include continued temporary housing, permanent supported housing, interim placement, or other
6 community housing options.

7 3) CONTRACTOR shall assist Clients in scheduling timely follow-up appointment(s)
8 between Client and their mental health service provider while still a Client or within twenty-four (24)
9 hours following discharge to ensure that appropriate linkage has been successful and if not, relinkage
10 services will be provided. Provide telephone follow up within five (5) days to ensure linkage was
11 successful. Services shall be documented in the Client record. Peer Recovery Specialists and
12 Residential Counselors will be expected to accompany Clients to their follow up linkage appointments
13 as part of their case management duties.

14 4) CONTRACTOR shall coordinate treatment with physical health providers as
15 appropriate and assist Clients with accessing medical and dental services, and providing transportation
16 and accompaniment to those services as needed.

17 5) CONTRACTOR shall come up with a plan to provide a van/car for each admission
18 as needed accompanied by a residential counselor so that a warm hand-off can occur when a client is in
19 need of transport to the facility. This will also ensure that the engagement and welcoming process
20 commences immediately when a referral is received. Transportation out of the program will also be
21 required to be provided by CONTRACTOR.

22 6) CONTRACTOR shall obtain prior approval from ADMINISTRATOR for Clients
23 who are deemed necessary to stay in the program for more than fourteen (14) calendar days.
24 CONTRACTOR shall obtain prior written approval from ADMINISTRATOR for Clients who are
25 deemed necessary to stay in the program for more than thirty (30) calendar days.

26 7) Unplanned discharges will be avoided at all costs and only after all other
27 interventions have failed. If, at any time, a Client presents as a serious danger to themselves or others,
28 CONTRACTOR shall assess the safety needs of all concerned and may have the Client assessed for
29 voluntary or involuntary hospitalization utilizing ADMINISTRATOR protocols. If a Client is seriously
30 or repetitively non-compliant with the program, CONTRACTOR may discharge the Client if deemed
31 necessary and only following a multi-disciplinary case conference which will include
32 ADMINISTRATOR. CONTRACTOR shall be in compliance with eviction procedures following the
33 CCR, Title 22, Section 81068.5, and Title 9, Section 532.3, and will provide an unusual occurrence
34 report to ADMINISTRATOR no later than the following business day.

35 8) In the event a Client leaves the program without permission, CONTRACTOR shall
36 hold Client's bed open for twenty-four (24) hours unless otherwise mutually agreed upon by
37 ADMINISTRATOR and CONTRACTOR.

1 9) In the event a Client is transferred for crisis stabilization to the COUNTY CSU or
2 to the Emergency Department (ED), CONTRACTOR shall provide a warm hand-off to the CSU or ED
3 receiving staff member and hold a Client's bed open for twenty-four (24) hours unless otherwise
4 mutually agreed upon by ADMINISTRATOR and CONTRACTOR.

5 d. Medication Support Services:

6 1) CONTRACTOR shall provide medications, as clinically appropriate, to all Clients
7 regardless of funding.

8 2) CONTRACTOR shall educate Clients on the role of medication in their recovery
9 plan, and how the Client can take an active role in their own recovery process. CONTRACTOR shall
10 provide education to Clients on medication choices, risks, benefits, alternatives, side effects and how
11 these can be managed. Client education will be provided on a regularly scheduled basis via individual
12 and group sessions.

13 3) CONTRACTOR shall obtain signed medication consent forms for each
14 psychotropic medication prescribed.

15 4) Medications will be dispensed by a physician's order by licensed and qualified
16 staff in accordance with CCR, Title 9, Div. 1, Chapter 3, Article 3.5, Section 532.1, as well as CCL
17 Requirements.

18 5) Licensed staff authorized to dispense medication will document the Client's
19 response to their medication, as well as any side effects to that medication, in the Client's record.

20 6) CONTRACTOR shall insure all medications are securely locked in a designated
21 storage area with access limited to only those personnel authorized to prescribe, dispense, or administer
22 medication.

23 7) CONTRACTOR shall establish written policies and procedures that govern the
24 receipt, storage and dispensing of medication in accordance with state regulations.

25 8) CONTRACTOR shall not utilize sample medications in the program without first
26 establishing policies and procedures for the use of sample medications consistent with State regulatory
27 requirements.

28 9) CONTRACTOR shall provide a medication follow-up visit by a psychiatrist at a
29 frequency necessary to manage the acute symptoms to allow the Client to safely stay at the Crisis
30 Residential Program and to prepare the Client to transition to outpatient level of care upon discharge. At
31 a minimum, CONTRACTOR shall provide an initial psychiatric evaluation by a psychiatrist within
32 twelve (12) hours after admission and will have a psychiatrist available as needed for medication
33 follow-up as needed or at a minimum twice per week thereafter.

34 10) Upon discharge, CONTRACTOR shall make available a sufficient supply of
35 current psychiatric medications to which the Client has responded, to meet the Client's needs until they
36 can be seen in an outpatient clinic. This may be a combination of new prescriptions, the Client's
37 specific medications remaining at the Crisis Residential Program, and/or additional sample medications

1 with patient labels.

2 11) CONTRACTOR shall utilize the COUNTY PBM to supply medications for
3 unfunded Clients.

4 e. Transportation Services:

5 1) CONTRACTOR shall provide transportation services for program related activities
6 which may include, but not be limited to, transportation to appointments deemed necessary for medical
7 or dental care or activities related to and in support of preparation for discharge and/or community
8 integration. All other non-crucial appointments will be delayed until after the individual is discharged.
9 CONTRACTOR staff will accompany individuals on these necessary appointments.

10 f. Food Services:

11 1) CONTRACTOR shall meet meal service and food supply requirements per
12 Community Care Licensing regulations which shall include, but not be limited to:

13 2) Meals shall be served in the dining room and tray service provided on emergency
14 need only so as to encourage community food preparation, eating and clean-up activities.

15 3) CONTRACTOR shall create opportunities for Clients to participate in the
16 planning, preparation and clean-up of food preparation activities.

17 4) Food Services will meet meal and food supply requirements, including an abundant
18 supply of healthy and fresh food options, including fruits, vegetables and other items that promote
19 healthy choices and wellness.

20 D. PROGRAM DIRECTOR/QI RESPONSIBILITIES – The Program Director will have ultimate
21 responsibility for the program and will ensure the following:

22 1. Maintenance of adequate records on each Client which shall include all required forms and
23 evaluations, a written treatment/rehabilitation plan specifying goals, objectives, and responsibilities, on-
24 going progress notes, and records of service provided by various personnel in sufficient detail to permit
25 an evaluation of services.

26 2. There is a supervisory and administrative structure in place that will ensure high quality,
27 consistent staff are providing high quality and consistent trauma informed services at all hours of
28 operation, including the evenings and nocturnal shifts.

29 3. COUNTY certified reviewers, who will be the Clinical Supervisor and the Program
30 Administrator/Manager, will complete one hundred percent (100%) audit of Client charts regarding
31 clinical documentation, insuring all charts are in compliance with medical necessity and Medi-Cal and
32 Medicare chart compliance. Charts will be reviewed within one day of admission to ensure that all
33 initial charting requirements are met and at the time of discharge. CONTRACTOR shall ensure that all
34 chart documentation complies with all federal, state and local guidelines and standards. CONTRACTOR
35 shall ensure that all chart documentation is completed within the appropriate timelines.

36 4. Provide clinical direction and training to staff on all clinical documentation and treatment
37 plans;

1 5. Retain on staff, at all times, a certified reviewer trained by the ADMINISTRATOR's
2 Authority and Quality Improvement unit; ADMINISTRATOR is requesting that Clinical Supervisor and
3 Program Administrator/Manager positions carry out these duties;

4 6. Oversee all aspects of the clinical services of the recovery program, know each Client by
5 name and be familiar with details of each of the Clients' cases/situations that brought them to the
6 program;

7 7. Coordinate with in-house clinicians, psychiatrist and/or nurse regarding Client treatment
8 issues, professional consultations, or medication evaluations;

9 8. Review and approve all quarterly logs submitted to ADMINISTRATOR, (e.g. medication
10 monitoring and utilization review); and

11 9. Facilitate on-going program development and provide or ensure appropriate and timely
12 supervision and guidance to staff regarding difficult cases and behavioral health emergencies.

13 E. QUALITY IMPROVEMENT

14 1. CONTRACTOR shall agree to adopt and comply with the written Quality Improvement
15 Implementation Plan and procedures provided by ADMINISTRATOR which describe the requirements
16 for quality improvement, supervisory review and medication monitoring.

17 2. CONTRACTOR shall agree to adopt and comply with the written ADMINISTRATOR
18 Documentation Manual or its equivalent, and any State requirements, as provided by
19 ADMINISTRATOR, which describes, but is not limited to, the requirements for Medi-Cal, Medicare
20 and ADMINISTRATOR charting standards.

21 3. CONTRACTOR shall demonstrate the capability to maintain a medical records system,
22 including the capability to utilize HCA's IRIS system to enter appropriate data. CONTRACTOR shall
23 regularly review their charting, IRIS data input and billing systems to ensure compliance with
24 COUNTY and state P&Ps and establish mechanisms to prevent inaccurate claim submissions.

25 4. CONTRACTOR shall maintain on file, at the facility, minutes and records of all quality
26 improvement meetings and processes. Such records and minutes will also be subject to regular review
27 by ADMINISTRATOR in the manner specified in the Quality Improvement Implementation Plan and
28 ADMINISTRATOR's P&P.

29 5. CONTRACTOR shall allow ADMINISTRATOR to attend QIC and medication monitoring
30 meetings.

31 6. CONTRACTOR shall allow COUNTY to review the quantity and quality of services
32 provided pursuant to this Contract quarterly or as needed. This review will be conducted at
33 CONTRACTOR's facility and will consist of a review of medical and other records of Clients provided
34 services pursuant to the Contract.

35 F. CONTRACTOR shall attend meetings, trainings and presentations as requested by COUNTY
36 including but not limited to:

37 1. Case conferences, as requested by ADMINISTRATOR to address any aspect of clinical

1 care and implement any recommendations made by COUNTY to improve Client care.

2 2. Monthly COUNTY management meetings with ADMINISTRATOR to discuss contractual
3 and other issues related to, but not limited to whether it is or is not progressing satisfactorily in
4 achieving all the terms of the Contract, and if not, what steps will be taken to achieve satisfactory
5 progress, compliance with P&Ps, review of statistics and clinical services;

6 3. Any trainings that COUNTY recommends or deems necessary.

7 4. Any presentations/in-services as requested by COUNTY involving new providers/systems
8 of care so that CONTRACTOR is educated, apprised, up to date, knowledgeable and part of the larger
9 COUNTY system of care.

10 5. Clinical staff and IRIS staff training for individuals conducted by CONTRACTOR and/or
11 ADMINISTRATOR.

12 6. CONTRACTOR will follow the following guidelines for COUNTY tokens:

13 a. CONTRACTOR recognizes Tokens are assigned to a specific individual staff member
14 with a unique password. Tokens and passwords will not be shared with anyone.

15 b. CONTRACTOR shall maintain an inventory of the Tokens, by serial number and the
16 staff member to whom each is assigned.

17 c. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
18 Token for each staff member assigned a Token.

19 d. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
20 conditions:

21 1) Token of each staff member who no longer supports this Contract;

22 2) Token of each staff member who no longer requires access to the HCA IRIS;

23 3) Token of each staff member who leaves employment of CONTRACTOR;

24 4) Token is malfunctioning; or

25 5) Termination of Contract.

26 e. CONTRACTOR shall reimburse the COUNTY for Tokens lost, stolen, or damaged
27 through acts of negligence.

28 f. CONTRACTOR shall input all IRIS data following COUNTY procedure and practice.
29 All statistical data used to monitor CONTRACTOR shall be compiled using only IRIS reports, if
30 available, and if applicable.

31 G. CONTRACTOR shall obtain a NPI – The standard unique health identifier adopted by the
32 Secretary of HHS under HIPAA of 1996 for health care providers.

33 1. All HIPAA covered healthcare providers, individuals and organizations must obtain a NPI
34 for use to identify themselves in HIPAA standard transactions.

35 2. CONTRACTOR, including each employee that provides services under the Contract, will
36 obtain a NPI upon commencement of the Contract or prior to providing services under the Contract.
37 CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by

ADMINISTRATOR, all NPI as soon as they are available.

H. CONTRACTOR shall provide the NPP for the COUNTY, as the MHP, at the time of the first service provided under the Contract to individuals who are covered by Medi-Cal and have not previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon request, the NPP for the COUNTY, as the MHP, to any individual who received services under the Contract.

I. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to conduct research activity on COUNTY Clients without obtaining prior written authorization from ADMINISTRATOR.

J. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the terms of the Contract. Further, CONTRACTOR agrees that the funds provided hereunder will not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

K. CONTRACTOR shall maintain all requested and required written policies, and provide to ADMINISTRATOR for review, input, and approval prior to staff training on said policies. All P&Ps and program guidelines will be reviewed bi-annually at a minimum for updates. Policies will include but not limited to the following:

1. Admission Criteria and Admission Procedure;
2. Assessments and Individual Service Plans;
3. Crisis Intervention/Evaluation for Involuntary Holds;
4. Handling Non-Compliant Clients/Unplanned Discharges;
5. Medication Management and Medication Monitoring;
6. Recovery Program/Rehabilitation Program;
7. Community Integration/Case Management/Discharge Planning;
8. Documentation Standards;
9. Quality Management/Performance Outcomes;
10. Client Rights;
11. Personnel/In service Training;
12. Unusual Occurrence Reporting;
13. Code of Conduct/Compliance;
14. Mandated Reporting; and
15. Good Neighbor Policy.

L. CONTRACTOR shall provide initial and on-going training and staff development that includes but is not limited to the following:

1. Orientation to the program's goals, and P&Ps;
2. Training on subjects as required by state regulations;

3. Orientation to the services section, as outlined in the Services Section of this Exhibit A to the Contract;

4. Recovery philosophy and individual empowerment;

5. Crisis intervention and de-escalation;

6. Substance abuse and dependence; and

7. Motivational interviewing.

M. PERFORMANCE OUTCOMES

1. CONTRACTOR shall be required to achieve, track and report Performance Outcome Objectives, on a quarterly basis as outlined below:

a. maintain an occupancy rate of at least ninety-five percent (95%);

b. maintain an average length of stay of fourteen (14) calendar days or less;

c. discharge at least ninety-five percent (95%) of Clients to a lower level of care;

d. link at least ninety-five percent (95%) of Clients to outpatient services at discharge.

Linkage will be defined as keeping outpatient appointment within five (5) business days after discharge.

Linkage can occur while the Clients are still in program to ensure success;

e. ensure at least ninety-five percent (95%) of Clients do not require inpatient hospitalization within forty-eight (48) hours of discharge;

f. ensure at least seventy-five percent (75%) of Clients do not require inpatient hospitalization within sixty (60) calendar days of discharge.,

g. Ensure at least ninety percent (90%) of Clients do not readmit within forty-eight (48) hours of discharge; and

h. ensure at least seventy-five percent (75%) of Clients do not readmit within sixty (60) calendar days of discharge; and

i. Implement an evidenced based performance metric of Client improvement measured upon admission and upon linkage and discharge.

j. Research, propose and implement additional evidenced based metrics/performance objectives that are relevant to described services and desired outcomes.

N. DATA CERTIFICATION

1. CONTRACTOR shall certify the accuracy of their data and maintain an accurate and complete database for all individuals served under this Contract. The Client database shall be certified upon monthly submission and uploaded to an approved File Transfer Protocol by the tenth (10th) of every month. If CONTRACTOR's current database copy cannot be submitted via Microsoft Access file format, the data must be made available in an HCA approved database file type. If CONTRACTOR's system is web-based, CONTRACTOR shall allow ADMINISTRATOR accessibility for monitoring, reporting, and allowing accessibility to view, run, print, and export Client records/reports.

2. CONTRACTOR shall, within two (2) weeks of notice by COUNTY, correct Database errors.

3. CONTRACTOR shall, on a monthly basis, provide a separate file comprised of required data elements provided by COUNTY as outlined in Subparagraph IV. of this Exhibit A with verification that outcome data is correct.

4. CONTRACTOR shall, on a quarterly basis, report the Performance Outcome Objectives as outlined in Subparagraph IV.L. of this Exhibit A to the Contract with verification that outcome data is correct.

O. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Crisis Residential Services Exhibit A to the Contract.

VII. SOBERING CENTER SERVICES

A. FACILITY –CONTRACTOR shall ensure facility remains clean, safe and in good repair. The Sobering Center consists of 12 cots, an intake station, showers, food storage, and a laundry facility. CONTRACTOR shall store client personal belongings while receiving services.

B. PERSONS TO BE SERVED – Sobering Center services shall be provided to adults 18 years of age and older, who present with intoxication and can safely be served at the facility. These persons might otherwise be detained by law enforcement or utilize hospital emergency departments for issues related to intoxication. Persons must arrive at the center by vehicle. Arriving on foot is not permitted. Referrals will come from HCA identified referral sources. This service will be provided to all eligible noninsured or non-Medi-Cal clients.

C. SERVICES

1. Screening - CONTRACTOR shall perform phone screening with referral source to determine if the individual can be safely served in the facility.

2. Admissions - CONTRACTOR shall ensure admissions are conducted 24 hours a day.

3. Intake – CONTRACTOR shall record demographics and past medical history.

4. Insurance Verification – CONTRACTOR will verify insurance coverage and/or Medi-Cal for each individual serviced to ensure that only non-insured or non-Medi-Cal clients paid for under this contract.

4. Engagement – CONTRACTOR shall utilize evidence based practices such as Motivational Interviewing and/ or Negotiated interviewing to engage clients who may not wish to participate to assist with preventing clients from leaving prior to it being safe for them to do so.

5. Monitoring – CONTRACTOR shall monitor of signs and symptoms of intoxication per protocols established by medical staff. CONTRACTOR shall incorporate blood pressure checks and the Clinical Opiate Withdrawal Scale (COWS) and/or Clinical Institute Withdrawal Assessment of Alcohol (CIWA) scale Clients who are sleeping will be monitored visually every 30 minutes..

6. Anticipated length of stay to last between 6 and 8 hours. Length of stay shall be less than 24 hours.

7. Ancillary Services – CONTRACTOR shall provide light snacks and hydration, temporary

1 clean clothing, toiletries, clean linen and laundry service.

2 8. Discharge Planning – CONTRACTOR must begin Discharge Planning as soon as the Client
3 enters Sobering Services. CONTRACTOR shall develop an exit/transition plan with the Client.

4 The exit/transition plan shall include:

5 a. A strategy or strategies to assist the Client in maintaining an alcohol and drug free
6 lifestyle.

7 b. A plan for linkage and transition of the Client to appropriate services, including
8 treatment services. When Residential Treatment services are appropriate, CONTRACTOR shall link
9 client to the residential access center by phone to complete an assessment and obtain residential
10 authorization.

11 c. Linkage – CONTRACTOR shall provide a warm link transfer to ongoing physical
12 health, and/or behavioral health treatment as appropriate utilizing ASAM criteria to determine
13 appropriate level of care. Withdrawal management linkages are made directly to provider. Residential
14 linkages are coordinated with the ART team. CONTRACTOR shall provide referral and linkage to
15 support group meetings, and Social Service benefits.

16 9. Transportation – Contractor shall arrange for or provide transportation to next care setting
17 upon discharge.

18 10. Support Services – CONTRACTOR shall provide housekeeping, maintenance and
19 arrangements for emergency and non-emergency medical services.

20 11. Follow-up – CONTRACTOR shall obtain consent to follow-up while client is in services
21 and shall follow up with client at seven (7) and thirty (30) days post-services.

22 D. PERFORMANCE OUTCOMES

23 1. Capture linkage rate to continuing MHRS (or BHS services)

24 2. Capture linkage rate to other medical, dental, social services or recovery supports.

25 2. Capture number of unduplicated clients served.

26 3. Capture number of admissions

27 4. Capture percentage of clients who accepted a referral appointment upon discharge

28 5. Capture percentage of clients who complete a relapse prevention plan prior to discharge

29 6. Future developing measures that attempt to improve the overall system of care may be
30 added.

31 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
32 Services paragraph of this Exhibit A to the Contract.

34 **VIII. ADULT RESIDENTIAL TREATMENT SERVICES**

35 A. LENGTH OF STAY– Length of stay is based on medical necessity as determined by a Licensed
36 Practitioner of the Healing Arts. COUNTY is adhering to the State goal of a thirty (30) calendar day
37 average in the residential level of care. The facility shall have a capacity of fifteen (15) beds and include

adequate physical space to support the services identified within the Contract.

1. Adults, ages twenty-one (21) and over, may receive no more than (2) residential treatment episodes per three hundred sixty-five (365) day period. A residential treatment episode is defined as one (1) residential stay in a DHCS licensed facility for a maximum of ninety (90) calendar days if medically necessary per three hundred sixty-five (365) day period. An adult Client may receive one thirty (30) calendar day extension, with prior authorization, if that extension is medically necessary, per three hundred sixty-five (365) day period.

2. Adolescents, ages eighteen (18) to twenty-one (21), shall receive continuous residential services for a maximum of thirty (30) days. Adolescent beneficiaries may receive up to a thirty (30) day extension if that extension is determined to be medically necessary by Medical Director or LPHA. Adolescent beneficiaries are limited to one extension per year. Adolescent beneficiaries receiving residential treatment shall be stabilized as soon as possible and moved down to a less intensive level of treatment.

3. If determined to be medically necessary, perinatal beneficiaries may receive longer lengths of stay than those described above, in accordance with State perinatal guidelines.

B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

C. RESIDENTIAL TREATMENT AUTHORIZATION - Beneficiaries will be authorized and referred to CONTRACTOR by the ART Team. Beneficiaries who contact CONTRACTOR directly to request services shall be referred by CONTRACTOR to the ART Team. If Beneficiary is pregnant or an intravenous drug user who meets medical necessity for Residential Treatment, CONTRACTOR may admit to treatment bypassing the ART Team if provider has available bed slot. In this instance, CONTRACTOR must complete a SUD assessment and establish medical necessity for residential level of care. Assessment and authorization request must be submitted to the ART team for authorization within seventy-two (72) hours of Beneficiary admission. CONTRACTOR shall enter data regarding request for service into IRIS access log established by ADMINISTRATOR for these Beneficiaries who access provider directly and bypass the ART team.

D. SERVICES – CONTRACTOR shall provide a non-institutional, twenty-four (24) hour non-medical, short-term residential program that provides rehabilitation services to beneficiaries in accordance with an individualized treatment plan. These services are intended to be individualized to treat the functional deficits identified in the ASAM Criteria. CONTRACTOR and beneficiary work collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health and social functioning, and engaging in continuing care. CONTRACTOR shall provide services in accordance with DHCS-Designated Level of Care 3.1. Services shall include.

1. Intake: The process of determining that a Client meets the medical necessity criteria and a Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or

1 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of
2 treatment needs to provide medically necessary services. Intake may include a physical examination and
3 laboratory testing necessary for substance use disorder treatment.

4 2. Individual Counseling: Contacts between a Client and a therapist or counselor.

5 3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors
6 treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the
7 needs of the individuals served.

8 4. Family Therapy: As clinically appropriate, family members can provide social support to
9 the Client, help motivate their loved one to remain in treatment, and receive help and support for their
10 own family recovery as well.

11 5. Client Education: Provide research based education on addiction, treatment, recovery and
12 associated health risks.

13 6. Medication Storage: Facilities will store all Client medication and facility staff members
14 will oversee resident's self-administration of medication.

15 7. Collateral Services: Sessions with therapists or counselors and significant persons in the life
16 of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the
17 Client's treatment goals. Significant persons are individuals that have a personal, not official or
18 professional, relationship with the Client.

19 8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.
20 Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen
21 event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention
22 services shall be limited to the stabilization of the Client's emergency situation.

23 9. Treatment Planning: CONTRACTOR shall prepare an individualized written treatment
24 plan, based upon information obtained in the intake and assessment process and in adherence to
25 documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be
26 consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.

27 10. Structured Therapeutic Activities: Residential Treatment Services shall consist of a
28 minimum of twenty (20) hours of structured activity per week.

29 11. EBPs: CONTRACTORS will implement at least two of the following EBPs. The two EBPs
30 are per CONTRACTOR per service modality. The required EBP include:

31 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling
32 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
33 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
34 successes.

35 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral
36 reactions are learned and that new ways of reacting and behaving can be learned.

37 c. Relapse Prevention: A behavioral self-control program that teaches individuals with

1 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be
 2 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
 3 achieved during initial substance use treatment.

4 d. Trauma-Informed Treatment: Services must take into account an understanding of
 5 trauma, and place priority on trauma survivors' safety, choice and control.

6 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about
 7 substance abuse, and related behaviors and consequences. Psycho-educational groups provide
 8 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest
 9 options for growth and change, identify community resources that can assist Clients in recovery,
 10 develop an understanding of the process of recovery, and prompt people using substances to take action
 11 on their own behalf.

12 12. Case Management/ Care Coordination: Case Management or care coordination services
 13 may be provided by a LPHA or registered/certified counselor and must be provided based on the
 14 frequency documented in the individualized treatment plan. Case management shall provide advocacy
 15 and care coordination to physical health, mental health, and transportation, housing, vocational,
 16 educational, and transition services for reintegration into the community. CONTRACTOR shall provide
 17 Case Management services for the Client during treatment, transition to other levels of care and follow
 18 ups, to encourage the Client to engage and participate in an appropriate level of care or Recovery
 19 Services after discharge. Case Management becomes the responsibility of the next treating provider
 20 after successful transition to a different level of care. Contractor shall ensure that Case Management
 21 services focus on coordination of SUD care, integration around primary care especially for beneficiaries
 22 with a chronic SUD, and interaction with the criminal justice system, if needed. Case Management
 23 services may be provided face-to-face, by telephone, or by telehealth with the Client and may be
 24 provided anywhere in the community.

25 13. MAT: Services may be provided onsite with approval for Incidental Medical Services from
 26 DHCS. Medically necessary MAT services must be provided in accordance with an individualized
 27 treatment plan determined by a licensed physician or LPHA working within their scope of practice.

28 a. MAT services must be provided in compliance with Policy and Procedures submitted to
 29 DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge
 30 through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning,
 31 ordering, prescribing, administering, and monitoring of all medications for SUDs.

32 b. CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and
 33 injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of
 34 SUDs may also be prescribed and administered, as medically necessary.

35 c. CONTRACTOR must provide care coordination with treatment and ancillary service
 36 providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate
 37 in MAT services and other ASAM LOCs.

1 14. Care Coordination for Mental and Physical Health: Programs must screen for mental health
2 issues and provide or refer for needed services. CONTRACTOR shall notify Client's medical home
3 provider of Client's admission to treatment within seven (7) calendar days of admission and request
4 medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the
5 treatment plan

6 15. Physician Consultation: Physician Consultation Services include DMC physicians'
7 consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician
8 consultation services are designed to assist DMC physicians by allowing them to seek expert advice
9 with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation
10 services may address medication selection, dosing, side effect management, adherence, drug
11 interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or
12 pharmacists to provide consultation services.

13 16. Discharge Services: The process to prepare the Client for referral into another level of care,
14 post treatment return or reentry into the community, and/or the linkage of the individual to essential
15 community treatment, housing and human services. CONTRACTOR shall provide or arrange for
16 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning
17 immediately after enrollment. The exit plan shall be completed and signed by CONTRACTOR staff and
18 Client. The exit plan shall be documented in the Client's chart.

19 17. Recovery Services: Clients may access recovery services after completing their course of
20 treatment to prevent relapse. Recovery Services are not offered for clients in the Withdrawal
21 management level of care. Recovery services may be provided face-to-face, by telephone, or by
22 telehealth with the Client and may be provided anywhere in the community. Recovery services shall be
23 made available to DMC-ODS beneficiaries when a Medical Director or LPHA has determined that
24 recovery services are medically necessary in accordance with their individualized treatment plan. The
25 components of Recovery Services are:

26 a. Outpatient counseling services in the form of individual or group counseling to stabilize
27 the Client and then reassess if the Client needs further care;

28 b. Recovery Monitoring: Recovery coaching, monitoring via telephone and internet;

29 c. Substance Abuse Assistance: Peer-to-peer services and relapse prevention;

30 d. Education and Job Skills: Linkages to life skills, employment services, job training, and
31 education services;

32 e. Family Support: Linkages to childcare, parent education, child development support
33 services, family/marriage education;

34 f. Support Groups: Linkages to self-help and support, spiritual and faith-based support;

35 g. Ancillary Services: Linkages to housing assistance, transportation, case management,
36 individual services coordination.

37 //

1 18. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,
2 toiletries, clean linen, and food service.

3 19. Support Services: CONTRACTOR shall provide housekeeping, which may be done by
4 Clients and laundry access.

5 20. Health, Medical, Psychiatric and Emergency Services – CONTRACTOR shall ensure that
6 all persons admitted for Residential Treatment services have a health questionnaire completed using
7 form DHCS 5103 form, or may develop their own form provided it contains, at a minimum, the
8 information requested in the DHCS 5103 form.

9 a. The health questionnaire is a Client's self-assessment of his/her current health status
10 and shall be completed by Client.

11 1) CONTRACTOR shall review and approve the health questionnaire form prior to
12 Client's admission to the program. The completed health questionnaire shall be signed and dated by
13 CONTRACTOR and Client, prior to admission.

14 2) A copy of the questionnaire shall be filed in the Client's record.

15 b. CONTRACTOR shall, based on information provided by Client on the health
16 questionnaire form, refer Client to licensed medical professionals for physical and laboratory
17 examinations as appropriate.

18 1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior
19 to Client's admission to the program when applicable.

20 2) A copy of the referral and clearance shall be filed in the Client's file.

21 3) CONTRACTOR shall provide directly or by referral: HIV education, voluntary,
22 HIV antibody testing and risk assessment and disclosure counseling.

23 4) The programs shall have written procedures for obtaining medical or psychiatric
24 evaluation and emergency and non-emergency services.

25 5) The programs shall post the name, address, and telephone number for the fire
26 department, a crisis program, local law enforcement, and ambulance service.

27 6) CONTRACTOR shall provide TB services to the Clients by referral to the
28 COUNTY or another appropriate provider. TB services shall be provided within seven (7) calendar
29 days of admission. These TB services shall consist of the following:

30 a) Counseling with respect to TB;

31 b) Testing to determine whether the individual has been infected and to determine
32 the appropriate form of treatment;

33 c) Provision for, or referral of, infected Clients for medical evaluation, treatment
34 and clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to
35 commencing treatment.

36 21. Transportation Services

37 //

a. COUNTY shall only pay for medical ambulance or medical van transportation to and from designated residential substance use disorder treatment programs or health facilities through the COUNTY's Medical Transportation Contract under the following conditions:

1) Ambulance transportation shall be used for services requiring immediate attention for a Client due to any sudden or serious illness or injury requiring immediate medical attention, where delay in providing such services may aggravate the medical condition or cause the loss of life.

2) When any Client needs non-emergency transportation as identified in Subparagraph 21.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's physical condition and/or limitations.

3) CONTRACTOR shall utilize the COUNTY's Ambulance Monthly Rotation Call Log to request transportation services from Ambulance Providers designated for transportation within the city of the CONTRACTOR's facility for each said month as identified on the log.

4) CONTRACTOR shall use its best efforts to contact Ambulance Providers identified on the Monthly Rotation Call Log as those providers who offer van transportation services if and when an ambulance is not required.

5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered service under this section by the COUNTY.

b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations that are considered necessary and/or important to the Client's recovery plan including, but not limited to, Social Security Administration offices for Supplemental Security Income benefits and for non-emergency medical or mental health services not identified in Subparagraph 21.a. above, that require treatment at a physician office, urgent care, or emergency room when an ambulance provider is not necessary or required for transportation based on the level of severity and/or services required by the Client.

E. PERFORMANCE OUTCOMES

1. CONTRACTOR shall achieve performance objectives, tracking and reporting Performance Outcome Objective statistics in monthly programmatic reports, as appropriate. ADMINISTRATOR recognizes that alterations may be necessary to the following services to meet the objectives, and, therefore, revisions to objectives and services may be implemented by mutual agreement between CONTRACTOR and ADMINISTRATOR.

2. Performance Outcome Objectives

a. Objective 1: CONTRACTOR shall provide effective residential substance abuse assessment, treatment, and counseling to Clients with identified alcohol and/or drug problems as measured by Retention and Completion Rates:

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1) Retention Rates shall be calculated by using the number of Clients currently enrolled in or successfully completing the treatment program divided by the total number of Clients served during the evaluation period.

2) Completion Rates shall be calculated by using the number of Clients successfully completing the treatment program divided by the total number of Clients discharged during the evaluation period. Fifty percent (50%) of Clients will complete residential treatment program.

b. Objective 2: CEST scores at midpoint and completion will be higher than national norms in perceived social support, peer support, counseling rapport, and treatment participation. CEST scores for treatment readiness and desire for help will exceed national norms and will be equal to or higher than CESI scores at intake.

c. Objective 3: CONTRACTOR shall provide linkage to the next level of care for Clients upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS administrative discharge dispositions will be excluded.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult Residential Treatment Services Paragraph of this Exhibit A to the Contract.

IX. ADULT CO-OCCURRING RESIDENTIAL TREATMENT SERVICES

A. LENGTH OF STAY – Length of stay is based on medical necessity as determined by a Licensed Practitioner of the Healing Arts. COUNTY is adhering to the state goal of a thirty (30) calendar day average in the residential level of care. The facility shall have a capacity of fifteen (15) beds and include adequate physical space to support the services identified within the Contract.

1. Adults, ages twenty-one (21) and over, may receive no more than (2) residential treatment episodes per three hundred sixty-five (365) day period. A residential treatment episode is defined as one (1) residential stay in a DHCS licensed facility for a maximum of ninety (90) days if medically necessary per three hundred sixty-five (365) day period. An adult Client may receive one thirty (30) calendar day extension, with prior authorization, if that extension is medically necessary, per three hundred sixty-five (365) day period.

2. Adolescents, ages eighteen (18) to twenty-one (21), shall receive continuous residential services for a maximum of thirty (30) days. Adolescent beneficiaries may receive up to a thirty (30) day extension if that extension is determined to be medically necessary by Medical Director or LPHA. Adolescent beneficiaries are limited to one extension per year. Adolescent beneficiaries receiving residential treatment shall be stabilized as soon as possible and moved down to a less intensive level of treatment.

3. If determined to be medically necessary, perinatal beneficiaries may receive longer lengths of stay than those described above, in accordance with State perinatal guidelines.

1 B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client
2 must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

3 C. RESIDENTIAL TREATMENT AUTHORIZATION - Beneficiaries will be authorized and
4 referred to CONTRACTOR by the ART Team. Beneficiaries who contact CONTRACTOR directly to
5 request services shall be referred by CONTRACTOR to the ART Team. If Beneficiary is pregnant or an
6 intravenous drug user who meets medical necessity for Residential Treatment, CONTRACTOR may
7 admit to treatment bypassing the ART Team if provider has available bed slot. In this instance,
8 CONTRACTOR must complete a SUD assessment and establish medical necessity for residential level
9 of care. Assessment and authorization request must be submitted to the ART team for authorization
10 within seventy-two (72) hours of beneficiary admission. CONTRACTOR shall enter data regarding
11 request for service into IRIS access log established by ADMINISTRATOR for these Beneficiaries who
12 access provider directly and bypass the ART team.

13 D. SERVICES – CONTRACTOR shall provide a non-institutional, twenty-four (24) hour non-
14 medical, short-term residential program that provides rehabilitation services to Beneficiaries in
15 accordance with an individualized treatment plan. These services are intended to be individualized to
16 treat the functional deficits identified in the ASAM Criteria. CONTRACTOR and Beneficiary work
17 collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve
18 problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health
19 and social functioning, and engaging in continuing care. CONTRACTOR shall provide services in
20 accordance with DHCS-Designated Levels of Care 3.3 or 3.5. Residential Treatment program shall
21 consist of the following:

22 1. Intake: The process of determining that a Client meets the medical necessity criteria and a
23 Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or
24 analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of
25 treatment needs to provide medically necessary services. Intake may include a physical examination and
26 laboratory testing necessary for substance use disorder treatment.

27 2. Individual Counseling: Contacts between a Client and a therapist or counselor.

28 3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors
29 treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the
30 needs of the individuals served.

31 4. Family Therapy: Family members can provide social support to the Client, help motivate
32 their loved one to remain in treatment, and receive help and support for their own family recovery as
33 well.

34 5. Client Education: Provide research based education on addiction, treatment, recovery and
35 associated health risks.

36 6. Medication Storage: Facilities will store all Client medication and facility staff members
37 will oversee resident's self-administration of medication.

1 7. Collateral Services: Sessions with therapists or counselors and significant persons in the life
2 of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the
3 Client's treatment goals. Significant persons are individuals that have a personal, not official or
4 professional, relationship with the Client.

5 8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.
6 Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen
7 event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention
8 services shall be limited to the stabilization of the Client's emergency situation.

9 9. Treatment Planning: CONTRACTOR shall prepare an individualized written treatment
10 plan, based upon information obtained in the intake and assessment process and in adherence to
11 documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be
12 consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.

13 10. Structured Therapeutic Activities: Residential Treatment Services shall consist of a
14 minimum of twenty (20) hours of structured activity per week.

15 11. EBPs: CONTRACTORS will implement at least two of the following EBPs. The two EBPs
16 are per CONTRACTOR per service modality. The required EBP include:

17 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling
18 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
19 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
20 successes.

21 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral
22 reactions are learned and that new ways of reacting and behaving can be learned.

23 c. Relapse Prevention: A behavioral self-control program that teaches individuals with
24 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be
25 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
26 achieved during initial substance use treatment.

27 d. Trauma-Informed Treatment: Services must take into account an understanding of
28 trauma, and place priority on trauma survivors' safety, choice and control.

29 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about
30 substance abuse, and related behaviors and consequences. Psycho-educational groups provide
31 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest
32 options for growth and change, identify community resources that can assist Clients in recovery,
33 develop an understanding of the process of recovery, and prompt people using substances to take action
34 on their own behalf.

35 12. Case Management/ Care Coordination: Case Management or care coordination services
36 may be provided by a LPHA or registered/certified counselor and must be provided based on the
37 frequency documented in the individualized treatment plan. Case management shall provide advocacy

and care coordination to physical health, mental health, and transportation, housing, vocational, educational, and transition services for reintegration into the community. CONTRACTOR shall provide Case Management services for the Client during treatment, transition to other levels of care and follow ups, to encourage the Client to engage and participate in an appropriate level of care or Recovery Services after discharge. Case Management becomes the responsibility of the next treating provider after successful transition to a different level of care. Contractor shall ensure that Case Management services focus on coordination of SUD care, integration around primary care especially for beneficiaries with a chronic SUD, and interaction with the criminal justice system, if needed. Case Management services may be provided face-to-face, by telephone, or by telehealth with the Client and may be provided anywhere in the community.

13. MAT: Services may be provided onsite with approval for Incidental Medical Services from DHCS. Medically necessary MAT services must be provided in accordance with an individualized treatment plan determined by a licensed physician or LPHA working within their scope of practice.

a. MAT services must be provided in compliance with Policy and Procedures submitted to DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning, ordering, prescribing, administering, and monitoring of all medications for SUDs.

b. CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of SUDs may also be prescribed and administered, as medically necessary. c.

CONTRACTOR must provide care coordination with treatment and ancillary service providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate in MAT services and other ASAM LOCs.

14. Care Coordination for Mental and Physical Health: Programs must screen for mental health issues and provide or refer for needed services. CONTRACTOR shall notify Client's medical home provider of Client's admission to treatment within seven (7) calendar days of admission and request medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the treatment plan. Clients who are co-occurring with severe and persistent mental illness shall receive mental health services and support through Orange County Health Care Agency PACT program.

15. Physician Consultation: Physician Consultation Services include DMC physicians' consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician consultation services are designed to assist DMC physicians by allowing them to seek expert advice with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation services may address medication selection, dosing, side effect management, adherence, drug interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or pharmacists to provide consultation services.

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16. Discharge Services: The process to prepare the Client for referral into another level of care, post treatment return or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services. CONTRACTOR shall provide or arrange for transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning immediately after enrollment. The exit plan shall be completed and signed by CONTRACTOR staff and Client. The exit plan shall be documented in the Client's chart.

17. Recovery Services: Clients may access recovery services after completing their course of treatment to prevent relapse. Recovery Services are not offered for clients in the Withdrawal management level of care. Recovery services may be provided face-to-face, by telephone, or by telehealth with the Client and may be provided anywhere in the community. Recovery services shall be made available to DMC-ODS beneficiaries when a Medical Director or LPHA has determined that recovery services are medically necessary in accordance with their individualized treatment plan. The components of Recovery Services are:

- a. Outpatient counseling services in the form of individual or group counseling to stabilize the Client and then reassess if the Client needs further care;
- b. Recovery Monitoring: Recovery coaching, monitoring via telephone and internet;
- c. Substance Abuse Assistance: Peer-to-peer services and relapse prevention;
- d. Education and Job Skills: Linkages to life skills, employment services, job training, and education services;
- e. Family Support: Linkages to childcare, parent education, child development support services, family/marriage education;
- f. Support Groups: Linkages to self-help and support, spiritual and faith-based support;
- g. Ancillary Services: Linkages to housing assistance, transportation, case management, individual services coordination.

18. Food and Other Services: CONTRACTOR shall provide a clean, safe environment, toiletries, clean linen, and food service.

19. Support Services: CONTRACTOR shall provide housekeeping, which may be done by Clients and laundry access.

20. Health, Medical, Psychiatric and Emergency Services – CONTRACTOR shall ensure that all persons admitted for Residential Treatment services have a health questionnaire completed using form DHCS 5103 form, or may develop their own form provided it contains, at a minimum, the information requested in the DHCS 5103 form.

a. The health questionnaire is a Client's self-assessment of his/her current health status and shall be completed by Client.

1) CONTRACTOR shall review and approve the health questionnaire form prior to Client's admission to the program. The completed health questionnaire shall be signed and dated by CONTRACTOR and Client, prior to admission.

2) A copy of the questionnaire shall be filed in the Client's record.

b. CONTRACTOR shall, based on information provided by Client on the health questionnaire form, refer Client to licensed medical professionals for physical and laboratory examinations as appropriate.

1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior to Client's admission to the program when applicable.

2) A copy of the referral and clearance shall be filed in the Client's file.

3) CONTRACTOR shall provide directly or by referral: HIV education, voluntary, HIV antibody testing and risk assessment and disclosure counseling.

4) The programs shall have written procedures for obtaining medical or psychiatric evaluation and emergency and non-emergency services.

5) The programs shall post the name, address, and telephone number for the fire department, a crisis program, local law enforcement, and ambulance service.

6) CONTRACTOR shall provide TB services to the Clients by referral to the COUNTY or another appropriate provider. TB services shall be provided within seven (7) calendar days of admission. These TB services shall consist of the following:

a) Counseling with respect to TB;

b) Testing to determine whether the individual has been infected and to determine the appropriate form of treatment;

c) Provision for, or referral of, infected Clients for medical evaluation, treatment and clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to commencing treatment.

21. Transportation Services

a. COUNTY shall only pay for medical ambulance or medical van transportation to and from designated residential substance use disorder treatment programs or health facilities through the COUNTY's Medical Transportation Contract under the following conditions:

1) Ambulance transportation shall be used for services requiring immediate attention for a Client due to any sudden or serious illness or injury requiring immediate medical attention, where delay in providing such services may aggravate the medical condition or cause the loss of life.

2) When any Client needs non-emergency transportation as identified in Subparagraph 21.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's physical condition and/or limitations.

3) CONTRACTOR shall utilize the COUNTY's Ambulance Monthly Rotation Call Log to request transportation services from Ambulance Providers designated for transportation within the city of the CONTRACTOR's facility for each said month as identified on the log.

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4) CONTRACTOR shall use its best efforts to contact Ambulance Providers identified on the Monthly Rotation Call Log as those providers who offer van transportation services if and when an ambulance is not required.

5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered service under this section by the COUNTY.

b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations that are considered necessary and/or important to the Client's recovery plan including, but not limited to, Social Security Administration offices for Supplemental Security Income benefits and for non-emergency medical or mental health services not identified in Subparagraph 21.a. above, that require treatment at a physician office, urgent care, or emergency room when an ambulance provider is not necessary or required for transportation based on the level of severity and/or services required by the Client.

E. PERFORMANCE OUTCOMES

1. CONTRACTOR shall achieve performance objectives, tracking and reporting Performance Outcome Objective statistics in monthly programmatic reports, as appropriate. ADMINISTRATOR recognizes that alterations may be necessary to the following services to meet the objectives, and, therefore, revisions to objectives and services may be implemented by mutual agreement between CONTRACTOR and ADMINISTRATOR.

2. Performance Outcome Objectives

a. Objective 1: CONTRACTOR shall provide effective residential substance abuse assessment, treatment, and counseling to Clients with identified alcohol and/or drug problems as measured by Retention and Completion Rates:

1) Retention Rates shall be calculated by using the number of Clients currently enrolled in or successfully completing the treatment program divided by the total number of Clients served during the evaluation period.

2) Completion Rates shall be calculated by using the number of Clients successfully completing the treatment program divided by the total number of Clients discharged during the evaluation period. Fifty percent (50%) of Clients will complete residential treatment program.

b. Objective 2: CEST scores at midpoint and completion will be higher than national norms in perceived social support, peer support, counseling rapport, and treatment participation. CEST scores for treatment readiness and desire for help will exceed national norms and will be equal to or higher than CESI scores at intake.

c. Objective 3: CONTRACTOR shall provide linkage to the next level of care for Clients upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates

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for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS administrative discharge dispositions will be excluded.”

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult Co-Occurring Residential Treatment Services Paragraph of this Exhibit C to the Contract.

X. ADULT CLINICALLY MANAGED WITHDRAWAL MANAGEMENT SERVICES

A. LENGTH OF STAY

1. Length of stay is based on medical necessity for withdrawal management in adherence with observation protocols established by Medical Director. The facility shall have a capacity of twelve (12) beds and include adequate physical space to support the services identified within the Contract.

B. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client must be enrolled in Medi-Cal, reside in Orange County, and meet medical necessity criteria.

C. SERVICES - Clinically managed withdrawal management services shall consist of the following:

1. Intake: The process of determining that a Client meets the medical necessity criteria and a Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of treatment needs to provide medically necessary services. Intake may include a physical examination and laboratory testing necessary for substance use disorder treatment.

2. Observation:

a. At least one staff member or volunteer shall be assigned to the observation of Withdrawal Management Clients at all times and be certified in cardiopulmonary resuscitation, first aid, and Naloxone administration. In facilities with sixteen (16) or more clients, two (2) staff or volunteers shall be present at all times.

b. Staff or volunteer shall physically check each Client for breathing by a face-to-face physical observation at least every thirty (30) minutes and vital signs every six (6) hours at a minimum during the first seventy-two (72) hours following admission. The close observation and physical checks shall continue beyond the initial seventy-two (72) hour period for as long as the withdrawal signs and symptoms warrant. After twenty-four (24) hours, close observations and physical checks may be discontinued or reduced based upon a determination by a staff member trained in providing Withdrawal Management Services. Documentation of the information that supports a decrease in close observation and physical checks shall be recorded in the client's file.”

c. Documentation of observations and physical checks shall be recorded in a systematic manner in the Client file including information supporting a decrease in observation and physical checks and signature of staff.

d. Only program staff that have been trained in the provisions of Withdrawal Management Services may conduct observations and physical checks of clients receiving Withdrawal Management

Services. Training shall include information on detoxification medications, and signs and symptoms that require referral to a higher level of care. Training shall also include first aid cardiopulmonary resuscitation, and Naloxone administration. Copies of detoxification training records shall be kept in personnel files.

3. Individual Counseling: Contacts between a Client and a therapist or counselor.

4. Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the needs of the individuals served.

5. Client Education: Provide research based education on addiction, treatment, recovery and associated health risks.

6. Medication Storage: Facilities will store all Client medication and facility staff members will oversee resident's self-administration of medication.

7. Collateral Services: Sessions with therapists or counselors and significant persons in the life of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the Client's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the Client.

8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis. Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention services shall be limited to the stabilization of the Client's emergency situation.

9. Treatment Planning: CONTRACTOR shall prepare an individualized written treatment plan, based upon information obtained in the intake and assessment process and in adherence to documentation standards set forth in AQIS SUD documentation manual. The treatment plan will be consistent with the qualifying diagnosis and will be signed by the Client and the LPHA.

10. Structured Therapeutic Activities: Residential Treatment Services shall offer a minimum of twenty (20) hours of structured activity per week.

11. EBPs: CONTRACTORS will implement at least two of the following EBPs. The two EBPs are per CONTRACTOR per service modality. The required EBP include:

a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling strategy designed to explore and reduce a person's ambivalence toward treatment. This approach frequently includes other problem-solving or solution-focused strategies that build on Clients' past successes.

b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral reactions are learned and that new ways of reacting and behaving can be learned.

c. Relapse Prevention: A behavioral self-control program that teaches individuals with substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be

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1 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
2 achieved during initial substance use treatment.

3 d. Trauma-Informed Treatment: Services must take into account an understanding of
4 trauma, and place priority on trauma survivors' safety, choice and control.

5 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about
6 substance abuse, and related behaviors and consequences. Psycho-educational groups provide
7 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest
8 options for growth and change, identify community resources that can assist Clients in recovery,
9 develop an understanding of the process of recovery, and prompt people using substances to take action
10 on their own behalf.

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13 frequency documented in the individualized treatment plan. Case management shall provide advocacy
14 and care coordination to physical health, mental health, and transportation, housing, vocational,
15 educational, and transition services for reintegration into the community. CONTRACTOR shall provide
16 Case Management services for the Client during treatment, transition to other levels of care and follow
17 ups, to encourage the Client to engage and participate in an appropriate level of care or Recovery
18 Services after discharge. Case Management becomes the responsibility of the next treating provider
19 after successful transition to a different level of care. Contractor shall ensure that Case Management
20 services focus on coordination of SUD care, integration around primary care especially for beneficiaries
21 with a chronic SUD, and interaction with the criminal justice system, if needed. Case Management
22 services may be provided face-to-face, by telephone, or by telehealth with the Client and may be
23 provided anywhere in the community.

24 13. MAT: Services may be provided onsite with approval for Incidental Medical Services from
25 DHCS. Medically necessary MAT services must be provided in accordance with an individualized
26 treatment plan determined by a licensed physician or LPHA working within their scope of practice.

27 a. MAT services must be provided in compliance with Policy and Procedures submitted to
28 DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge
29 through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning,
30 ordering, prescribing, administering, and monitoring of all medications for SUDs.

31 b. CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and
32 injectable), acamprosate, disulfiram, and naloxone. Other approved medications in the treatment of
33 SUDs may also be prescribed and administered, as medically necessary.

34 c. CONTRACTOR must provide care coordination with treatment and ancillary service
35 providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate
36 in MAT services and other ASAM LOCs.

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2 issues and provide or refer for needed services. CONTRACTOR shall notify Client's medical home
3 provider of Client's admission to treatment within seven (7) calendar days of admission and request
4 medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the
5 treatment plan.

6 15. Physician Consultation: Physician Consultation Services include DMC physicians'
7 consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician
8 consultation services are designed to assist DMC physicians by allowing them to seek expert advice
9 with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation
10 services may address medication selection, dosing, side effect management, adherence, drug
11 interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or
12 pharmacists to provide consultation services.

13 16. Discharge Services: The process to prepare the Client for referral into another level of care,
14 post treatment return or reentry into the community, and/or the linkage of the individual to essential
15 community treatment, housing and human services. CONTRACTOR shall provide or arrange for
16 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning
17 immediately after enrollment. The exit plan shall be completed and signed by CONTRACTOR staff and
18 Client. The exit plan shall be documented in the Client's chart.

19 17. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,
20 toiletries, clean linen, and food service.

21 18. Support Services: CONTRACTOR shall provide housekeeping, which may be done by
22 Clients and laundry access.

23 19. Health, Medical, Psychiatric and Emergency Services – CONTRACTOR shall ensure that
24 all persons admitted for Residential Treatment services have a health questionnaire completed using
25 form DHCS 5103 form, or may develop their own form provided it contains, at a minimum, the
26 information requested in the DHCS 5103 form.

27 a. The health questionnaire is a Client's self-assessment of his/her current health status
28 and shall be completed by Client.

29 1) CONTRACTOR shall review and approve the health questionnaire form prior to
30 Client's admission to the program. The completed health questionnaire shall be signed and dated by
31 CONTRACTOR and Client, prior to admission.

32 2) A copy of the questionnaire shall be filed in the Client's record.

33 b. CONTRACTOR shall, based on information provided by Client on the health
34 questionnaire form, refer Client to licensed medical professionals for physical and laboratory
35 examinations as appropriate.

36 1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior
37 to Client's admission to the program when applicable.

2) A copy of the referral and clearance shall be filed in the Client's file.

3) CONTRACTOR shall provide directly or by referral: HIV education, voluntary, HIV antibody testing and risk assessment and disclosure counseling.

4) The programs shall have written procedures for obtaining medical or psychiatric evaluation and emergency and non-emergency services.

5) The programs shall post the name, address, and telephone number for the fire department, a crisis program, local law enforcement, and ambulance service.

6) CONTRACTOR shall provide TB services to the Clients by referral to the COUNTY or another appropriate provider. TB services shall be provided within seven (7) calendar days of admission. These TB services shall consist of the following:

a) Counseling with respect to TB;

b) Testing to determine whether the individual has been infected and to determine the appropriate form of treatment;

c) Provision for, or referral of, infected Clients for medical evaluation, treatment and clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to commencing treatment.

20. Transportation Services

a. COUNTY shall only pay for medical ambulance or medical van transportation to and from designated residential substance use disorder treatment programs or health facilities through the COUNTY's Medical Transportation Contract under the following conditions:

1) Ambulance transportation shall be used for services requiring immediate attention for a Client due to any sudden or serious illness or injury requiring immediate medical attention, where delay in providing such services may aggravate the medical condition or cause the loss of life.

2) When any Client needs non-emergency transportation as identified in Subparagraph 20.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's physical condition and/or limitations.

3) CONTRACTOR shall utilize the COUNTY's Ambulance Monthly Rotation Call Log to request transportation services from Ambulance Providers designated for transportation within the city of the CONTRACTOR's facility for each said month as identified on the log.

4) CONTRACTOR shall use its best efforts to contact Ambulance Providers identified on the Monthly Rotation Call Log as those providers who offer van transportation services if and when an ambulance is not required.

5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered service under this section by the COUNTY.

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b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations that are considered necessary and/or important to the Client's recovery plan including, but not limited to, Social Security Administration offices for Supplemental Security Income benefits and for non-emergency medical or mental health services not identified in Subparagraph 20.a. above, that require treatment at a physician office, urgent care, or emergency room when an ambulance provider is not necessary or required for transportation based on the level of severity and/or services required by the Client.

D. PERFORMANCE OUTCOMES

1. CONTRACTOR shall demonstrate provision of effective withdrawal management services as measured by client retention and completion rates of at least seventy-five percent (75%).

a. Retention Rates shall be calculated by using the number of Clients currently enrolled in or successfully completing their treatment program divided by the total number of Clients served during the evaluation period.

b. Completion Rates shall be calculated by using the number of Clients successfully completing the treatment program divided by the total number of Clients discharged during the evaluation period.

2. CONTRACTOR shall provide linkage to the next level of care for Clients upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS administrative discharge dispositions will be excluded.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Adult Clinically Managed Withdrawal Management Services Paragraph of this Exhibit A to the Contract.

XI. SERVICES

A. FACILITY OPERATIONS AND ASSET MANAGEMENT – Services shall be provided at the following locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

265 South Anita Drive
Orange, CA 92868

1. CONTRACTOR will manage a diverse scope of facilities-related services, in four key areas:

- a. Facilities Management
- b. Property Accounting
- c. Capital Project Management
- d. Lease Management

2. CONTRACTOR will ensure high-value, efficient and accountable oversight of facilities operations and asset management.

3. CONTRACTOR shall provide ongoing facility operations and asset management activities which include, but are not limited to:

4. FACILITIES MANAGEMENT

a. Manage and oversee the overall safety of the facility, including day-to-day maintenance and cleaning of the property, including all buildings, parking lots and landscaping;

b. Contract management for all property utilities, property insurance policies, building related services and maintenance, and supply procurement;

c. Ongoing property assessments to inform preventative maintenance needs, forecast capital repair and replacement schedules, and ensure adequate capital reserves are maintained; and

d. Key point of contact for all building-related requests and concerns.

5. PROPERTY ACCOUNTING

a. Financial management of all operating expenses and property taxes in a timely manner;

b. Prepare and provide monthly property financial reports and annual financial statements inclusive of balance sheet, income statement cash flow statement, variance report, rent roll, and detailed property activity summary;

c. Prepare and manage an annual operating budget for the property inclusive of a capital budget, detailed leasing and expense projections, and cash flow projections;

6. CAPITAL PROJECT MANAGEMENT

a. Solicit proposals from, engage, and manage architects, engineers and other design consultants as necessary for completion of the work;

b. Manage the process of securing all permits and other governmental approvals; and

c. Manage a competitive construction contractor bidding process and oversee construction and installation process to ensure all work is completed in a timely manner.

7. LEASE MANAGEMENT

a. Manage and enforce all tenant leases and rental agreements, and lead negotiations of lease renewals and extensions as they arise; and

b. Financial management of all rents and other receivables.

B. PROVIDER CONTRACTING

1. CONTRACTOR shall monitor and ensure operations at the Be Well Orange Campus meet the requirements of CMS, DHCS and MHRS. CONTRACTOR shall subcontract with providers for authorized specialty mental health services and substance use disorder treatment services. Providers will meet state and federal requirements for Specialty Medi-Cal services inclusive of mental health crisis services and substance use disorder treatment.

a. All activities and obligations, including services provided and related reporting responsibilities; and

b. Delegated activities and responsibilities in compliance with MHRS' obligations to DHCS. Providers will meet established requirements with reimbursement negotiated on state rates and costs only. CONTRACTOR will monitor and ensure that claims are entered accurately and in a timely manner.

2. PROVIDER CONTRACTING AND OVERSIGHT

a. As a partially delegated entity, CONTRACTOR will act on behalf of MHRS in ensuring the following activities and responsibilities:

- 1) Quality Management, including but not limited to;
 - a) Provide Training on Documentation Requirements
 - b) Documentation Review Tool for State Submission
 - c) Quality Improvement comments related to documentation
 - d) Corrective Action Plans
 - e) Ensuring Fraud, Waste and Abuse is reported timely to HCA Compliance Department
 - f) Ensure Compliance Investigation Follow-up within timeframes
 - g) Inform Providers of new practice guidelines
 - h) Ensure there is an HCA certified documentation reviewer at each program
- 2) Program Integrity, including but not limited to;
 - a) Site Reviews and completion of Monitoring Tool for both SUD and MH programs
 - b) Ensure LPS designation of Staff and Site
 - c) Ensure proper credentialing of staff with HCA
 - d) Ensure Policies and Procedures are developed to address regulatory requirements
 - e) Ensure provider job descriptions meet the minimum requirements for staff scope of practice
 - f) Ensure PAVE enrollment of Providers
 - g) Ensure Proper Clinical Supervision of Staff
 - h) Attend Monthly Quality Improvement meetings for both DMC and MH programs
- 3) Cultural Competency, including but not limited to;
 - a) Mandatory Training is completed
- 4) Training, including but not limited to;
 - a) ASAM Training
 - b) Motivational Interviewing Training
 - c) Other required Evidence Based Practices
 - d) Annual Compliance Training

- e) Annual Provider Training
- 5) Claiming, including but not limited to;
 - a) Ensure Billing Training is completed
 - b) Services entered correctly into the County IRIS system
 - c) Ensure Client information entered correctly into the County IRIS system
- 6) Reports, including but not limited to;
 - a) Participation in the OC Navigator
 - b) NACT submissions
 - c) Report of Billable Services
 - d) Cost Reporting
 - e) Access Log Reports
 - f) NOABD Reports
 - g) Grievance and Appeals Investigations
 - h) Response to External Quality Review Organization Report; and
- 7) Data collection, including but not limited to:
 - a) CalOMS
 - b) DATAR

3. REGULATORY COMPLIANCE, INSURANCE, AND INDEMNIFICATION

a. Compliance Program – CONTRACTOR will ensure providers have required policies and procedures and will reinforce federal and state requirements established in the Contract, such as cultural competency trainings.

b. Sanction Screening – CONTRACTOR will ensure all applicable Covered individuals are initially and routinely screened in accordance with requirements for MHPs and SUD contracts per DHCS and Contract requirements.

c. Insurance – CONTRACTOR will maintain insurance in compliance with the contractual requirements and will ensure that subcontractors' insurance is also in compliance. CONTRACTOR anticipates being able to support subcontractors in negotiating competitive rates for appropriate coverage.

d. Medi-Cal billing, Coding and Documentation Compliance Standards – CONTRACTOR will ensure that subcontractor coding of health care claims, billings and/or invoices for same are prepared and submitted, are timely and accurate, and in compliance with the Contract requirements.

e. Indemnification – CONTRACTOR will provide indemnification pursuant to contractual requirements.

C. ACCESS AND PROGRAM MANAGEMENT

1. CONTRACTOR will ensure than an optimized mix of clients with public and commercial coverage can access and enroll in services at the Orange Campus. Moreover, CONTRACTOR will

1 ensure that subcontractors receive referrals and that such referrals are accepted in accordance with the
2 Contract(s), with appropriate contract monitoring based on the MRHS provided monitoring tools(s).

3 2. PAYOR MIX OPTIMIZATION AND MANAGEMENT – CONTRACTOR will support
4 subcontractors in securing contracts with an array of commercial insurance plans, as well as manage and
5 optimize the diverse public/commercial payer mix to achieve the original goals of Be Well and ensure
6 whole community access while maintaining a commitment to serving the most vulnerable. Based on
7 current projections, the initial target is a 26 % commercial, 74% public ratio, which will be adjusted, as
8 needed.

9 3. CARE COORDINATION AND TRANSITIONS MANGEMENT – CONTRACTOR will
10 provide high level operational oversight to ensure contractual compliance and good business flow in a
11 standardized, organized manner via reporting, meetings, and audits.

12 4. CLINICAL AND PROGRAM OPERATIONS – CONTRACTOR will attend required
13 trainings and ensure that Be Well Campus and provider policies and practices meet contractual
14 requirements for QI, authorization, clinical, billing, and administrative requirements. CONTRACTOR
15 will ensure that subcontractors participate in required provider trainings offered by COUNTY and
16 ensure subcontractors maintain client records in compliance with contractual requirements.

17 D. ESTIMATED COUNTY COST OFFSETS

18 1. CONTRACTOR will work closely with the providers to ensure third party revenues are
19 maximized. CONTRACTOR shall secure a Third-Party Administrator (TPA) license that will allow
20 them to work on providers' behalf to support commercial billing and collections.

21 2. CONTRACTOR will recover the value of the service when the service is rendered to a
22 Beneficiary whenever the Beneficiary is covered for the same serv ices, either fully or partially, under
23 any other state or federal medical program or under other contractual or legal entitlement including but
24 not limited to, a private group or indemnification program, but excluding instances of tort liability of a
25 third party or casualty liability. The monies recovered are retained by CONTRACTOR.
26 CONTRACTOR and COUNTY will establish a settlement process to ensure that COUNTY payments to
27 CONTRACTOR are adjusted in a timely manner to reflect other monies recovered, pursuant to the
28 above standards from other sources.

29 3. CONTRACTOR'S estimated offsets of per period Gross Costs are nine percent (9%) for Period
30 One, fourteen percent (14%) for Period Two, and twenty two percent (22%) for Period Three.

31 E. PERFORMANCE OBJECTIVES AND OUTCOMES – CONTRACTOR will provide a
32 comprehensive approach for monitoring and achieving outcome measures required by COUNTY,
33 sought after by community stakeholders, and needed by the people being served. These requirements
34 will be specified in subcontracts, with regular monitoring and oversight per contractual requirements,
35 with outcome measures documented and communicated monthly in dashboards and other required
36 reports.

37 //

1. CONTRACTOR staff will comply with COUNTY criteria for HIPAA and 42CFR and undergo COUNTY required training. CONTRACTOR will maintain an ongoing performance outcomes monitoring program using provider information, COUNTY required beneficiary satisfaction surveys, and documentation completed by providers, including utilization patterns, COUNTY required assessment and screening tools, peer review, and medical record audits. CONTRACTOR will identify specific outcomes for reporting and will make COUNTY data available upon request, pursuant to contract terms.

2. CONTRACTOR will periodically review provider performance using standard treatment and/or site review audits, along with claims and/or treatment-related data. CONTRACTOR will work with COUNTY to ensure compliance with updated state requirements and standards for performance outcome measures.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit A to the Contract.

XII. STAFFING

A. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-Time Equivalents (FTEs) continuously throughout the term of the Contract. One (1) FTE shall be equal to an average of forty (40) hours work per week.

<u>PROGRAM</u>	<u>FTE</u>
Accounting Coordinator	1.00
Administrative Assistant	1.00
Admissions & Navigation Supervisor	1.00
Admissions & Navigation Team	3.00
Alumni & Volunteer Coordinator	1.00
Billing & Claims Specialist	1.00
Chief Operations Officer	0.75
Community & Health Equity Liaison	0.50
Compliance Officer/Contract Monitor	2.00
Director of Quality Improvement	0.50
Executive Director of Operations	1.00
Facilities Coordinator	1.00
Front Desk Staff	3.00
Medical Director	0.40
Payer Relations & Contracting Specialist	0.50
Quality Assurance Specialist	1.00
<u>Strategy & Quality Improvement</u>	<u>0.20</u>

TOTAL FTE

18.85

B. CONTRACTOR shall provide sufficient administrative and program staffing to ensure its delivery of all services specified in this Exhibit A to the Contract.

C. CONTRACTOR shall, at its own expense, provide and maintain licensed practitioners of the healing arts and supportive personnel to provide all necessary and appropriate psychiatric inpatient hospital utilization management (UM) services.

D. CONTRACTOR shall attempt in good faith to recruit and retain bilingual, culturally competent staff to meet the diverse needs of the community threshold languages as determined by COUNTY. CONTRACTOR shall also ensure recruitment and retention of staff that have experience in working with diverse populations with specialty needs, including but not limited to, children/adolescents and older adults. When staffing vacancies occur, CONTRACTOR shall attempt to fill with bilingual and bicultural staff. If CONTRACTOR's available candidates require filling those positions with non-bilingual and bicultural staff, CONTRACTOR shall notify ADMINISTRATOR in writing, at least seven (7) calendar days in advance of hiring.

E. CONTRACTOR shall use an interpreter service when a caller speaks a language not spoken by staff, as well as the California Relay Service for hearing impaired members.

G. CONTRACTOR shall maintain personnel files for each staff member, both administrative and programmatic, both direct and indirect, which shall include, but not be limited to, an application for employment, qualifications for the position, documentation of bicultural/bilingual capabilities (if applicable), valid licensure verification, if applicable, and pay rate and evaluations justifying pay increases.

H. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours of any non-pooled staffing vacancies that occur during the term of the Contract. CONTRACTOR's notification shall include at a minimum the following information: employee name(s), position title(s), date(s) of resignation, date(s) of hire, and a description of recruitment activity.

I. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) calendar days in advance, of any new non-pooled staffing changes; including promotions, temporary FTE changes and internal or external temporary staffing assignment requests that occur during the term of the Contract.

J. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all P&Ps. CONTRACTOR shall provide signature confirmation of the P&P training for each staff member and place it in their personnel files.

K. CONTRACTOR shall ensure that all staff, albeit paid or unpaid, complete necessary training prior to discharging duties associated with their titles and any other training necessary to assist CONTRACTOR and COUNTY to be in compliance with prevailing standards of practice as well as State and Federal regulatory requirements.

//

1 L. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, albeit paid
2 or unpaid, direct line staff or supervisors/directors, to enhance service quality and program
3 effectiveness. Supervision methods should include debriefings and consultation as needed, individual
4 supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor
5 who has extensive knowledge regarding mental health issues.

6 M. CONTRACTOR shall ensure that designated staff completes COUNTY's Annual Provider
7 Training and Annual Compliance and Cultural Competency Training.

8 N. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of
9 Tokens for appropriate individual staff to access ADMINISTRATOR designated reporting system at no
10 cost to CONTRACTOR.

11 1. CONTRACTOR recognizes Tokens are assigned to a specific individual staff member with
12 a unique password. Tokens and passwords shall not be shared with anyone.

13 2. CONTRACTOR shall ensure information obtained by the use of a Token is used for the
14 sole purpose of this Contract and shall not be shared with any other lines of business without the
15 expressed or written consent of the Beneficiary.

16 3. CONTRACTOR shall request and return tokens pursuant to COUNTY Standard Operating
17 Procedure (SOP) for Processing Token Requests for Administrative Services Organization (ASO).

18 4. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, date
19 issued/returned and the staff member to whom each is assigned.

20 5. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
21 Token for any staff member assigned a Token.

22 6. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
23 conditions:

- 24 a. Token of any staff member who no longer supports the Contract;
- 25 b. Token of any staff member who no longer requires access to ADMINISTRATOR
26 designated reporting system;
- 27 c. Token of any staff member who leaves employment of CONTRACTOR;
- 28 d. Token is malfunctioning; or
- 29 e. Termination of Contract.

30 7. CONTRACTOR shall reimburse COUNTY for Tokens lost, stolen, or damaged through
31 acts of negligence.

32 O. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
33 Staffing Paragraph of this Exhibit A to the Contract.

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EXHIBIT B
TO MASTER SERVICES AGREEMENT
FOR PROVISION OF
MENTAL HEALTH AND RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
MIND OC
OCTOBER 1, 2022 THROUGH JUNE 30, 2025

I. BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

1. The parties agree that the terms used, but not otherwise defined in the Common Terms and Definitions Paragraph of Exhibit A to the Contract or in Subparagraph B below, shall have the same meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at 45 CFR Parts 160 and 164 (“the HIPAA regulations”) as they may exist now or be hereafter amended.

2. The parties agree that a business associate relationship under HIPAA, the HITECH Act, and the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of COUNTY pursuant to, and as set forth in, the Contract that are described in the definition of “Business Associate” in 45 CFR § 160.103.

3. The COUNTY wishes to disclose to CONTRACTOR certain information pursuant to the terms of the Contract, some of which may constitute PHI, as defined below in Subparagraph B.10, to be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the Contract.

4. The parties intend to protect the privacy and provide for the security of PHI that may be created, received, maintained, transmitted, used, or disclosed pursuant to the Contract in compliance with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act, and the HIPAA regulations as they may exist now or be hereafter amended.

5. The parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

6. The parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the terms of this Business Associate Contract, as it exists now or be hereafter updated with notice to CONTRACTOR, and the applicable standards, implementation specifications, and requirements of the

1 Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and
2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Contract.

3 B. DEFINITIONS

4 1. "Administrative Safeguards" are administrative actions, and P&Ps, to manage the selection,
5 development, implementation, and maintenance of security measures to protect ePHI and to manage the
6 conduct of CONTRACTOR's workforce in relation to the protection of that information.

7 2. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted
8 under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

9 a. Breach excludes:

10 1) Any unintentional acquisition, access, or use of PHI by a workforce member or
11 person acting under the authority of CONTRACTOR or COUNTY, if such acquisition, access, or use
12 was made in good faith and within the scope of authority and does not result in further use or disclosure
13 in a manner not permitted under the Privacy Rule.

14 2) Any inadvertent disclosure by a person who is authorized to access PHI at
15 CONTRACTOR to another person authorized to access PHI at the CONTRACTOR, or organized health
16 care arrangement in which COUNTY participates, and the information received as a result of such
17 disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

18 3) A disclosure of PHI where CONTRACTOR or COUNTY has a good faith belief
19 that an unauthorized person to whom the disclosure was made would not reasonably have been able to
20 retain such information.

21 b. Except as provided in Subparagraph a. of this definition, an acquisition, access, use, or
22 disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach
23 unless CONTRACTOR demonstrates that there is a low probability that the PHI has been compromised
24 based on a risk assessment of at least the following factors:

25 1) The nature and extent of the PHI involved, including the types of identifiers and the
26 likelihood of re-identification;

27 2) The unauthorized person who used the PHI or to whom the disclosure was made;

28 3) Whether the PHI was actually acquired or viewed; and

29 4) The extent to which the risk to the PHI has been mitigated.

30 3. "Data Aggregation" shall have the meaning given to such term under the HIPAA Privacy
31 Rule in 45 CFR § 164.501.

32 4. "DRS" shall have the meaning given to such term under the HIPAA Privacy Rule in
33 45 CFR § 164.501.

34 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in
35 45 CFR § 160.103.

36 6. "Health Care Operations" shall have the meaning given to such term under the HIPAA
37 Privacy Rule in 45 CFR § 164.501.

1 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
2 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
3 with 45 CFR § 164.502(g).

4 8. "Physical Safeguards" are physical measures, policies, and procedures to protect
5 CONTRACTOR's electronic information systems and related buildings and equipment, from natural
6 and environmental hazards, and unauthorized intrusion.

7 9. "The HIPAA Privacy Rule" shall mean the Standards for Privacy of Individually
8 Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

9 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in
10 45 CFR § 160.103.

11 11. "Required by Law" shall have the meaning given to such term under the HIPAA Privacy
12 Rule in 45 CFR § 164.103.

13 12. "Secretary" shall mean the Secretary of the Department of HHS or his or her designee.

14 13. "Security Incident" means attempted or successful unauthorized access, use, disclosure,
15 modification, or destruction of information or interference with system operations in an information
16 system. "Security incident" does not include trivial incidents that occur on a daily basis, such as scans,
17 "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by
18 CONTRACTOR.

19 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at
20 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

21 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
22 45 CFR § 160.103.

23 16. "Technical safeguards" means the technology and the P&Ps for its use that protect
24 electronic PHI and control access to it.

25 17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable,
26 unreadable, or indecipherable to unauthorized individuals through the use of a technology or
27 methodology specified by the Secretary of HHS in the guidance issued on the HHS Web site.

28 18. "Use" shall have the meaning given to such term under the HIPAA regulations in
29 45 CFR § 160.103.

30 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE

31 1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to
32 CONTRACTOR other than as permitted or required by this Business Associate Contract or as required
33 by law.

34 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business
35 Associate Contract and the Contract, to prevent use or disclosure of PHI COUNTY discloses to
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
37 other than as provided for by this Business Associate Contract.

1 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR
2 Part 164 with respect to ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates,
3 receives, maintains, or transmits on behalf of COUNTY.

4 4. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is
5 known to CONTRACTOR of a Use or Disclosure of PHI by CONTRACTOR in violation of the
6 requirements of this Business Associate Contract.

7 5. CONTRACTOR agrees to report to COUNTY immediately any Use or Disclosure of PHI
8 not provided for by this Business Associate Contract of which CONTRACTOR becomes aware.
9 CONTRACTOR must report Breaches of Unsecured PHI in accordance with Subparagraph E below and
10 as required by 45 CFR § 164.410.

11 6. CONTRACTOR agrees to ensure that any Subcontractors that create, receive, maintain, or
12 transmit PHI on behalf of CONTRACTOR agree to the same restrictions and conditions that apply
13 through this Business Associate Contract to CONTRACTOR with respect to such information.

14 7. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a
15 written request by COUNTY, to PHI in a DRS, to COUNTY or, as directed by COUNTY, to an
16 Individual in order to meet the requirements under 45 CFR § 164.524. If CONTRACTOR maintains an
17 EHR with PHI, and an individual requests a copy of such information in an electronic format,
18 CONTRACTOR shall provide such information in an electronic format.

19 8. CONTRACTOR agrees to make any amendment(s) to PHI in a DRS that COUNTY directs
20 or agrees to pursuant to 45 CFR § 164.526 at the request of COUNTY or an Individual, within thirty
21 (30) calendar days of receipt of said request by COUNTY. CONTRACTOR agrees to notify COUNTY
22 in writing no later than ten (10) calendar days after said amendment is completed.

23 9. CONTRACTOR agrees to make internal practices, books, and records, including P&Ps,
24 relating to the use and disclosure of PHI received from, or created or received by CONTRACTOR on
25 behalf of, COUNTY available to COUNTY and the Secretary in a time and manner as determined by
26 COUNTY or as designated by the Secretary for purposes of the Secretary determining COUNTY's
27 compliance with the HIPAA Privacy Rule.

28 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
29 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
30 and to make information related to such Disclosures available as would be required for COUNTY to
31 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with
32 45 CFR § 164.528.

33 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in
34 a time and manner to be determined by COUNTY, that information collected in accordance with the
35 Contract, in order to permit COUNTY to respond to a request by an Individual for an accounting of
36 Disclosures of PHI in accordance with 45 CFR § 164.528.

37 //

1 12. CONTRACTOR agrees that to the extent CONTRACTOR carries out COUNTY's
2 obligation under the HIPAA Privacy and/or Security rules CONTRACTOR will comply with the
3 requirements of 45 CFR Part 164 that apply to COUNTY in the performance of such obligation.

4 13. If CONTRACTOR receives Social Security data from COUNTY provided to COUNTY by
5 a state agency, upon request by COUNTY, CONTRACTOR shall provide COUNTY with a list of all
6 employees, subcontractors, and agents who have access to the Social Security data, including
7 employees, agents, subcontractors, and agents of its subcontractors.

8 14. CONTRACTOR will notify COUNTY if CONTRACTOR is named as a defendant in a
9 criminal proceeding for a violation of HIPAA. COUNTY may terminate the Contract, if
10 CONTRACTOR is found guilty of a criminal violation in connection with HIPAA. COUNTY may
11 terminate the Contract, if a finding or stipulation that CONTRACTOR has violated any standard or
12 requirement of the privacy or security provisions of HIPAA, or other security or privacy laws are made
13 in any administrative or civil proceeding in which CONTRACTOR is a party or has been joined.
14 COUNTY will consider the nature and seriousness of the violation in deciding whether or not to
15 terminate the Contract.

16 15. CONTRACTOR shall make itself and any subcontractors, employees or agents assisting
17 CONTRACTOR in the performance of its obligations under the Contract, available to COUNTY at no
18 cost to COUNTY to testify as witnesses, or otherwise, in the event of litigation or administrative
19 proceedings being commenced against COUNTY, its directors, officers or employees based upon
20 claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy,
21 which involves inactions or actions by CONTRACTOR, except where CONTRACTOR or its
22 subcontractor, employee, or agent is a named adverse party.

23 16. The Parties acknowledge that federal and state laws relating to electronic data security and
24 privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to
25 provide for procedures to ensure compliance with such developments. The Parties specifically agree to
26 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH
27 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon
28 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY
29 concerning an amendment to this Business Associate Contract embodying written assurances consistent
30 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other
31 applicable laws. COUNTY may terminate the Contract upon thirty (30) days written notice in the event:

32 a. CONTRACTOR does not promptly enter into negotiations to amend this Business
33 Associate Contract when requested by COUNTY pursuant to this Subparagraph C; or

34 b. CONTRACTOR does not enter into an amendment providing assurances regarding the
35 safeguarding of PHI that COUNTY deems are necessary to satisfy the standards and requirements of
36 HIPAA, the HITECH Act, and the HIPAA regulations.

37 //

1 17. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to
2 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph
3 B.2.a above.

4 D. SECURITY RULE

5 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
6 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with
7 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to
8 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
9 CONTRACTOR shall develop and maintain a written information privacy and security program that
10 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
11 CONTRACTOR's operations and the nature and scope of its activities.

12 2. CONTRACTOR shall implement reasonable and appropriate P&Ps to comply with the
13 standards, implementation specifications and other requirements of 45 CFR Part 164, Subpart C, in
14 compliance with 45 CFR § 164.316. CONTRACTOR will provide COUNTY with its current and
15 updated policies upon request.

16 3. CONTRACTOR shall ensure the continuous security of all computerized data systems
17 containing ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
18 maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents
19 containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
20 maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:

21 a. Complying with all of the data system security precautions listed under Subparagraph
22 E., below;

23 b. Achieving and maintaining compliance with the HIPAA Security Rule, as necessary in
24 conducting operations on behalf of COUNTY;

25 c. Providing a level and scope of security that is at least comparable to the level and scope
26 of security established by the OMB in OMB Circular No. A-130, Appendix III - Security of Federal
27 Automated Information Systems, which sets forth guidelines for automated information systems in
28 Federal agencies;

29 4. CONTRACTOR shall ensure that any subcontractors that create, receive, maintain, or
30 transmit ePHI on behalf of CONTRACTOR agree through a contract with CONTRACTOR to the same
31 restrictions and requirements contained in this Subparagraph D of this Business Associate Contract.

32 5. CONTRACTOR shall report to COUNTY immediately any Security Incident of which it
33 becomes aware. CONTRACTOR shall report Breaches of Unsecured PHI in accordance with
34 Subparagraph E below and as required by 45 CFR § 164.410.

35 6. CONTRACTOR shall designate a Security Officer to oversee its data security program who
36 shall be responsible for carrying out the requirements of this paragraph and for communicating on
37 security matters with COUNTY.

1 E. DATA SECURITY REQUIREMENTS

2 1. Personal Controls

3 a. Employee Training. All workforce members who assist in the performance of
4 functions or activities on behalf of COUNTY in connection with Contract, or access or disclose PHI
5 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
6 behalf of COUNTY, must complete information privacy and security training, at least annually, at
7 CONTRACTOR's expense. Each workforce member who receives information privacy and security
8 training must sign a certification, indicating the member's name and the date on which the training was
9 completed. These certifications must be retained for a period of six (6) years following the termination
10 of Contract.

11 b. Employee Discipline. Appropriate sanctions must be applied against workforce
12 members who fail to comply with any provisions of CONTRACTOR's privacy P&Ps, including
13 termination of employment where appropriate.

14 c. Confidentiality Statement. All persons that will be working with PHI COUNTY
15 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
16 COUNTY must sign a confidentiality statement that includes, at a minimum, General Use, Security and
17 Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the
18 workforce member prior to access to such PHI. The statement must be renewed annually. The
19 CONTRACTOR shall retain each person's written confidentiality statement for COUNTY inspection
20 for a period of six (6) years following the termination of the Contract.

21 d. Background Check. Before a member of the workforce may access PHI COUNTY
22 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
23 COUNTY, a background screening of that worker must be conducted. The screening should be
24 commensurate with the risk and magnitude of harm the employee could cause, with more thorough
25 screening being done for those employees who are authorized to bypass significant technical and
26 operational security controls. CONTRACTOR shall retain each workforce member's background check
27 documentation for a period of three (3) years.

28 2. Technical Security Controls

29 a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY
30 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
31 COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which
32 is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by the
33 COUNTY.

34 b. Server Security. Servers containing unencrypted PHI COUNTY discloses to
35 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
36 must have sufficient administrative, physical, and technical controls in place to protect that data, based
37 upon a risk assessment/system security review.

1 c. Minimum Necessary. Only the minimum necessary amount of PHI COUNTY discloses
2 to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
3 required to perform necessary business functions may be copied, downloaded, or exported.

4 d. Removable media devices. All electronic files that contain PHI COUNTY discloses to
5 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
6 must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives,
7 floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified
8 algorithm which is 128bit or higher, such as AES. Such PHI shall not be considered "removed from the
9 premises" if it is only being transported from one of CONTRACTOR's locations to another of
10 CONTRACTOR's locations.

11 e. Antivirus software. All workstations, laptops and other systems that process and/or
12 store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
13 transmits on behalf of COUNTY must have installed and actively use comprehensive anti-virus software
14 solution with automatic updates scheduled at least daily.

15 f. Patch Management. All workstations, laptops and other systems that process and/or
16 store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
17 transmits on behalf of COUNTY must have critical security patches applied, with system reboot if
18 necessary. There must be a documented patch management process which determines installation
19 timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable
20 patches must be installed within thirty (30) days of vendor release. Applications and systems that
21 cannot be patched due to operational reasons must have compensatory controls implemented to
22 minimize risk, where possible.

23 g. User IDs and Password Controls. All users must be issued a unique user name for
24 accessing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
25 or transmits on behalf of COUNTY. Username must be promptly disabled, deleted, or the password
26 changed upon the transfer or termination of an employee with knowledge of the password, at maximum
27 within twenty-four (24) hours. Passwords are not to be shared. Passwords must be at least eight
28 characters and must be a non-dictionary word. Passwords must not be stored in readable format on the
29 computer. Passwords must be changed every ninety (90) days, preferably every sixty (60) days.
30 Passwords must be changed if revealed or compromised. Passwords must be composed of characters
31 from at least three (3) of the following four (4) groups from the standard keyboard:

- 32 1) Upper case letters (A-Z)
- 33 2) Lower case letters (a-z)
- 34 3) Arabic numerals (0-9)
- 35 4) Non-alphanumeric characters (punctuation symbols)

36 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to
37 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY

1 must be wiped using the Gutmann or US DoD 5220.22-M (7 Pass) standard, or by degaussing. Media
2 may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods
3 require prior written permission by COUNTY.

4 i. System Timeout. The system providing access to PHI COUNTY discloses to
5 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
6 must provide an automatic timeout, requiring re-authentication of the user session after no more than
7 twenty (20) minutes of inactivity.

8 j. Warning Banners. All systems providing access to PHI COUNTY discloses to
9 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
10 must display a warning banner stating that data is confidential, systems are logged, and system use is for
11 business purposes only by authorized users. User must be directed to log off the system if they do not
12 agree with these requirements.

13 k. System Logging. The system must maintain an automated audit trail which can
14 identify the user or system process which initiates a request for PHI COUNTY discloses to
15 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
16 or which alters such PHI. The audit trail must be date and time stamped, must log both successful and
17 failed accesses, must be read only, and must be restricted to authorized users. If such PHI is stored in a
18 database, database logging functionality must be enabled. Audit trail data must be archived for at least
19 three (3) years after occurrence.

20 l. Access Controls. The system providing access to PHI COUNTY discloses to
21 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
22 must use role based access controls for all user authentications, enforcing the principle of least privilege.

23 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
24 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
25 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
26 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
27 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as
28 website access, file transfer, and E-Mail.

29 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and
30 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
31 or transmits on behalf of COUNTY that are accessible via the Internet must be protected by a
32 comprehensive intrusion detection and prevention solution.

33 3. Audit Controls

34 a. System Security Review. CONTRACTOR must ensure audit control mechanisms that
35 record and examine system activity are in place. All systems processing and/or storing PHI COUNTY
36 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
37 COUNTY must have at least an annual system risk assessment/security review which provides

1 assurance that administrative, physical, and technical controls are functioning effectively and providing
2 adequate levels of protection. Reviews should include vulnerability scanning tools.

3 b. Log Reviews. All systems processing and/or storing PHI COUNTY discloses to
4 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
5 must have a routine procedure in place to review system logs for unauthorized access.

6 c. Change Control. All systems processing and/or storing PHI COUNTY discloses to
7 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
8 must have a documented change control procedure that ensures separation of duties and protects the
9 confidentiality, integrity and availability of data.

10 4. Business Continuity/Disaster Recovery Control

11 a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan
12 to enable continuation of critical business processes and protection of the security of PHI COUNTY
13 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
14 COUNTY kept in an electronic format in the event of an emergency. Emergency means any
15 circumstance or situation that causes normal computer operations to become unavailable for use in
16 performing the work required under this Contract for more than twenty-four (24) hours.

17 b. Data Backup Plan. CONTRACTOR must have established documented procedures to
18 backup such PHI to maintain retrievable exact copies of the PHI. The plan must include a regular
19 schedule for making backups, storing backup offsite, an inventory of backup media, and an estimate of
20 the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule
21 must be a weekly full backup and monthly offsite storage of DHCS data. BCP for CONTRACTOR and
22 COUNTY (e.g. the application owner) must merge with the DRP.

23 5. Paper Document Controls

24 a. Supervision of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
25 creates, receives, maintains, or transmits on behalf of COUNTY in paper form shall not be left
26 unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means
27 that information is not being observed by an employee authorized to access the information. Such PHI
28 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in
29 baggage on commercial airplanes.

30 b. Escorting Visitors. Visitors to areas where PHI COUNTY discloses to
31 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY is
32 contained shall be escorted and such PHI shall be kept out of sight while visitors are in the area.

33 c. Confidential Destruction. PHI COUNTY discloses to CONTRACTOR or
34 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must be disposed of
35 through confidential means, such as cross cut shredding and pulverizing.

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1 d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
2 creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises
3 of the CONTRACTOR except with express written permission of COUNTY.

4 e. Faxing. Faxes containing PHI COUNTY discloses to CONTRACTOR or
5 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall not be left
6 unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement
7 notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the
8 intended recipient before sending the fax.

9 f. Mailing. Mailings containing PHI COUNTY discloses to CONTRACTOR or
10 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall be sealed and
11 secured from damage or inappropriate viewing of PHI to the extent possible. Mailings which include
12 five hundred (500) or more individually identifiable records containing PHI COUNTY discloses to
13 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY in
14 a single package shall be sent using a tracked mailing method which includes verification of delivery
15 and receipt, unless the prior written permission of COUNTY to use another method is obtained.

16 F. BREACH DISCOVERY AND NOTIFICATION

17 1. Following the discovery of a Breach of Unsecured PHI, CONTRACTOR shall notify
18 COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a
19 law enforcement official pursuant to 45 CFR § 164.412.

20 a. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which
21 such Breach is known to CONTRACTOR or, by exercising reasonable diligence, would have been
22 known to CONTRACTOR.

23 b. CONTRACTOR shall be deemed to have knowledge of a Breach, if the Breach is
24 known, or by exercising reasonable diligence would have known, to any person who is an employee,
25 officer, or other agent of CONTRACTOR, as determined by federal common law of agency.

26 2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY
27 Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written
28 notification within twenty-four (24) hours of the oral notification.

29 3. CONTRACTOR's notification shall include, to the extent possible:

30 a. The identification of each Individual whose Unsecured PHI has been, or is reasonably
31 believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach;

32 b. Any other information that COUNTY is required to include in the notification to
33 Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or
34 promptly thereafter as this information becomes available, even after the regulatory sixty (60) day
35 period set forth in 45 CFR § 164.410 (b) has elapsed, including:

36 1) A brief description of what happened, including the date of the Breach and the date
37 of the discovery of the Breach, if known;

2) A description of the types of Unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

3) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;

4) A brief description of what CONTRACTOR is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and

5) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the COUNTY.

5. In the event that CONTRACTOR is responsible for a Breach of Unsecured PHI in violation of the HIPAA Privacy Rule, CONTRACTOR shall have the burden of demonstrating that CONTRACTOR made all notifications to COUNTY consistent with this Subparagraph F and as required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or disclosure of PHI did not constitute a Breach.

6. CONTRACTOR shall maintain documentation of all required notifications of a Breach or its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

7. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the Breach, including the information listed in Section E.3.b.(1)-(5) above, if not yet provided, to permit COUNTY to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as practicable, but in no event later than fifteen (15) calendar days after CONTRACTOR's initial report of the Breach to COUNTY pursuant to Subparagraph F.2. above.

8. CONTRACTOR shall continue to provide all additional pertinent information about the Breach to COUNTY as it may become available, in reporting increments of five (5) business days after the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable requests for further information, or follow-up information after report to COUNTY, when such request is made by COUNTY.

9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or other costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs in addressing the Breach and consequences thereof, including costs of investigation, notification, remediation, documentation or other costs associated with addressing the Breach.

G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR as necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in

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the Contract, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by COUNTY except for the specific Uses and Disclosures set forth below.

a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, for the proper management and administration of CONTRACTOR.

b. CONTRACTOR may disclose PHI COUNTY discloses to CONTRACTOR for the proper management and administration of CONTRACTOR or to carry out the legal responsibilities of CONTRACTOR, if:

1) The Disclosure is required by law; or

2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person and the person immediately notifies CONTRACTOR of any instance of which it is aware in which the confidentiality of the information has been breached.

c. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of CONTRACTOR.

2. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, to carry out legal responsibilities of CONTRACTOR.

3. CONTRACTOR may use and disclose PHI COUNTY discloses to CONTRACTOR consistent with the minimum necessary P&Ps of COUNTY.

4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as required by law.

H. PROHIBITED USES AND DISCLOSURES

1. CONTRACTOR shall not disclose PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR § 164.522(a).

2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by 42 USC § 17935(d)(2).

I. OBLIGATIONS OF COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY's notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect CONTRACTOR's Use or Disclosure of PHI.

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2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect CONTRACTOR's Use or Disclosure of PHI.

3. COUNTY shall notify CONTRACTOR 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 CONTRACTOR's Use or Disclosure of PHI.

4. COUNTY shall not request CONTRACTOR to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by COUNTY.

J. BUSINESS ASSOCIATE TERMINATION

1. Upon COUNTY's knowledge of a material Breach or violation by CONTRACTOR of the requirements of this Business Associate Contract, COUNTY shall:

a. Provide an opportunity for CONTRACTOR to cure the material Breach or end the violation within thirty (30) business days; or

b. Immediately terminate the Contract, if CONTRACTOR is unwilling or unable to cure the material Breach or end the violation within thirty (30) days, provided termination of the Contract is feasible.

2. Upon termination of the Contract, CONTRACTOR shall either destroy or return to COUNTY all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained, or received on behalf of COUNTY in conformity with the HIPAA Privacy Rule.

a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents of CONTRACTOR.

b. CONTRACTOR shall retain no copies of the PHI.

c. In the event that CONTRACTOR determines that returning or destroying the PHI is not feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible, CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as CONTRACTOR maintains such PHI.

3. The obligations of this Business Associate Contract shall survive the termination of the Contract.

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EXHIBIT C
TO MASTER SERVICES AGREEMENT
FOR PROVISION OF
MENTAL HEALTH AND RECOVERY SERVICES
BETWEEN
COUNTY OF ORANGE
AND
MIND OC
OCTOBER 1, 2022 THROUGH JUNE 30, 2025

I. PERSONAL INFORMATION PRIVACY AND SECURITY CONTRACT

Any reference to statutory, regulatory, or contractual language herein shall be to such language as in effect or as amended.

A. DEFINITIONS

1. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall include a "PII loss" as that term is defined in the CMPPA.

2. "Breach of the security of the system" shall have the meaning given to such term under the CIPA, CCC § 1798.29(d).

3. "CMPPA Contract" means the CMPPA Contract between the SSA and CHHS.

4. "DHCS PI" shall mean PI, as defined below, accessed in a database maintained by the COUNTY or DHCS, received by CONTRACTOR from the COUNTY or DHCS or acquired or created by CONTRACTOR in connection with performing the functions, activities and services specified in the Contract on behalf of the COUNTY.

5. "IEA" shall mean the IEA currently in effect between the SSA and DHCS.

6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose unauthorized access may trigger notification requirements under CCC § 1709.29. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier. Notice-triggering PI includes PI in electronic, paper or any other medium.

7. "PII" shall have the meaning given to such term in the IEA and CMPPA.

8. "PI" shall have the meaning given to such term in CCC § 1798.3(a).

9. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or

1 regulations that require the production of information, including statutes or regulations that require such
2 information if payment is sought under a government program providing public benefits.

3 10. "Security Incident" means the attempted or successful unauthorized access, use, disclosure,
4 modification, or destruction of PI, or confidential data utilized in complying with this Contract; or
5 interference with system operations in an information system that processes, maintains or stores PI.

6 B. TERMS OF CONTRACT

7 1. Permitted Uses and Disclosures of DHCS PI and PII by CONTRACTOR. Except as
8 otherwise indicated in this Exhibit, CONTRACTOR may use or disclose DHCS PI only to perform
9 functions, activities, or services for or on behalf of the COUNTY pursuant to the terms of the Contract
10 provided that such use or disclosure would not violate the CIPA if done by the COUNTY.

11 2. Responsibilities of CONTRACTOR
12 CONTRACTOR agrees:

13 a. Nondisclosure. Not to use or disclose DHCS PI or PII other than as permitted or
14 required by this Personal Information Privacy and Security Contract or as required by applicable state
15 and federal law.

16 b. Safeguards. To implement appropriate and reasonable administrative, technical, and
17 physical safeguards to protect the security, confidentiality and integrity of DHCS PI and PII, to protect
18 against anticipated threats or hazards to the security or integrity of DHCS PI and PII, and to prevent use
19 or disclosure of DHCS PI or PII other than as provided for by this Personal Information Privacy and
20 Security Contract. CONTRACTOR shall develop and maintain a written information privacy and
21 security program that include administrative, technical and physical safeguards appropriate to the size
22 and complexity of CONTRACTOR's operations and the nature and scope of its activities, which
23 incorporate the requirements of Subparagraph c. below. CONTRACTOR will provide COUNTY with
24 its current policies upon request.

25 c. Security. CONTRACTOR shall ensure the continuous security of all computerized data
26 systems containing DHCS PI and PII. CONTRACTOR shall protect paper documents containing
27 DHCS PI and PII. These steps shall include, at a minimum:

28 1) Complying with all of the data system security precautions listed in Subparagraph
29 E. of the Business Associate Contract, Exhibit B to the Contract; and

30 2) Providing a level and scope of security that is at least comparable to the level and
31 scope of security established by the OMB in OMB Circular No. A-130, Appendix III-Security of
32 Federal Automated Information Systems, which sets forth guidelines for automated information systems
33 in Federal agencies.

34 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
35 CONTRACTOR shall also comply with the substantive privacy and security requirements in the
36 CMPPA Contract between the SSA and the CHHS and in the Contract between the SSA and DHCS,
37 known as the IEA. The specific sections of the IEA with substantive privacy and security requirements

1 to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information
2 Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies
3 Exchanging Electronic Information with the SSA. CONTRACTOR also agrees to ensure that any of
4 CONTRACTOR's agents or subcontractors, to whom CONTRACTOR provides DHCS PII agree to the
5 same requirements for privacy and security safeguards for confidential data that apply to
6 CONTRACTOR with respect to such information.

7 d. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect
8 that is known to CONTRACTOR of a use or disclosure of DHCS PI or PII by CONTRACTOR or its
9 subcontractors in violation of this Personal Information Privacy and Security Contract.

10 e. CONTRACTOR's Agents and Subcontractors. To impose the same restrictions and
11 conditions set forth in this Personal Information and Security Contract on any subcontractors or other
12 agents with whom CONTRACTOR subcontracts any activities under the Contract that involve the
13 disclosure of DHCS PI or PII to such subcontractors or other agents.

14 f. Availability of Information. To make DHCS PI and PII available to the DHCS and/or
15 COUNTY for purposes of oversight, inspection, amendment, and response to requests for records,
16 injunctions, judgments, and orders for production of DHCS PI and PII. If CONTRACTOR receives
17 DHCS PII, upon request by COUNTY and/or DHCS, CONTRACTOR shall provide COUNTY and/or
18 DHCS with a list of all employees, contractors and agents who have access to DHCS PII, including
19 employees, contractors and agents of its subcontractors and agents.

20 g. Cooperation with COUNTY. With respect to DHCS PI, to cooperate with and assist the
21 COUNTY to the extent necessary to ensure the DHCS's compliance with the applicable terms of the
22 CIPA including, but not limited to, accounting of disclosures of DHCS PI, correction of errors in DHCS
23 PI, production of DHCS PI, disclosure of a security Breach involving DHCS PI and notice of such
24 Breach to the affected individual(s).

25 h. Breaches and Security Incidents. During the term of the Contract, CONTRACTOR
26 agrees to implement reasonable systems for the discovery of any Breach of unsecured DHCS PI and PII
27 or security incident. CONTRACTOR agrees to give notification of any Breach of unsecured DHCS PI
28 and PII or security incident in accordance with Subparagraph F, of the Business Associate Contract,
29 Exhibit B to the Contract.

30 i. Designation of Individual Responsible for Security. CONTRACTOR shall designate an
31 individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for
32 carrying out the requirements of this Personal Information Privacy and Security Contract and for
33 communicating on security matters with the COUNTY.

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EXHIBIT 5

1 CONTRACT FOR PROVISION OF
2 BEHAVIORAL HEALTH EQUITY ASSESSMENT SERVICES
3 BETWEEN
4 COUNTY OF ORANGE
5 AND
6 MIND OC
7 DECEMBER 1, 2020 THROUGH NOVEMBER 30, 2022
8

9 THIS CONTRACT entered into this 1st day of December 2020, (effective date), is by and between
10 the COUNTY OF ORANGE, a political subdivision of the State of California (COUNTY) and
11 MIND OC, a California nonprofit corporation (CONTRACTOR). COUNTY and CONTRACTOR may
12 sometimes be referred to herein individually as "Party" or collectively as "Parties." This Contract shall
13 be administered by the Director of the COUNTY's Health Care Agency or an authorized designee
14 ("ADMINISTRATOR").
15

16 **W I T N E S S E T H:**
17

18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Behavioral
19 Health Equity Assessment Services described herein to the residents of Orange County; and

20 WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and
21 conditions hereinafter set forth:

22 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
23 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS**Term:** December 1, 2020 through November 30, 2022

Period One means the period from December 1, 2020 through November 30, 2021

Period Two means the period from December 1, 2021 through November 30, 2022

Maximum Obligation: Period One Maximum Obligation: \$200,000Period Two Maximum Obligation: 75,000

TOTAL MAXIMUM OBLIGATION: \$275,000

Basis for Reimbursement: Fixed Price**Payment Method:** Installments**CONTRACTOR DUNS Number:** 11-192-2215**CONTRACTOR TAX ID Number:** 82-3901590**Notices to COUNTY and CONTRACTOR:**

COUNTY: County of Orange
 Health Care Agency
 Contract Services
 405 West 5th Street, Suite 600
 Santa Ana, CA 92701-4637

CONTRACTOR: Mind OC
 18650 MacArthur Blvd., Suite 220
 Irvine, CA 92612
 Contact Name: Marshall Moncrief
 Contact e-mail: Marshall.Moncrief@Mind-OC.org

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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Contract:

A.	ARRA	American Recovery and Reinvestment Act of 2009
B.	CAP	Corrective Action Plan
C.	CCR	California Code of Regulations
D.	CFR	Code of Federal Regulations
E.	COI	Certificate of Insurance
F.	CSW	Clinical Social Worker
G.	DHCS	California Department of Health Care Services
H.	DRS	Designated Record Set
I.	EOC	Equal Opportunity Clause
J.	FTE	Full Time Equivalent
K.	GAAP	Generally Accepted Accounting Principles
L.	HCA	County of Orange Health Care Agency
M.	HHS	Federal Health and Human Services Agency
N.	HIPAA	Health Insurance Portability and Accountability Act of 1996, Public Law 104-191
O.	HSC	California Health and Safety Code
P.	IRIS	Integrated Records and Information System
Q.	MFT	Marriage and Family Therapist
R.	MH	Mental Health
S.	MHP	Mental Health Plan
T.	MHS	Mental Health Specialist
U.	MHSA	Mental Health Services Act
V.	MSN	Medical Safety Net
W.	NPI	National Provider Identifier
X.	OPM	Federal Office of Personnel Management
Y.	P&P	Policy and Procedure
Z.	PC	California Penal Code
AA.	PHI	Protected Health Information
AB.	PII	Personally Identifiable Information
AC.	PRA	California Public Records Act
AD.	SIR	Self-Insured Retention
AE.	SMA	Statewide Maximum Allowable (rate)
AF.	USC	United States Code
AG.	WIC	Women, Infants and Children

II. ALTERATION OF TERMS

A. This Contract, together with Exhibit A attached hereto and incorporated herein, fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject matter of this Contract.

B. Unless otherwise expressly stated in this Contract, no addition to, or alteration of the terms of this Contract or any Exhibit, whether written or verbal, made by the Parties, their officers, employees or agents shall be valid unless made in the form of a written amendment to this Contract, which has been formally approved and executed by both parties.

III. ASSIGNMENT OF DEBTS

Unless this Contract is followed without interruption by another Contract between the Parties hereto for the same services and substantially the same scope, at the termination of this Contract, CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of persons receiving services pursuant to this Contract. CONTRACTOR shall immediately notify by mail each of the respective Parties, specifying the date of assignment, the County of Orange as assignee, and the address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf of said persons, shall be immediately given to COUNTY.

IV. COMPLIANCE

A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for the purpose of ensuring adherence to all rules and regulations related to federal and state health care programs.

1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to General Compliance and Annual Provider Trainings.

2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own compliance program, code of conduct and any compliance related policies and procedures. CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall be verified by ADMINISTRATOR's Compliance Department to ensure they include all required elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to this Contract. These elements include:

- a. Designation of a Compliance Officer and/or compliance staff.
- b. Written standards, policies and/or procedures.
- c. Compliance related training and/or education program and proof of completion.
- d. Communication methods for reporting concerns to the Compliance Officer.
- e. Methodology for conducting internal monitoring and auditing.
- f. Methodology for detecting and correcting offenses.

g. Methodology/Procedure for enforcing disciplinary standards.

3. If CONTRACTOR does not provide proof of its own compliance program to ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of execution of this Contract a signed acknowledgement that CONTRACTOR will internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete ADMINISTRATOR's annual compliance training to ensure proper compliance.

4. If CONTRACTOR elects to have its own compliance program, code of conduct and any Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract. ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor's proposed compliance program and code of conduct contain all required elements to the ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and CONTRACTOR shall revise its compliance program and code of conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

5. Upon written confirmation from ADMINISTRATOR's compliance officer that the CONTRACTOR's compliance program, code of conduct and any compliance related policies and procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of CONTRACTOR's compliance program, code of conduct, related policies and procedures and contact information for the ADMINISTRATOR's Compliance Program.

B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Contract monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Contract. Screening shall be conducted against the General Services Administration's Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death Master File at date of employment, and/or any other list or system as identified by ADMINISTRATOR.

1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR. CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or

1 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
2 CONTRACTOR has elected to use its own).

3 2. An Ineligible Person shall be any individual or entity who:

4 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
5 federal and state health care programs; or

6 b. has been convicted of a criminal offense related to the provision of health care items or
7 services and has not been reinstated in the federal and state health care programs after a period of
8 exclusion, suspension, debarment, or ineligibility.

9 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
10 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
11 Contract.

12 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to
13 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its
14 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of
15 California health programs and have not been excluded or debarred from participation in any federal or
16 state health care programs, and to further represent to CONTRACTOR that they do not have any
17 Ineligible Person in their employ or under contract.

18 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any
19 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.
20 CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing
21 services directly relative to this Contract becomes debarred, excluded or otherwise becomes an Ineligible
22 Person.

23 6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal
24 and state funded health care services by contract with COUNTY in the event that they are currently
25 sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If
26 CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,
27 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY
28 business operations related to this Contract.

29 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
30 entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened.
31 Such individual or entity shall be immediately removed from participating in any activity associated with
32 this Contract. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to
33 CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall
34 promptly return any overpayments within forty-five (45) business days after the overpayment is verified
35 by ADMINISTRATOR.

36 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance
37 Training available to Covered Individuals.

1 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's
2 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;
3 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
4 representative to complete the General Compliance Training when offered.

5 2. Such training will be made available to Covered Individuals within thirty (30) calendar days
6 of employment or engagement.

7 3. Such training will be made available to each Covered Individual annually.

8 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
9 copies of training certification upon request.

10 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
11 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
12 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
13 CONTRACTOR shall provide copies of the certifications.

14 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
15 Provider Training, where appropriate, available to Covered Individuals.

16 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
17 Individuals relative to this Contract. This includes compliance with federal and state healthcare program
18 regulations and procedures or instructions otherwise communicated by regulatory agencies; including the
19 Centers for Medicare and Medicaid Services or their agents.

20 2. Such training will be made available to Covered Individuals within thirty (30) calendar days
21 of employment or engagement.

22 3. Such training will be made available to each Covered Individual annually.

23 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
24 provide copies of the certifications upon request.

25 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
26 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
27 group setting while CONTRACTOR shall retain the certifications. Upon written request by
28 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

29 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

30 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
31 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
32 and are consistent with federal, state and county laws and regulations. This includes compliance with
33 federal and state health care program regulations and procedures or instructions otherwise communicated
34 by regulatory agencies including the Centers for Medicare and Medicaid Services or their agents.

35 2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims
36 for payment or reimbursement of any kind.

37 3. CONTRACTOR shall bill only for those eligible services actually rendered which are also

1 fully documented. When such services are coded, CONTRACTOR shall use proper billing codes which
2 accurately describes the services provided and must ensure compliance with all billing and
3 documentation requirements.

4 4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in
5 coding of claims and billing, if and when, any such problems or errors are identified.

6 5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business
7 days after the overpayment is verified by the ADMINISTRATOR.

8 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and
9 participate in the quality improvement activities developed in the implementation of the Quality
10 Management Program.

11 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural
12 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
13 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
14 §1810.410.subds.(c)-(d).

15 F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a
16 breach of the Contract on the part of CONTRACTOR and grounds for COUNTY to terminate the
17 Contract. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty
18 (30) calendar days from the date of the written notice of default to cure any defaults grounded on this
19 Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Contract on the basis of
20 such default.

21 22 **V. CONFIDENTIALITY**

23 A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any
24 audio and/or video recordings, in accordance with all applicable federal, state and county codes and
25 regulations, as they now exist or may hereafter be amended or changed.

26 B. Prior to providing any services pursuant to this Contract, all members of the Board of Directors
27 or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns of the
28 CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the confidentiality of any and
29 all information and records which may be obtained in the course of providing such services. This
30 Contract shall specify that it is effective irrespective of all subsequent resignations or terminations of
31 CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees,
32 consultants, subcontractors, volunteers and interns.

33 34 **VI. CONFLICT OF INTEREST**

35 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions
36 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation
37 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of

1 goods and services provided under this Contract. CONTRACTOR's efforts shall include, but not be
2 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from
3 providing or offering gifts, entertainment, payments, loans or other considerations which could be
4 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of their
5 duties.

6 7 **VII. COST REPORT**

8 A. CONTRACTOR shall submit separate individual and/or consolidated Cost Reports for Period 1
9 and Period 2, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the
10 period for which they are prepared or termination of this Contract. CONTRACTOR shall prepare the
11 individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY
12 requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall
13 allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in
14 accordance with such requirements and consistent with prudent business practice, which costs and
15 allocations shall be supported by source documentation maintained by CONTRACTOR, and available at
16 any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple
17 Contracts for mental health services that are administered by HCA, consolidation of the individual Cost
18 Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR.
19 CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business
20 days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a
21 consolidated Cost Report.

22 1. If CONTRACTOR fails to submit an accurate and complete individual and/or consolidated
23 Cost Report within the time period specified above, ADMINISTRATOR shall have sole discretion to
24 impose one or both of the following:

25 a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each
26 business day after the above specified due date that the accurate and complete individual and/or
27 consolidated Cost Report is not submitted. Imposition of the late penalty shall be at the sole discretion of
28 the ADMINISTRATOR. The late penalty shall be assessed separately on each outstanding individual
29 and/or consolidated Cost Report due COUNTY by CONTRACTOR.

30 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
31 pursuant to any or all agreements between COUNTY and CONTRACTOR until such time that the
32 accurate and complete individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.

33 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
34 individual and/or consolidated Cost Report setting forth good cause for justification of the request.
35 Approval of such requests shall be at the sole discretion of ADMINISTRATOR and shall not be
36 unreasonably denied.

37 3. In the event that CONTRACTOR does not submit an accurate and complete individual

1 and/or consolidated Cost Report within one hundred and eighty (180) calendar days following the
2 termination of this Contract, and CONTRACTOR has not entered into a subsequent or new agreement
3 for any other services with COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the
4 term of the Contract shall be immediately reimbursed to COUNTY.

5 B. The individual and/or consolidated Cost Report prepared for each period shall be the final
6 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
7 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are
8 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The
9 individual and/or consolidated Cost Report shall be the final financial record for subsequent audits, if
10 any.

11 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
12 less applicable revenues and any late penalty, not to exceed COUNTY's Maximum Obligation as set
13 forth in the Referenced Contract Provisions of this Contract. CONTRACTOR shall not claim
14 expenditures to COUNTY which are not reimbursable pursuant to applicable federal, state and
15 COUNTY laws, regulations and requirements. Any payment made by COUNTY to CONTRACTOR,
16 which is subsequently determined to have been for an unreimbursable expenditure or service, shall be
17 repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30)
18 calendar days of submission of the individual and/or consolidated Cost Report or COUNTY may elect to
19 reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due
20 COUNTY.

21 D. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
22 services provided pursuant to this Contract, less applicable revenues and late penalty, are lower than the
23 aggregate of interim monthly payments to CONTRACTOR, CONTRACTOR shall remit the difference
24 to COUNTY. Such reimbursement shall be made, in cash, or other authorized form of payment, with the
25 submission of the individual and/or consolidated Cost Report. If such reimbursement is not made by
26 CONTRACTOR within thirty (30) calendar days after submission of the individual and/or consolidated
27 Cost Report, COUNTY may, in addition to any other remedies, reduce any amount owed
28 CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

29 E. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
30 services provided pursuant to this Contract, less applicable revenues and late penalty, are higher than the
31 aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR the
32 difference, provided such payment does not exceed the Maximum Obligation of COUNTY.

33 F. Unless approved by ADMINISTRATOR, costs that exceed the Statewide Maximum Allowance
34 (SMA) rates per Medi-Cal Unit of Services, as determined by the DHCS, shall be unreimbursable to
35 CONTRACTOR.

36 G. In the event that CONTRACTOR is authorized to retain unanticipated revenues as described in
37 the Budget Paragraph of Exhibit A to this Contract, CONTRACTOR shall specify in the individual

1 and/or consolidated Cost Report the services rendered with such revenues.

2 H. All Cost Reports shall contain the following attestation, which may be typed directly on or
3 attached to the Cost Report:

4
5 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and
6 supporting documentation prepared by _____ for the cost report period
7 beginning _____ and ending _____ and that, to the best of my
8 knowledge and belief, costs reimbursed through this Contract are reasonable and
9 allowable and directly or indirectly related to the services provided and that this Cost
10 Report is a true, correct, and complete statement from the books and records of
11 (provider name) in accordance with applicable instructions, except as noted. I also
12 hereby certify that I have the authority to execute the accompanying Cost Report.

13
14 Signed _____
15 Name _____
16 Title _____
17 Date _____"

18 19 **VIII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS**

20 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without
21 prior written consent of COUNTY. CONTRACTOR shall provide written notification of
22 CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to
23 ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation.
24 Any attempted assignment or delegation in derogation of this paragraph shall be void.

25 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's
26 business prior to completion of this Contract, and COUNTY agrees to an assignment of the Contract, the
27 new owners shall be required under the terms of sale or other instruments of transfer to assume
28 CONTRACTOR's duties and obligations contained in this Contract and complete them to the
29 satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in
30 part, without the prior written consent of COUNTY.

31 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to
32 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%) of
33 the composition of the Board of Directors within a two (2) month period of time, shall be deemed an
34 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
35 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
36 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

37 2. If CONTRACTOR is a for-profit organization, any change in the business structure,

1 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of
2 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
3 change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR
4 at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or
5 delegation in derogation of this subparagraph shall be void.

6 3. If CONTRACTOR is a governmental organization, any change to another structure,
7 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board
8 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an
9 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of this
10 subparagraph shall be void.

11 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
12 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
13 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
14 the effective date of the assignment.

15 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
16 CONTRACTOR shall provide written notification within thirty (30) calendar days to
17 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
18 governing body of CONTRACTOR at one time.

19 6. COUNTY reserves the right to immediately terminate the Contract in the event COUNTY
20 determines, in its sole discretion, that the assignee is not qualified or is otherwise unacceptable to
21 COUNTY for the provision of services under the Contract.

22 C. CONTRACTOR's obligations undertaken pursuant to this Contract may be carried out by means
23 of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR, meet the
24 requirements of this Contract as they relate to the service or activity under subcontract, include any
25 provisions that ADMINISTRATOR may require, and are authorized in writing by ADMINISTRATOR
26 prior to the beginning of service delivery.

27 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
28 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
29 subsequently fails to meet the requirements of this Contract or any provisions that ADMINISTRATOR
30 has required. ADMINISTRATOR may disallow subcontractor expenses reported by CONTRACTOR.

31 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
32 pursuant to this Contract.

33 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR, amounts
34 claimed for subcontracts not approved in accordance with this paragraph.

35 4. This provision shall not be applicable to service agreements usually and customarily entered
36 into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services
37 provided by consultants.

D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's status with respect to name changes that do not require an assignment of the Contract. CONTRACTOR is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party to any litigation against COUNTY, or a party to litigation that may reasonably affect the CONTRACTOR's performance under the Contract, as well as any potential conflicts of interest between CONTRACTOR and County that may arise prior to or during the period of Contract performance. While CONTRACTOR will be required to provide this information without prompting from COUNTY any time there is a change in CONTRACTOR's name, conflict of interest or litigation status, CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever requested by COUNTY.

IX. DISPUTE RESOLUTION

A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be brought to the attention of the COUNTY Purchasing Agency by way of the following process:

1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless COUNTY, on its own initiative, has already rendered such a final decision.

2. CONTRACTOR's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, CONTRACTOR shall include with the demand a written statement signed by an authorized representative indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which CONTRACTOR believes COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, CONTRACTOR agrees to proceed diligently with the performance of services secured via this Contract, including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed diligently shall be considered a material breach of this Contract.

C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final decision adverse to CONTRACTOR's contentions.

D. This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically

1 agree to waive any and all rights to request that an action be transferred for adjudication to another
2 county.

3
4 **X. EMPLOYEE ELIGIBILITY VERIFICATION**

5 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and regulations
6 regarding the employment of aliens and others and to ensure that employees, subcontractors, and
7 consultants performing work under this Contract meet the citizenship or alien status requirement set forth
8 in federal statutes and regulations. CONTRACTOR shall obtain, from all employees, subcontractors,
9 and consultants performing work hereunder, all verification and other documentation of employment
10 eligibility status required by federal or state statutes and regulations including, but not limited to, the
11 Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently exist and as they
12 may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered
13 employees, subcontractors, and consultants for the period prescribed by the law.

14
15 **XI. EQUIPMENT**

16 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
17 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
18 ADMINISTRATOR to assist in performing the services described in this Contract. "Relatively
19 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000 or
20 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital
21 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and
22 other taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain PHI
23 or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to
24 phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of
25 Equipment purchased, in whole or in part, with funds paid pursuant to this Contract shall be depreciated
26 according to GAAP.

27 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any
28 Equipment with funds paid pursuant to this Contract. Upon delivery of Equipment, CONTRACTOR
29 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
30 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
31 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
32 purchased asset in an Equipment inventory.

33 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to COUNTY
34 the cost of the approved Equipment purchased by CONTRACTOR. To "expense," in relation to
35 Equipment, means to charge the proportionate cost of Equipment in the fiscal year in which it is
36 purchased. Title of expensed Equipment shall be vested with COUNTY.

37 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part with

1 funds paid through this Contract, including date of purchase, purchase price, serial number, model and
2 type of Equipment. Such inventory shall be available for review by ADMINISTRATOR, and shall
3 include the original purchase date and price, useful life, and balance of depreciated Equipment cost, if
4 any.

5 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical
6 inventories of all Equipment. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any
7 or all Equipment to COUNTY.

8 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
9 approved by ADMINISTRATOR and the Notices Paragraph of this Contract. In addition,
10 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
11 Equipment are moved from one location to another or returned to COUNTY as surplus.

12 G. Unless this Contract is followed without interruption by another agreement between the Parties
13 for substantially the same type and scope of services, at the termination of this Contract for any
14 cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through this
15 Contract.

16 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the proper
17 use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

18 **XII. FACILITIES, PAYMENTS AND SERVICES**

19 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
20 with this Contract. COUNTY shall compensate, and authorize, when applicable, said services.
21 CONTRACTOR shall operate continuously throughout the term of this Contract with at least the
22 minimum number and type of staff which meet applicable federal and state requirements, and which are
23 necessary for the provision of the services hereunder.

24 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
25 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation for
26 the appropriate Period as well as the Total Maximum Obligation. The reduction to the Maximum
27 Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an amount
28 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
29 services, staffing, facilities or supplies.

30 **XIII. INDEMNIFICATION AND INSURANCE**

31 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
32 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
33 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
34 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
35 including but not limited to personal injury or property damage, arising from or related to the services,
36
37

1 products or other performance provided by CONTRACTOR pursuant to this Contract. If judgment is
2 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
3 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
4 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request
5 a jury apportionment.

6 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to purchase all
7 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary
8 to satisfy COUNTY that the insurance provisions of this Contract have been complied with.
9 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on
10 deposit with COUNTY during the entire term of this Contract. In addition, all subcontractors performing
11 work on behalf of CONTRACTOR pursuant to this Contract shall obtain insurance subject to the same
12 terms and conditions as set forth herein for CONTRACTOR.

13 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of
14 CONTRACTOR pursuant to this Contract shall be covered under CONTRACTOR's insurance as an
15 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for
16 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less
17 than the level of coverage required by COUNTY from CONTRACTOR under this Contract. It is the
18 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and
19 to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance
20 must be maintained by CONTRACTOR through the entirety of this Contract for inspection by COUNTY
21 representative(s) at any reasonable time.

22 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand
23 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of
24 CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved,
25 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this
26 Contract, agrees to all of the following:

27 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all
28 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or
29 subcontractor's performance of this Contract, CONTRACTOR shall defend the COUNTY at its sole cost
30 and expense with counsel approved by Board of Supervisors against same; and

31 2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any
32 duty to indemnify or hold harmless; and

33 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to
34 which the duty to defend stated above applies, and the CONTRACTOR's SIR provision shall be
35 interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

36 E. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of
37 this Contract, the COUNTY may terminate this Contract.

1 F. QUALIFIED INSURER

2 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of
3 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current
4 edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred,
5 but not mandatory, that the insurer be licensed to do business in the state of California (California
6 Admitted Carrier).

7 2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of
8 Risk Management retains the right to approve or reject a carrier after a review of the company's
9 performance and financial ratings.

10 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
11 limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims made
Professional Liability Insurance	\$1,000,000 per claims -made \$1,000,000 aggregate

32 H. REQUIRED COVERAGE FORMS

33 1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a
34 substitute form providing liability coverage at least as broad.

35 2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01,
36 CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

37 I. REQUIRED ENDORSEMENTS

1 1. The Commercial General Liability policy shall contain the following endorsements, which
2 shall accompany the COI:

3 a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least
4 as broad naming the ***County of Orange, its elected and appointed officials, officers, agents and***
5 ***employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY***
6 ***WRITTEN AGREEMENT***.

7 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at
8 least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-
9 insurance maintained by the County of Orange shall be excess and non-contributing.

10 2. The Network Security and Privacy Liability policy shall contain the following endorsements
11 which shall accompany the COI:

12 a. An Additional Insured endorsement naming the ***County of Orange, its elected and***
13 ***appointed officials, officers, agents and employees*** as Additional Insureds for its vicarious liability.

14 b. A primary and non-contributing endorsement evidencing that the Contractor's insurance
15 is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and
16 non-contributing.

17 J. All insurance policies required by this Contract shall waive all rights of subrogation against the
18 County of Orange, its elected and appointed officials, officers, agents and employees when acting within
19 the scope of their appointment or employment.

20 K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving
21 all rights of subrogation against the ***County of Orange, its elected and appointed officials,***
22 ***officers, agents and employees***, or provide blanket coverage, which will state ***AS REQUIRED BY***
23 ***WRITTEN AGREEMENT***.

24 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy
25 cancellation and within ten (10) days for non-payment of premium and provide a copy of the cancellation
26 notice to COUNTY. Failure to provide written notice of cancellation shall constitute a breach of
27 CONTRACTOR's obligation hereunder and ground for COUNTY to suspend or terminate this Contract.

28 M. If CONTRACTOR's Professional Liability and/or Network Security & Privacy Liability are
29 "Claims-Made" policies, CONTRACTOR shall agree to maintain coverage for two (2) years following
30 the completion of the Contract.

31 N. The Commercial General Liability policy shall contain a "severability of interests" clause also
32 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

33 O. Insurance certificates should be forwarded to the agency/department address listed on the
34 solicitation.

35 P. If the Contractor fails to provide the insurance certificates and endorsements within seven (7)
36 days of notification by CEO/Purchasing or the agency/department purchasing division, award may be
37 made to the next qualified vendor.

1 Q. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
2 insurance of any of the above insurance types throughout the term of this Contract. Any increase or
3 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately
4 protect COUNTY.

5 R. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
6 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with
7 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, this
8 Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to
9 all legal remedies.

10 S. The procuring of such required policy or policies of insurance shall not be construed to limit
11 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
12 this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

13 T. SUBMISSION OF INSURANCE DOCUMENTS

14 1. The COI and endorsements shall be provided to COUNTY as follows:
15 a. Prior to the start date of this Contract.
16 b. No later than the expiration date for each policy.
17 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
18 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

19 2. The COI and endorsements shall be provided to the COUNTY at the address as specified in
20 the Referenced Contract Provisions of this Contract.

21 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
22 provisions stipulated in this Contract by the above specified due dates, ADMINISTRATOR shall have
23 sole discretion to impose one or both of the following:

24 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
25 pursuant to any and all Contracts between COUNTY and CONTRACTOR until such time that the
26 required COI and endorsements that meet the insurance provisions stipulated in this Contract are
27 submitted to ADMINISTRATOR.

28 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
29 COI or endorsement for each business day, pursuant to any and all Contracts between COUNTY and
30 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
31 provisions stipulated in this Contract are submitted to ADMINISTRATOR.

32 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
33 CONTRACTOR's monthly invoice.

34 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
35 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
36 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.
37

XIV. INSPECTIONS AND AUDITS

A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any other of their authorized representatives, shall to the extent permissible under applicable law have access to any books, documents, and records, including but not limited to, financial statements, general ledgers, relevant accounting systems, medical and Client records, of CONTRACTOR that are directly pertinent to this Contract, for the purpose of responding to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in which they are provided.

B. CONTRACTOR shall actively participate and cooperate with any person specified in Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this Contract, and shall provide the above mentioned persons adequate office space to conduct such evaluation or monitoring.

C. AUDIT RESPONSE

1. Following an audit report, in the event of non-compliance with applicable laws and regulations governing funds provided through this Contract, COUNTY may terminate this Contract as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement appropriate corrective action. A CAP shall be submitted to ADMINISTRATOR in writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR.

2. If the audit reveals that money is payable from one Party to the other, that is, reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60) calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within fourteen (14) calendar days of receipt.

E. CONTRACTOR shall forward to ADMINISTRATOR a copy of any audit report within fourteen (14) calendar days of receipt. Such audit shall include, but not be limited to, management, financial, programmatic or any other type of audit of CONTRACTOR's operations, whether or not the cost of such operation or audit is reimbursed in whole or in part through this Contract.

XV. LICENSES AND LAWS

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Contract, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Contract.

B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and requirements shall include, but not be limited to, the following:

1. ARRA of 2009.
2. Trafficking Victims Protection Act of 2000.
3. WIC, Division 5, Community Mental Health Services.
4. WIC, Division 6, Admissions and Judicial Commitments.
5. WIC, Division 7, Mental Institutions.
6. HSC, §§1250 et seq., Health Facilities.
7. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
8. CCR, Title 9, Rehabilitative and Developmental Services.
9. CCR, Title 17, Public Health.
10. CCR, Title 22, Social Security.
11. CFR, Title 42, Public Health.
12. CFR, Title 45, Public Welfare.
13. USC Title 42. Public Health and Welfare.
14. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
15. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
16. 42 USC §1857, et seq., Clean Air Act.
17. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
18. 31 USC 7501.70, Federal Single Audit Act of 1984.
19. Policies and procedures set forth in Mental Health Services Act.
20. Policies and procedures set forth in DHCS Letters.
21. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
22. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. CONTRACTOR shall at all times be capable and authorized by the State of California to provide treatment and bill for services provided to Medi-Cal eligible clients while working under the

1 terms of this Contract.

2 D. CONTRACTOR shall make every reasonable effort to obtain appropriate licenses and/or
3 waivers to provide Medi-Cal billable treatment services at school or other sites requested by
4 ADMINISTRATOR.

5
6 **XVI. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

7 A. Any written information or literature, including educational or promotional materials, distributed
8 by CONTRACTOR to any person or organization for purposes directly or indirectly related to this
9 Contract must be approved at least thirty (30) days in advance and in writing by ADMINISTRATOR
10 before distribution. For the purposes of this Contract, distribution of written materials shall include, but
11 not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads, and electronic media such as
12 the Internet.

13 B. Any advertisement through radio, television broadcast, or the Internet, for educational or
14 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this
15 Contract must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

16 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
17 available social media sites) in support of the services described within this Contract, CONTRACTOR
18 shall develop social media policies and procedures and have them available to ADMINISTRATOR upon
19 reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used
20 to either directly or indirectly support the services described within this Contract. CONTRACTOR shall
21 comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media
22 developed in support of the services described within this Contract. CONTRACTOR shall also
23 include any required funding statement information on social media when required by
24 ADMINISTRATOR.

25 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement by
26 COUNTY, unless ADMINISTRATOR consents thereto in writing.

27
28 **XVII. MAXIMUM OBLIGATION**

29 A. The Total Maximum Obligation of COUNTY for services provided in accordance with this
30 Contract and the separate Maximum Obligations, are as specified in the Referenced Contract Provisions
31 of this Contract, except as allowed for in Subparagraph B. below.

32 B. ADMINISTRATOR may amend the Maximum Obligation by an amount not to exceed ten
33 percent (10%) of the first full year of funding for this Contract.

34
35 **XVIII. MINIMUM WAGE LAWS**

36 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
37 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the

1 federal or California Minimum Wage to all its employees that directly or indirectly provide services
 2 pursuant to this Contract, in any manner whatsoever. CONTRACTOR shall require and verify that all its
 3 contractors or other persons providing services pursuant to this Contract on behalf of CONTRACTOR
 4 also pay their employees no less than the greater of the federal or California Minimum Wage.

5 B. CONTRACTOR shall comply and verify that its contractors comply with all other federal and
 6 State of California laws for minimum wage, overtime pay, record keeping, and child labor standards
 7 pursuant to providing services pursuant to this Contract.

8 C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR,
 9 where applicable, shall comply with the prevailing wage and related requirements, as provided for in
 10 accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the
 11 State of California (§§1770, et seq.), as it now exists or may hereafter be amended.

12 13 **XIX. NONDISCRIMINATION**

14 **A. EMPLOYMENT**

15 1. During the term of this Contract, CONTRACTOR and its Covered Individuals (as defined in
 16 the "Compliance" paragraph of this Contract) shall not unlawfully discriminate against any employee or
 17 applicant for employment because of his/her race, religious creed, color, national origin, ancestry,
 18 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,
 19 gender identity, gender expression, age, sexual orientation, or military and veteran status. Additionally,
 20 during the term of this Contract, CONTRACTOR and its Covered Individuals shall require in its
 21 subcontracts that subcontractors shall not unlawfully discriminate against any employee or applicant for
 22 employment because of his/her race, religious creed, color, national origin, ancestry,
 23 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,
 24 gender identity, gender expression, age, sexual orientation, or military and veteran status.

25 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
 26 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or
 27 recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection
 28 for training, including apprenticeship.

29 3. CONTRACTOR shall not discriminate between employees with spouses and employees
 30 with domestic partners, or discriminate between domestic partners and spouses of those employees, in
 31 the provision of benefits.

32 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
 33 employment, notices from ADMINISTRATOR and/or the United States Equal Employment Opportunity
 34 Commission setting forth the provisions of the EOC.

35 5. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR
 36 and/or subcontractor shall state that all qualified applicants will receive consideration for employment
 37 without regard to race, religious creed, color, national origin, ancestry, physical disability, mental

1 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
2 expression, age, sexual orientation, or military and veteran status. Such requirements shall be deemed
3 fulfilled by use of the term EOE.

4 6. Each labor union or representative of workers with which CONTRACTOR and/or
5 subcontractor has a collective bargaining agreement or other contract or understanding must post a notice
6 advising the labor union or workers' representative of the commitments under this Nondiscrimination
7 Paragraph and shall post copies of the notice in conspicuous places, available to employees and
8 applicants for employment.

9 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
10 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
11 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability,
12 medical condition, genetic information, marital status, sex, gender, gender identity, gender expression,
13 age, sexual orientation, or military and veteran status in accordance with Title IX of the Education
14 Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964
15 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6,
16 Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information Nondiscrimination Act of
17 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated
18 pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be
19 hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, discrimination
20 includes, but is not limited to the following based on one or more of the factors identified above:

- 21 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 22 2. Providing any service or benefit to a Client which is different or is provided in a different
23 manner or at a different time from that provided to other Clients.
- 24 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
25 others receiving any service and/or benefit.
- 26 4. Treating a Client differently from others in satisfying any admission requirement or
27 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
28 any service and/or benefit.
- 29 5. Assignment of times or places for the provision of services.

30 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all Clients
31 through a written statement that CONTRACTOR's and/or subcontractor's Clients may file all complaints
32 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
33 ADMINISTRATOR.

34 1. Whenever possible, problems shall be resolved at the point of service. CONTRACTOR
35 shall establish an internal informal problem resolution process for Clients not able to resolve such
36 problems at the point of service. Clients may initiate a grievance or complaint directly with
37 CONTRACTOR either orally or in writing.

1 a. COUNTY shall establish a formal resolution and grievance process in the event
2 informal processes do not yield a resolution.

3 b. Throughout the problem resolution and grievance process, Client rights shall be
4 maintained, including access to the COUNTY's Patients' Rights Office at any point in the process.
5 Clients shall be informed of their right to access the COUNTY's Patients' Rights Office at any time.

6 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as
7 to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right to
8 request a State Fair Hearing.

9 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
10 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
11 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended (42
12 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
13 discrimination against qualified persons with disabilities in all programs or activities, and if applicable,
14 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together
15 with succeeding legislation.

16 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
17 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
18 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
19 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to enforce
20 rights secured by federal or state law.

21 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and state
22 law, this Contract may be canceled, terminated or suspended in whole or in part and CONTRACTOR or
23 subcontractor may be declared ineligible for further contracts involving federal, state or COUNTY funds.

24 **XX. NOTICES**

25 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
26 authorized or required by this Contract shall be effective:
27

28 1. When written and deposited in the United States mail, first class postage prepaid and
29 addressed as specified in the Referenced Contract Provisions of this Contract or as otherwise directed by
30 ADMINISTRATOR;

31 2. When faxed, transmission confirmed;

32 3. When sent by Email; or

33 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
34 Service, or other expedited delivery service.

35 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
36 this Contract or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
37 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United

1 Parcel Service, or other expedited delivery service.

2 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
3 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
4 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
5 damage to any COUNTY property in possession of CONTRACTOR.

6 D. For purposes of this Contract, any notice to be provided by COUNTY may be given by
7 ADMINISTRATOR.

8 9 **XXI. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

10 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in
11 whole or part by the COUNTY, except for those events or meetings that are intended solely to serve
12 clients or occur in the normal course of business.

13 B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance of
14 any applicable public event or meeting. The notification must include the date, time, duration, location
15 and purpose of public event or meeting. Any promotional materials or event related flyers must be
16 approved by ADMINISTRATOR prior to distribution.

17 18 **XXII. RECORDS MANAGEMENT AND MAINTENANCE**

19 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of
20 this Contract, prepare, maintain and manage records appropriate to the services provided and in
21 accordance with this Contract and all applicable requirements.

22 1. CONTRACTOR shall maintain records that are adequate to substantiate the services for
23 which claims are submitted for reimbursement under this Contract and the charges thereto. Such records
24 shall include, but not be limited to, individual patient charts and utilization review records.

25 2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN
26 Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was
27 rendered, and such additional information as ADMINISTRATOR or DHCS may require.

28 3. CONTRACTOR shall maintain books, records, documents, accounting procedures and
29 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature
30 claimed to have been incurred in the performance of this Contract and in accordance with Medicare
31 principles of reimbursement and GAAP.

32 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
33 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
34 necessity of the service, and the quality of care provided. Records shall be maintained in accordance
35 with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

36 B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards
37 to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of PHI in

1 violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the extent
2 practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal or state
3 regulations and/or COUNTY policies.

4 C. CONTRACTOR's participant, client, and/or patient records shall be maintained in a secure
5 manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish and
6 implement written record management procedures.

7 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
8 termination of the contract, unless a longer period is required due to legal proceedings such as litigations
9 and/or settlement of claims.

10 E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years following
11 discharge of the participant, client and/or patient.

12 F. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
13 billings, and revenues available at one (1) location within the limits of the County of Orange. If
14 CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide
15 written approval to CONTRACTOR to maintain records in a single location, identified by
16 CONTRACTOR.

17 G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
18 of, this Contract, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all
19 information that is requested by the PRA request.

20 H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that
21 clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or
22 request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records
23 maintained by or for a covered entity that is:

24 1. The medical records and billing records about individuals maintained by or for a covered
25 health care provider;

26 2. The enrollment, payment, claims adjudication, and case or medical management record
27 systems maintained by or for a health plan; or

28 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

29 I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance
30 with the terms of this Contract and common business practices. If documentation is retained
31 electronically, CONTRACTOR shall, in the event of an audit or site visit:

32 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit
33 or site visit.

34 2. Provide auditor or other authorized individuals access to documents via a computer terminal.

35 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
36 requested.

37 J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and

1 security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or security
2 of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law or
3 regulation, and copy ADMINISTRATOR on such notifications.

4 K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or
5 security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall
6 pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

8 **XXIII. RESEARCH AND PUBLICATION**

9 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of,
10 or developed, as a result of this Contract for the purpose of personal or professional research, or for
11 publication.

13 **XXIV. SEVERABILITY**

14 If a court of competent jurisdiction declares any provision of this Contract or application thereof to
15 any person or circumstances to be invalid or if any provision of this Contract contravenes any federal,
16 state or county statute, ordinance, or regulation, the remaining provisions of this Contract or the
17 application thereof shall remain valid, and the remaining provisions of this Contract shall remain in full
18 force and effect, and to that extent the provisions of this Contract are severable.

20 **XXV. SPECIAL PROVISIONS**

21 A. CONTRACTOR shall not use the funds provided by means of this Contract for the following
22 purposes:

- 23 1. Making cash payments to intended recipients of services through this Contract.
- 24 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
25 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use
26 of appropriated funds to influence certain federal contracting and financial transactions).
- 27 3. Fundraising.
- 28 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
29 CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of
30 Directors or governing body.
- 31 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body
32 for expenses or services.
- 33 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
34 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
35 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 36 7. Paying an individual salary or compensation for services at a rate in excess of the current
37 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary

1 Schedule may be found at www.opm.gov.

2 8. Severance pay for separating employees.

3 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
4 codes and obtaining all necessary building permits for any associated construction.

5 10. Supplanting current funding for existing services.

6 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
7 shall not use the funds provided by means of this Contract for the following purposes:

8 1. Funding travel or training (excluding mileage or parking).

9 2. Making phone calls outside of the local area unless documented to be directly for the
10 purpose of Client care.

11 3. Payment for grant writing, consultants, certified public accounting, or legal services.

12 4. Purchase of artwork or other items that are for decorative purposes and do not directly
13 contribute to the quality of services to be provided pursuant to this Contract.

14 5. Purchasing or improving land, including constructing or permanently improving any
15 building or facility, except for tenant improvements.

16 6. Providing inpatient hospital services or purchasing major medical equipment.

17 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
18 funds (matching).

19 8. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
20 CONTRACTOR's Clients.

21 **XXVI. STATUS OF CONTRACTOR**

22
23 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be
24 wholly responsible for the manner in which it performs the services required of it by the terms of this
25 Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and
26 consultants employed by CONTRACTOR. This Contract shall not be construed as creating the
27 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR
28 or any of CONTRACTOR's employees, agents, consultants, volunteers, interns, or subcontractors.
29 CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants,
30 volunteers, interns, or subcontractors as they relate to the services to be provided during the course and
31 scope of their employment. CONTRACTOR, its agents, employees, consultants, volunteers, interns, or
32 subcontractors, shall not be entitled to any rights or privileges of COUNTY's employees and shall not be
33 considered in any manner to be COUNTY's employees.

34 **XXVII. TERM**

35
36 A. The term of this Contract shall commence as specified in the Referenced Contract Provisions of
37 this Contract. This Contract shall terminate as specified in the Referenced Contract Provisions of this

Contract unless otherwise sooner terminated as provided in this Contract. CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting, and accounting.

B. Any administrative duty or obligation to be performed pursuant to this Contract on a weekend or holiday may be performed on the next regular business day.

XXVIII. TERMINATION

A. CONTRACTOR shall be responsible for meeting all programmatic and administrative contracted objectives and requirements as indicated in this Agreement. CONTRACTOR shall be subject to the issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not meet goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe as determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved and/or the Agreement could be terminated.

B. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence of any of the following events:

1. The loss by CONTRACTOR of legal capacity.
2. Cessation of services.
3. The delegation or assignment of CONTRACTOR's services, operation or administration to another entity without the prior written consent of COUNTY.
4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty required pursuant to this Agreement.
5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this Agreement.
6. The continued incapacity of any physician or licensed person to perform duties required pursuant to this Agreement.
7. Unethical conduct or malpractice by any physician or licensed person providing services pursuant to this Agreement; provided, however, COUNTY may waive this option if CONTRACTOR removes such physician or licensed person from serving persons treated or assisted pursuant to this Agreement.

C. CONTINGENT FUNDING

1. Any obligation of COUNTY under this Agreement is contingent upon the following:
 - a. The continued availability of federal, state and county funds for reimbursement of COUNTY's expenditures, and
 - b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s) approved by the Board of Supervisors.
2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend, terminate or renegotiate this Agreement upon thirty (30) calendar days' written notice given

1 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated
2 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

3 D. In the event this Agreement is suspended or terminated prior to the completion of the term as
4 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its
5 sole discretion, reduce the Not To Exceed Amount of this Agreement to be consistent with the reduced
6 term of the Agreement.

7 E. In the event this Agreement is terminated CONTRACTOR shall do the following:

8 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which is
9 consistent with recognized standards of quality care and prudent business practice.

10 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
11 performance during the remaining contract term.

12 3. Until the date of termination, continue to provide the same level of service required by this
13 Agreement.

14 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
15 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an
16 orderly transfer.

17 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
18 Client's best interests.

19 6. If records are to be transferred to COUNTY, pack and label such records in accordance with
20 directions provided by ADMINISTRATOR.

21 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
22 supplies purchased with funds provided by COUNTY.

23 8. To the extent services are terminated, cancel outstanding commitments covering the
24 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
25 commitments which relate to personal services. With respect to these canceled commitments,
26 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
27 arising out of such cancellation of commitment which shall be subject to written approval of
28 ADMINISTRATOR.

29 9. Provide written notice of termination of services to each Client being served under this
30 Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
31 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendars
32 day period.

33 F. COUNTY may terminate this Agreement, without cause, upon thirty (30) calendar days' written
34 notice. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
35 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

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XXIX. THIRD PARTY BENEFICIARY

Neither party hereto intends that this Contract shall create rights hereunder in third parties including, but not limited to, any subcontractors or any Clients provided services pursuant to this Contract.

XXX. WAIVER OF DEFAULT OR BREACH

Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default or any breach by CONTRACTOR shall not be considered a modification of the terms of this Contract.

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1 IN WITNESS WHEREOF, the Parties have executed this Contract, in the County of Orange, State of
2 California.

3
4 MIND OC

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6 DocuSigned by:
7 BY: Marshall Moncrief
8 623CDA88DB3543E...

DATED: 12/29/2020

9
10 TITLE: CEO MIND OC
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18 COUNTY OF ORANGE

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20 DocuSigned by:
21 BY: Kurt Nelson
22 0878904D515B4EB
HEALTH CARE AGENCY

DATED: 12/29/2020

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35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or
36 any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.
37 If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the board of directors
has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR.

EXHIBIT A
TO CONTRACT FOR PROVISION OF
BEHAVIORAL HEALTH EQUITY ASSESSMENT SERVICES
BETWEEN
COUNTY OF ORANGE
AND
MINDOC
DECEMBER 1, 2020 THROUGH NOVEMBER 30, 2022

I. COMMON TERMS AND DEFINITIONS

A. The parties agree to the following terms and definitions, and to those terms and definitions which, for convenience, are set forth elsewhere in the Contract.

1. Admission means documentation, by CONTRACTOR, of completion of the entry and evaluation documents into the ADMINISTRATOR's IRIS or other database as approved by administrator.

2. At Risk means a state of high stress and low protective factor that would increase likelihood of development of a mental illness.

3. Behavioral Health Condition means diminished cognitive, emotional, or social abilities, but not to the extent that the criteria for a mental disorder are met.

4. Best Practices means a term that is often used inter-changeably with "evidence-based practice" and is best defined as an "umbrella" term for three levels of practice, measured in relation to Recovery-consistent mental health practices where the Recovery process is supported with scientific intervention that best meets the needs of the individual at this time.

a. EBP means Evidence-Based Practices and refers to the interventions utilized for which there is consistent scientific evidence showing they improved individual outcomes and meets the following criteria: it has been replicated in more than one geographic or practice setting with consistent results; it is recognized in scientific journals by one or more published articles; it has been documented and put into manual forms; it produces specific outcomes when adhering to the fidelity of the model.

b. Promising Practices means that experts believe the practices are likely to be raised to the next level when scientific studies can be conducted and are supported by some body of evidence, (evaluation studies or expert consensus in reviewing outcome data); it has been endorsed by recognized bodies of advocacy organizations and finally, produces specific outcomes.

c. Emerging Practices means that the practice(s) seems like a logical approach to addressing a specific behavior which is becoming distinct, recognizable among individuals and clinicians in practice, or innovators in academia or policy makers; and at least one recognized expert, group of researchers or other credible individuals have endorsed the practice as worthy of attention based on outcomes; and finally, it produces specific outcomes.

1 5. Collaboration means a process of participation through which groups, agencies, coalitions
2 and/ or task forces work together in a beneficial and well-defined relationship towards the service goals.

3 6. Community Planning Meetings, referred to as Community Listening Sessions in this
4 Contract, means meetings that are actively facilitated by the CONTRACTOR for the purpose of
5 gathering feedback from local stakeholders, including consumers/clients, family members, community-
6 based behavioral health providers, COUNTY staff and other individuals related to the services described
7 under this Contract.

8 7. Data Mining and Analysis Specialist means a person who is responsible for ensuring the
9 program maintains a focus on outcomes, by reviewing outcomes, and analyzing data as well as working
10 on strategies for gathering new data from the individuals' perspective, which will improve
11 understanding of individuals' needs and desires towards furthering their Recovery. This individual will
12 provide feedback to the program and work collaboratively with other staff in the program in strategizing
13 improved outcomes in these areas. This position will be responsible for attending all data and outcome
14 related meetings and ensuring that program is being proactive in all data collection requirements and
15 changes at the local and state level.

16 8. DHCS means Department of Health Care Service and refers to the California Health and
17 Human Services Agency that finances and administers a number of individual health care service
18 delivery programs, including Medi-Cal, which provides health care services to low-income people.

19 9. Engagement means the process by which a trusting relationship between worker and
20 individual(s) is established with the goal to link the individual(s) to the appropriate services.
21 Engagement of individual(s) is the objective of a successful Outreach.

22 10. Evaluation means systematic collection, analysis, and use of program information for
23 monitoring, improving programs, assessing Outcomes, planning, and policy-making in relation to this
24 Contract.

25 11. Family Member means any traditional and/ or non-traditional support system, significant
26 other, or natural support designated by the Participant.

27 12. Intern means an individual enrolled in an accredited graduate program accumulating
28 clinically supervised work experience hours as part of fieldwork, internship, or practicum requirements.
29 Acceptable graduate programs include all programs that assist the student in meeting the educational
30 requirements in becoming a MFT, a licensed CSW, or a licensed Clinical Psychologist.

31 13. Information Dissemination means the distribution of a collection of facts or data.

32 14. Level of Well-being means the state of satisfaction, happiness, and/or in control that a
33 participant feels about his/her present situation/condition as measured by a validated instrument/scale.

34 15. Linkage means when an individual is connected to programs or services through warm
35 hand-off or follow-up to ensure connection is made.

36 16. Mental Health Field means a business or service providing mental health Outreach,
37 Assessment, or treatment services to mental health Participants, or providing housing, educational,

1 counseling, employment, recreational or social services to mental health Participants.

2 17. Mental Health Services means interventions designed to provide the maximum reduction of
3 mental disability and restoration or maintenance of functioning consistent with the requirements for
4 learning, development and enhanced self-sufficiency.

5 18. Media Events means culturally relevant activities conducted by CONTRACTOR which are
6 coordinated with and publicized by the media, including radio and TV appearances.

7 19. MHSA means Mental Health Services Act and refers to the law that provides funding for
8 expanded community Mental Health Services. It is also known as "Proposition 63."

9 20. Mental Health Services Oversight and Accountability Commission (MHSOAC) means the
10 Commission responsible for the oversight and implementation of MHSA and refers to Section 10 of the
11 MHSA (Welfare and Institutions Code Section 5845).

12 21. NPI means National Provider Identifier and refers to the standard unique health identifier
13 that was adopted by the Secretary of HHS under HIPAA for health care providers. All HIPAA covered
14 healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in
15 HIPAA standard transactions. The NPI is assigned for life.

16 22. NPP means Notice of Privacy Practices and refers to a document that notifies individuals of
17 uses and disclosures of PHI that may be made by or on behalf of the health plan or health care provider
18 as set forth in HIPAA.

19 23. Outcome means measurable change that occurs as a result of a project's overall
20 performance in implementing its services.

21 24. Outreach means activities that are intended to engage and inform potential participants
22 about project services.

23 25. Participant means an individual who engages in activities aimed at preventing and/or
24 eliminating the development of mental illness.

25 26. Prevention means intentional group or individual interventions that occur before the initial
26 onset of a behavioral health condition. Prevention promotes positive cognitive, social, and emotional
27 development and encourages a state of well-being that allows the individuals to function well in the face
28 of changing and sometimes challenging circumstances.

29 27. PEI Plan means the most recent County of Orange MHSA Prevention and Early
30 Intervention Plan approved by the Orange County MHSA Steering Committee and Board of
31 Supervisors.

32 28. PHI means Personal Health Information and refers to individually identifiable health
33 information usually transmitted by electronic media, maintained in any medium as defined in the
34 regulations, or for an entity such as a health plan, transmitted or maintained in any other medium. It is
35 created or received by a covered entity and relates to the past, present, or future physical or mental
36 health or condition of an individual, provision of health care to an individual, or the past, present, or
37 future payment for health care provided to an individual.

1 29. PII means any information that could be readily used to identify a specific person, including
2 but not limited to: name, address, telephone number, E-Mail address, driver's license number, Social
3 Security number, bank account information, credit card information, or any combination of data that
4 could be used to identify a specific person, such as birth date, zip code, mother's maiden name and
5 gender.

6 30. Program Development means the ongoing systematic process of planning, implementing
7 and evaluating a program, which involves a collaborative relationship between the CONTRACTOR and
8 ADMINISTRATOR.

9 31. Program Director means an individual who has complete responsibility for the day-to-day
10 function of the program. The Program Director is the highest level of decision-making at a local,
11 program level.

12 32. Quality Assurance means the systematic process of ensuring services are meeting specified
13 requirements as set forth by the ADMINISTRATOR.

14 33. Recovery means a process of change through which individuals improve their health and
15 wellness, live a self-directed life, and strive to reach their full potential, and identifies four major
16 dimensions to support Recovery in life:

17 a. Health: Overcoming or managing one's disease(s) as well as living in a physically and
18 emotionally healthy way;

19 b. Home: A stable and safe place to live;

20 c. Purpose: Meaningful daily activities, such as a job, school, volunteerism, family
21 caretaking, or creative endeavors, and the independence, income, and resources to participate in society;
22 and

23 d. Community: Relationships and social networks that provide support, friendship, love,
24 and hope.

25 34. Referral means the process of sending an individual from one service to another for health
26 care, behavioral health services, and/ or other support services, or an unsuccessful Linkage attempt.

27 35. Social Support means assistance that may include companionship, emotional backing,
28 cognitive guidance, material aid and special services.

29 36. Stakeholder means adults and seniors with severe mental illness, families of children, adults
30 and seniors with severe mental illness, providers of services, law enforcement agencies, education,
31 social services agencies, veterans, representatives from veterans organizations, providers of alcohol and
32 drug services, health care organizations, and other important interests.

33 37. Support Group means a meeting/group, facilitated by program staff, consisting of two (2) or
34 more people (or a number mutually agreed upon in the contract) who have similar experiences and
35 concerns and who meet in order to provide emotional help, advice and encouragement for one another.

36 38. Training means the action or method used to transfer skills and/or knowledge to a target
37 audience.

39. Train the Trainer means the process in which an individual or group passes on the skills, knowledge, and abilities of course work to others so they may become educators, coaches, tutors, mentors, etc., to disseminate information, material, and skills to others.

40. Unduplicated Participant means an individual who is counted only once, despite how many programs the individual is enrolled in during a contractual agreement period. For example; if a participant receives individual and group services, they can only be counted once.

41. Units of Service mean the number and/or type of activities the CONTRACTOR will fulfill during the term of the Contract.

B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Common Terms and Definitions Paragraph of this Exhibit A to the Contract.

II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this Exhibit A to the Contract.

B. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records will reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will be made in accordance with generally accepted principles of accounting.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Budget Paragraph of this Exhibit A to the Contract.

III. PAYMENTS

A. COUNTY shall pay CONTRACTOR in four installments for Period One and two installments for Period Two of the Contract, after receipt of an approved invoice, in accordance with the following schedule:

Installment One: \$50,000 due and payable on February 28, 2021.

Installment Two: \$50,000 due and payable on May 31, 2021.

Installment Three: \$50,000 due and payable on August 31, 2021.

Installment Four: \$50,000 due and payable on November 30, 2021.

Installment Five: \$50,000 due and payable on May 31, 2022.

Installment Six: \$25,000 due and payable on November 30, 2022.

ADMINISTRATOR may, at its discretion, pay invoices in any amount, at any time during the Term of this Contract provided the Maximum Obligation for each Period is not exceeded.

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1 B. CONTRACTOR's invoices shall be on a form approved or supplied by ADMINISTRATOR
2 and provide such information as is required by ADMINISTRATOR.

3 C. All invoices to COUNTY shall be supported at CONTRACTOR's facility, by source
4 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statements,
5 canceled checks, receipts, receiving records, and records of services provided.

6 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
7 with any provision of the Contract, or if sufficient progress is not being made with the program as
8 determined by ADMINISTRATOR in its sole discretion.

9 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
10 and/or termination of the Contract, except as may otherwise be provided under the Contract, or
11 specifically agreed upon in a subsequent Contract.

12 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
13 Payments Paragraph of this Exhibit A to the Contract.

14 **IV. REPORTS**

15
16 A. CONTRACTOR shall, as mutually agreed between CONTRACTOR and ADMINISTRATOR,
17 provide reports as reasonably required by ADMINISTRATOR concerning CONTRACTOR's activities
18 as they affect the duties and purposes contained in this Contract.

19 B. CONTRACTOR shall provide effective administrative management of the budget, staffing,
20 recording, and reporting portion of the Contract with the COUNTY. If administrative responsibilities
21 are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the
22 qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but
23 are not limited to the following:

24 1. Designate the responsible position(s) in your organization for managing the funds allocated
25 to this program;

26 2. Maximize the use of the allocated funds;

27 3. Maintain appropriate staffing levels;

28 4. Request budget and/or staffing modifications to the Contract;

29 5. Effectively communicate and monitor the program for its success;

30 6. Track and report expenditures electronically;

31 7. Maintain electronic and telephone communication between key staff and the Contract and
32 Program Administrators; and

33 8. Have a system in place to respond to and act quickly to identify and solve problems that
34 may be occurring with any of the subcontractors.

35 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
36 Reports Paragraph of this Exhibit A to the Contract.

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V. SERVICES

A. BACKGROUND

1. Within the context of the County of Orange's health care ecosystem, policymakers, providers, consumers, and family members are increasingly focused on health care quality improvement, particularly for low income individuals, people of color, and other vulnerable populations.

The World Health Organization defines health equity as follows:

"Equity is the absence of avoidable, unfair, or remediable differences among groups of people, whether those groups are defined socially, economically, demographically or geographically or by other means of stratification. 'Health equity' or 'equity in health' implies that ideally everyone should have a fair opportunity to attain their full health potential and that no one should be disadvantaged from achieving this potential."

2. To assess the current climate for equity in behavioral health, the Orange County's Health Care Agency Behavioral Health Services (BHS) division will contract with Mind OC to carry out a series of community listening sessions throughout the county to identify gaps and barriers that lead to unmet needs, differential experiences, and inequities in behavioral health service access and utilization. Mind OC will use the information gathered in these listening sessions to provide summary reports to the BHS division. Mind OC will also provide the BHS division and Director with recommendations for actionable efforts to advance and improve behavioral health equity across Orange County.

B. FACILITY

1. CONTRACTOR shall provide or make available services as required by this Contract at the following location, or any other facility designated, in writing, by ADMINISTRATOR:

Mind OC
18650 MacArthur Blvd., Suite 220
Irvine, CA 92612

C. SERVICES TO BE PROVIDED

1. COMMUNITY PLANNING/LISTENING SESSIONS: In collaboration with OCHCA, organize and carry out no fewer than 24 community-driven listening sessions, with a minimum of one per month, beginning in January, 2021. All community-driven listening sessions should be completed by December 31, 2021. Listening sessions will be facilitated with groups reflecting the social, economic, demographic, and geographic diversity in Orange County. Mind OC shall coordinate with the Health Care Agency Director of Population and Health Equity and Ethnic Services Manager in using independent reports, data, metrics, and methodology to identify the groups and vulnerable populations to be included/reached, and will collaborate with OCHCA on the overall purpose and goals of these listening sessions prior to facilitating any of the sessions. Any changes to the purpose and goals of any of the sessions that are deemed necessary by either Party will be discussed and agreed upon by both

Parties in advance. Group sessions will be conducted in all threshold languages for Orange County, but shall also include communities who have historically experienced behavioral health disparities. Group sessions may be conducted virtually. While the specific groups will be identified using existing reports on behavioral health disparities and related data, they would likely include: Spanish speaking and Latino/a/x, Vietnamese speaking, Farsi speaking, Arabic Speaking, Korean speaking, Mandarin Chinese speaking, Black/African American, Veterans, LGBTQI, Deaf and Hard of Hearing, and foster youth. Within each of the identified groups, Mind OC shall ensure appropriate outreach to and engagement of consumers of behavioral health services and their family members. Additionally, Mind OC shall identify existing behavioral health service providers who serve the identified groups for possible co-facilitation and communication during the listening sessions. Mind OC shall ensure, to the greatest extent possible, that provider organizations do not co-facilitate listening sessions in which their own consumers or their family members are participating in order to protect confidentiality and encourage open communication. Any materials used and/or data elements collected by Mind OC should be developed and/or identified in collaboration with HCA.

2. REPORTS: In a format mutually agreed upon by the Parties, Mind OC will summarize key gaps and opportunities for fostering, promoting and improving equity in behavioral health access and care that emerge from the listening sessions in quarterly updates, an Annual Report and a comprehensive Final Report. Updates and Reports should also include but not be limited to outreach/marketing/advertising methods (including copies of ads, emails, etc.); sign-in sheets (paper or electronic) for listening sessions; prompt questions and other materials used in each session; agendas; and number and key demographics/characteristics of attendees. Mind OC shall provide all final reports and documents both in PDF and editable format so that HCA may edit, revise and/or use the reports, or any section thereof, as part of other documents and reports prepared by HCA, including but not limited to the MHSA Three Year Plan, MHSA Annual Plan Updates, Cultural Competency Plan, MHSA Innovation Proposals, etc.

D. All materials, documents, data or information obtained through activities funded by this Contract will at all times remain the property of COUNTY. Such data or information may not be used for direct or indirect use by CONTRACTOR after completion or termination of this Contract without the express prior written consent of COUNTY.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit A to the Contract.

VI. STAFFING

A. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold languages as determined by COUNTY. Whenever possible, bilingual/bicultural staff should be retained.

B. CONTRACTOR shall make its best effort to ensure that services provided pursuant to the Contract are provided in a manner that is culturally and linguistically appropriate for the population(s)

1 served.

2 C. CONTRACTOR shall ensure that all staff complete the COUNTY's Annual Provider Training
3 and Annual Compliance Training.

4 D. CONTRACTOR shall maintain personnel files for each employed staff member, including
5 management and other administrative positions, which will include, but not be limited to, an application
6 for employment, qualifications for the position, documentation of bicultural/bilingual capabilities (if
7 applicable), pay rate and evaluations justifying pay increases.

8 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
9 Staffing Paragraph of this Exhibit A to the Contract.

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