

CONTRACT FOR "FEE FOR SERVICE"

SAN BENITO COUNTY BEHAVIORAL HEALTH

DESCRIPTION: In-Patient Mental Health Services

BEGINS: July 1, 2016

ENDS: June 30, 2017

ADMINISTERING AGENCY: Adult System of Care

This Agreement is made and entered into as of this 1st day of July, 2016, by and between the COUNTY OF SAN BENITO, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and North Valley Behavioral Health, LLC hereinafter referred to as "CONTRACTOR." WITNESSETH WHEREAS, COUNTY desires to enter into an Agreement whereby CONTRACTOR will provide mental health services in accordance with the requirements of Title 9, California Code of Regulations (CCR); and WHEREAS, the California Welfare and Institutions Code (WIC) Section 5600 et seq. provides a set of definitions, standards, procedures and regulations by and pursuant to which COUNTY and CONTRACTOR may lawfully contract for such services; and WHEREAS, the COUNTY Mental Health Plan desires services of Psychiatric Health Facility (PHF) and has developed a manual for said purpose; and CONTRACTOR is willing to furnish such services as an Psychiatric Health Facility; and WHEREAS, CONTRACTOR has the facilities and the ability to be certified and staffed to provide inpatient, involuntary and voluntary acute care for mentally disordered persons, and intends to enter into agreements with Counties to provide services to mental health beneficiaries upon the terms hereafter set forth;

IT IS HEREBY AGREED AS FOLLOWS:

1. SERVICES TO BE PROVIDED:

CONTRACTOR, which is licensed by the California Department of Mental Health under the California Code of Regulations, Title 22, Division 5, shall provide inpatient services, within the program requirements and standards as promulgated by this Agreement to patients referred by COUNTY over the age of eighteen (18) years who are eligible for COUNTY mental health services. COUNTY may place either male or female patients at CONTRACTOR's psychiatric health facility (PHF). All personnel, supplies, equipment, furniture, quarters and operating expenses of any kind required for the performance of this Contract shall be provided by CONTRACTOR in performance of contracted services. The COUNTY Mental Health Managed Care Plan will set forth the program requirements to determine the appropriateness of placement based on clinical medical necessity criteria. CONTRACTOR will make every reasonable effort to arrange its occupied bed days to permit COUNTY to place a patient at any time in accordance with agreed upon admissions criteria. COUNTY and CONTRACTOR agree that both clinical staffs will fully communicate and cooperate in the development of treatment planning, determining length of stay and readiness for discharge, and, to this end, may freely exchange patient information as a unitary treatment program. Psychiatric Health Facility's professional staff shall have final determination on length of stay of each patient.

COUNTY agrees to facilitate timely placement of patients ready for discharge. CONTRACTOR will provide COUNTY access to a first come first serve bed space on a "Fee for Service" basis. County agrees to pay the all-inclusive "fee for service" rate from the day of admission to the day of discharge. CONTRACTOR agrees to not bill COUNTY for the patient's day of discharge.

2. CONTRACT TERM:

This Contract is for a term of twelve months commencing on July 1, 2016 and ending on June 30, 2017, unless terminated earlier under the provisions of the Termination clause contained within this Agreement. This Agreement may be extended on its same terms and conditions, for a period not to exceed ninety (90) days, upon written agreement between COUNTY and CONTRACTOR.

3. PAYMENT:

COUNTY agrees to pay at the all-inclusive rate of Eight Hundred and Fifty Dollars (\$850.00) per day and a total sum not to exceed one hundred thousand dollars (\$100,000). CONTRACTOR shall submit monthly to COUNTY, an invoice and supporting documentation identifying: beneficiary, service provider, type of service and requisite service code, date of service, time of day and length of time of services. CONTRACTOR shall be liable for DHCS audit exceptions due to inadequate documentation as per medical necessity documentation requirements and not actual medical necessity and shall reimburse COUNTY for any recoupment's ordered by the State within sixty (60) days of the date of the State's or COUNTY'S notice of recoupment order. If CONTRACTOR fails to reimburse the COUNTY within the time period, the COUNTY may offset any unpaid amount against any sums due from COUNTY to CONTRACTOR pursuant to this Agreement or any other agreement or obligation. COUNTY shall be liable for DMH audit exceptions should the patient not meet medical necessity criteria for placement. CONTRACTOR shall provide COUNTY with an annual Cost Report in the appropriate format for submission to the State of California, Department of Mental Health for Medi-Cal reimbursement no later than October 31, 2017. This Cost Report will establish the final basis upon which CONTRACTOR will be paid for services provided during the term of this Agreement.

4. INDEPENDENT CONTRACTOR STATUS:

CONTRACTOR understands and agrees that the services performed hereunder by its officers, agents, employees or contracting persons or entities are performed in an independent capacity and not in the capacity of officers, agents or employees of COUNTY. CONTRACTOR is not entitled to participate in workers' compensation benefits, pension plan, retirement plan, insurance, bonus or similar benefits COUNTY provides its employees.

5. HOLD HARMLESS & INDEMNIFICATION:

CONTRACTOR shall defend, indemnify and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of CONTRACTOR'S officers, directors, agents, employees, or subcontractors. COUNTY shall defend, indemnify, and hold harmless CONTRACTOR, its officers, directors, agents, employees, and subcontractors from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the

negligent or intentional acts or omissions of COUNTY'S Board of Supervisors, officers, directors, agents, employees, or volunteers. It is the intention of COUNTY and CONTRACTOR that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, COUNTY'S Board of Supervisors, and CONTRACTOR'S subcontractors. It is also the intention of COUNTY and CONTRACTOR that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, COUNTY'S Board of Supervisors and CONTRACTOR'S subcontractors.

6. HIPAA COMPLIANCE:

CONTRACTOR agrees, to the extent required by 42 U.S.C. 1171 et seq., Health Insurance Portability and Accountability Act of 1996 (HIPAA), to comply with applicable requirements of law and subsequent amendments relating to protected health information, as well as any task or activity CONTRACTOR performs on behalf of COUNTY, to the extent COUNTY would be required to comply with such requirements. More specifically, CONTRACTOR will not use or disclose confidential information other than as permitted or required by this contract and will notify COUNTY of any discovered instances of breaches of confidentiality. Without limiting the rights and remedies of COUNTY elsewhere as set forth in this agreement, COUNTY may terminate this agreement without penalty or recourse if determined that CONTRACTOR violated a material term of the provisions of this section. CONTRACTOR ensures that any subcontractors' agents receiving health information related to this contract agree to the same restrictions and conditions that apply to CONTRACTOR with respect to such information.

7. INSURANCE:

CONTRACTOR, at its expense, shall secure and maintain at all times during the entire period of performance of this Agreement, insurance as set forth below with insurance companies acceptable to the COUNTY, with a Best's Rating of no less than A:VII, to protect COUNTY, its elected or appointed officials, employees, CONTRACTOR and subcontractor from any and all claims which may arise from operations under this Agreement, whether operations be by CONTRACTOR or by a subcontractor or by anyone directly or indirectly employed by either of them.

In the event of breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, COUNTY, at its option, may, notwithstanding any other provisions of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend further work pursuant to this Agreement. CONTRACTOR shall not commence work, nor shall allow employees or subcontractors or anyone to commence work contemplated through this Agreement until all insurance required hereunder has been submitted to and accepted by COUNTY. Failure to submit proof of insurance as required herein may result in awarding said Agreement to another contractor. Insurance coverage in a minimum amounts set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude COUNTY from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law. CONTRACTOR shall furnish to COUNTY

certificate(s) of insurance evidencing malpractice insurance coverage for CONTRACTOR and his/her employee(s) in an amount which is no less than Three Million Dollars (\$3,000,000) in the aggregate annually. In the event CONTRACTOR cannot provide an occurrence policy, CONTRACTOR shall provide insurance covering claims made as a result of performance of the Agreement and shall maintain such insurance in effect for six (6) months following completion of performance of this Agreement. CONTRACTOR shall furnish to COUNTY certificates of insurance evidencing professional Liability/Errors and Omissions coverage for CONTRACTOR's independent contracted staff in an amount, which is no less than Three Million Dollars (\$3,000,000) in the aggregate annually. CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing Workers' Compensation Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of CONTRACTOR'S and subcontractors' employees in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease and one million dollars (\$1,000,000) each employee for bodily injury by disease. Each Workers' Compensation policy shall be endorsed with the following specific language: Cancellation Notice – "This policy shall not be canceled or materially changed without first giving thirty (30) days' written notice to the County of San Benito." CONTRACTOR shall furnish to COUNTY certificates of insurance for Automobile Liability/General Liability coverage evidencing, at a minimum, the following:

General Liability / Combined single limit bodily injury, property damage, and personal injury liability- Two Million Dollars (\$2,000,000) each occurrence - Three Million Dollars (\$3,000,000) aggregate Vehicle / Combined single limit bodily injury and property damage liability - \$1,000,000 each occurrence. Each certificate of insurance for Automobile and General Liability specified above shall be accompanied by an endorsement, properly executed by an officer of the issuing insurance company stating:

- a. The COUNTY is named and listed as an additional insured.
- b. Stipulation that the policy acts as primary insurance for the COUNTY and no other insurance held or owned by COUNTY shall be called upon to cover a loss under said policy.
- c. Restatement of limits of policy
- d. Contain a non-severability of interest statement.
- e. Stipulation that failure to comply with the reporting procedures of policy shall not affect coverage provided to COUNTY.
- f. Stipulation that the COUNTY will be notified by first class mail in the event that the remaining amount of coverage of the policy falls below the minimum requirements of the COUNTY.
- g. Stipulation that the COUNTY will be notified by first class mail a minimum of thirty (30) days before the policy is canceled, altered, or not renewed.

8. COMPLIANCE WITH LAWS AND ORDINANCES:

All services to be performed by CONTRACTOR pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, regulations and titles. This Agreement is also subject to any additional restrictions or conditions that may be imposed upon the COUNTY by the Federal or State government.

9. SUPERVISION, MONITORING, AND REVIEW:

Pursuant to WIC Section 5608, services hereunder shall be provided by CONTRACTOR under the general supervision of the COUNTY Director of Mental Health, or his authorized designee, hereinafter referred to as "DIRECTOR". DIRECTOR shall have the right to supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the services and the criteria for determining the persons to be served.

10. ASSIGNMENT:

CONTRACTOR may not assign or subcontract any of its rights or delegate any of its duties under this Agreement, without the prior written consent of COUNTY. This limitation, however, does not apply to CONTRACTOR'S delegation of duties to its employees and independent contractors in the ordinary course of CONTRACTOR'S business, when CONTRACTOR retains direct supervision over the work of such employees and primary responsibility under this Agreement for the work of any independent contractors.

11. PERSONNEL:

a. CONTRACTOR shall furnish such qualified professional personnel as prescribed by CCR Title 9.

b. CONTRACTOR'S personnel shall have the appropriate State licensure for their given profession. CONTRACTOR shall provide copies of current licensure for all clinical staff to COUNTY within thirty (30) days of execution of this Agreement or date of employment/renewal.

c. CONTRACTOR accepts responsibility for determining and approving the character and fitness of their employees (including volunteers, agents or representatives), including completion of a satisfactory criminal/background check and period rechecks. CONTRACTOR further agrees to hold COUNTY harmless from any liability for injuries or damages as outlined in the hold harmless clause contained herein, resulting from a breach of this provision or CONTRACTOR'S actions in this regard.

12. NONDISCRIMINATION:

During the performance of this Agreement, CONTRACTOR and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. CONTRACTOR and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CONTRACTOR and subcontractors shall comply with the provisions of the Americans with Disabilities Act of 1990, Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONTRACTOR and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. CONTRACTOR shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in all Federally assisted programs or activities, as detailed in regulations signed by the Secretary of

Health and Human Services, effective June 2, 1977, and found in the Federal Register, Volume 42, No. 86, dated May 4, 1977. Consistent with the requirements of applicable Federal or State law, CONTRACTOR shall not engage in any unlawful discriminatory practices in the admission of patients, assignment of accommodations, treatment, evaluation, or in any other respect on the basis of race, color, gender, religion, mental or physical handicap, sex, age, marital status, sexual preference, national origin or ancestry.

13. LICENSING REQUIREMENTS:

CONTRACTOR shall comply with all necessary County or State licensing requirements and must maintain appropriate licenses and display same in a location that is reasonably conspicuous. CONTRACTOR shall abide by the Bronzan-McCorquodale Act (WIC, Division 5, Part II, Section 5600 et seq.), CCR Title 9 and Title 22, the State Cost Reporting/Data Collection Manual (CR/DC) and State Department of Mental Health Policy Letters. Any changes in status, licensure, or ability to perform activities within the contracted services must be reported to the COUNTY immediately. CONTRACTOR shall furnish COUNTY within thirty (30) days of execution of this Agreement:

- a. A Program Schedule
- b. Treatment Staff Roster (including license number or evidence of credentialing)

on a quarterly basis.

14. CONFIDENTIALITY:

All information and records obtained in the course of providing services under this Agreement shall be confidential pursuant to WIC Section 5328 in accordance with applicable State and Federal law.

15. CLINICAL RECORDS:

CONTRACTOR shall maintain adequate records. Patient records must comply with all appropriate State and Federal requirements and shall be retained for seven (7) years after last discharge. Individual records shall contain intake information, interviews and progress notes. Program records shall contain details adequate for the evaluation of the service. For the first two (2) years after last discharge, the records shall be stored on site. For the last five (5) years after last discharge, all records will be stored in a secured site area that is readily accessible to COUNTY personnel. COUNTY shall have access within 24 hours to all appropriate COUNTY patient records requested, whether stored on site or off site, weekends and holidays excluded. CONTRACTOR shall provide COUNTY with required records for billing purposes, utilization review, and other purposes as may be required under terms of this Agreement in a timely manner. CONTRACTOR is hereby informed that COUNTY payment may be delayed for lack of appropriate records and/or contents of those records required from CONTRACTOR in order to bill under Medi-Cal guidelines.

16. QUALITY ASSURANCE:

CONTRACTOR shall notify COUNTY of any and all special incidents involving a COUNTY placement within 24 hours of the incident. All special incidents are reviewed by the COUNTY Mental Health Department's Quality Improvement Committee and any recommendations will be forwarded both to the COUNTY Mental Health Director and the CONTRACTOR'S Administrator. CONTRACTOR shall furnish COUNTY with a copy of its Quality Assurance Policies and Procedures and its Client Complaint/Grievance Procedure within thirty (30) days of execution of this Agreement.

17. CERTIFICATION OF PROGRAM INTEGRITY:

CONTRACTOR shall comply with all State and Federal statutory and regulatory requirements for certification of claims including Title 42, Code of Federal Regulations (CFR) Part 438. CONTRACTOR shall ensure that each Medi-Cal beneficiary for whom the CONTRACTOR is submitting a claim for reimbursement will assure the following: An assessment of the Medi-Cal beneficiary was conducted in compliance with the requirements established in the Mental Health Plan (MHP) contract between COUNTY and the State Department of Mental Health, a copy of which will be provided to CONTRACTOR by COUNTY under separate cover. The Medi-Cal beneficiary was eligible to receive Medi-Cal services at the time the services were provided to the beneficiary. The services included in the claim were actually provided to the beneficiary. Medical necessity was established for the beneficiary as defined in statute for the service or services provided, for the timeframe in which the services were provided, except when County decides to place patient or to keep patient in PHF without medical necessity. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in the MHP contract between COUNTY and the State Department of Mental Health. For each beneficiary with day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services included in the claim, all requirements for MHP payment authorization in the MHP contract for day rehabilitation, day treatment intensive, and EPSDT supplemental specialty mental health services were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in the MHP contract between COUNTY and the State Department of Mental Health.

NOTE: Authority: Sections 5775, 14043.75 and 14680 Welfare and Institutions Code.

In addition, CONTRACTOR certifies that the following processes are in place:

Written policies, procedures and standards of conduct that articulate the organization's commitment to comply with all applicable Federal and State standards. The designation of a compliance officer and a compliance committee that are accountable to senior management. Effective training and education for the compliance officer and the organization's employees. Enforcement of standards through well-publicized disciplinary guidelines. Provisions for internal monitoring and auditing. Provision for prompt response to detected offenses, and for development of corrective action initiatives relating to the provision of mental health services. Confirmation that contractors and all employees are not excluded from Medi-Cal and Medicaid participation.

18. FINANCIAL RECORDS:

CONTRACTOR shall maintain financial records that clearly reflect the cost of services. Appropriate service and financial records must be maintained and retained for four (4) years following the program review findings and/or audit findings are resolved, whichever is later. CONTRACTOR agrees to permit COUNTY, and any State agency authorized by COUNTY's DIRECTOR, to inspect, review and copy any and all records, notes and writings of any kind in connection with the services provided by CONTRACTOR under this Agreement. All such inspections and copying shall occur during normal business hours unless the COUNTY's DIRECTOR determines that access outside regular business hours is justified due to exigent or unusual circumstances.

19. TERMINATION:

Either party may terminate this Agreement without cause, upon sixty (60) days written notice served upon the other party. Without limiting the termination rights set forth

above:

a. If CONTRACTOR should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violates any of the terms of this Agreement, COUNTY agrees to act in good faith and provide written notification to CONTRACTOR in advance of terminating this Agreement with the intent of allowing CONTRACTOR to rectify any problems that would serve to prompt COUNTY's termination of this Agreement. In the event of client neglect or abuse, COUNTY reserves the right to terminate this Agreement effective immediately. If CONTRACTOR, or any of its officers, agents, employees, contractors, subcontractors, volunteers or part-owners, becomes excluded, debarred or suspended from participation in Federally or State funded programs, the COUNTY may terminate this Agreement by giving ten (10) days advance written notice thereof to CONTRACTOR. In the event this Agreement is terminated prior to the ending date above, CONTRACTOR shall be paid based on a prorated amount of COUNTY'S pre-purchased bed days up to the date of termination; provided, however, that there shall be deducted from such amount the amount of damage, if any, sustained by COUNTY by virtue of any breach of the Agreement by CONTRACTOR.

20. NOTICES- METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS:

All notices, bills and payment shall be made in writing and may be given by personal delivery or mail. Notices, bills and payments sent by mail should be addressed as follows:

San Benito County Behavioral Health
Attn: Alan Yamamoto, LCSW
1131 San Felipe Rd.,
Hollister, Ca., 95023

North Valley Behavioral Health
Attn: Arne Hyson
1535 Plumas Court,
Yuba City, CA 95991

And when addressed as shown above, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the name and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

21. AMENDMENTS/CHANGE ORDERS:

This contract constitutes the entire agreement between the parties. Any amendments or changes to this Agreement shall be agreed to in writing, specifying the change(s) and the effective date(s) and shall be executed by duly authorized representatives of both parties. However, in no event shall such amendments create additional liability to COUNTY or provide additional compensation to CONTRACTOR except as set forth in this or amended agreement. Only the Board of Supervisors may authorize payment for additional (and/or changed) services. The parties expressly recognize that COUNTY personnel are without authorization to either order additional (and/or changed) services or waive contract requirements. Failure of the CONTRACTOR to secure Board

authorization for additional services shall constitute a waiver of any and all right to adjustment in additional compensation. CONTRACTOR further expressly waives any and all right or remedy by way of restitution and quantum merit for any and all extra work performed by CONTRACTOR without the express and prior written authorization of the Board of Supervisors.

22. TAXES:

CONTRACTOR agrees to file Federal and State tax returns and pay all applicable State and Federal taxes on amounts paid pursuant to this Agreement. In the event COUNTY is audited for compliance regarding withholding or other applicable taxes, CONTRACTOR agrees to furnish COUNTY with proof of payment of taxes on those earnings.

23. PATIENTS' RIGHTS:

CONTRACTOR shall comply with all applicable laws, regulations, and State policies relating to patients' rights. CONTRACTOR shall give the patients notice of their rights pursuant to and in compliance with: WIC Sections 5325 through 5331; CCR, Title 9, Division 1, Chapter 4, Article 6. In addition, in all facilities providing the services described herein the CONTRACTOR shall have prominently posted in the predominant languages of the community a list of the patients' rights. COUNTY Patients' Rights Advocate will be given access to patients and facility personnel to monitor CONTRACTOR'S compliance with said statutes and regulations. CONTRACTOR shall respond to any inquiries from the COUNTY Patients' Rights Advocate in accordance with COUNTY policy and State statutes, including State Fair Hearings, as requested.

24. AUDITS:

CONTRACTOR agrees that COUNTY and State shall have access to facilities, programs, documents, records, staff, clients/patients, or other material or persons the COUNTY or State deems necessary to monitor and audit services rendered. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three years after final payment under this Agreement (Government Code Section 8546.7) CONTRACTOR agrees to make all of its books and records, pertaining to the goods and services furnished under the terms of this Agreement, available for inspection, examination, or copying by the State Department of Mental Health, Department of Health Services, U.S. Dept. of Health and Human Services, the Comptroller General of the United States, and other authorized Federal and State agencies, or their duly authorized representatives, at all reasonable times at the CONTRACTOR's place of business or at such other mutually agreeable location in California, in a form maintained in accordance with the general standards applicable to such book or record keeping, for a term of at least five years from the close of the Department of Mental Health's fiscal year in which the Agreement was in effect.

25. CONTINGENCY OF FUNDING:

This agreement is valid and enforceable only if the County, State and/or the United States government make sufficient funds available to the COUNTY for the purposes of this program. In addition, this agreement is subject to any additional restrictions, limitations or conditions enacted by the Congress or the State that may affect the provisions, terms, or funding of this contract in any manner. It is mutually agreed that if the Congress, State, or County does not appropriate the same level of funding that was anticipated by COUNTY at the time this agreement was initiated, or if funding amounts are modified at any time during the term of this agreement, this agreement may, at the discretion of COUNTY, be amended to reflect such changes in funding allocations. COUNTY has the option to void the agreement under the termination clause

to reflect any reduction of funds. Adjustments in funding shall be made through a written contract amendment, and shall include any changes required to the Scope in response to modifications in funding. The amount of such adjustment shall not exceed any augmentation or reduction in funding to COUNTY by the County, State and/or the United States government. CONTRACTOR understands that amendments to this agreement may not reflect the entire amount of any augmentation or reduction in funding provided to COUNTY for the subject services. IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this agreement as of the date first above stated:

OB CONTRACTOR *



Arne Hyson, Administrator
NORTH VALLEY BEHAVIORAL HEALTH

Date: 6/30/16

Chairman
SAN BENITO COUNTY

Date: _____

APPROVED AS TO FORM:



County Counsel

Date: 7-7-16

*Agreement must be signed by a Managing Partner as approved by the governing body of the Limited Liability Corporation. If requested, CONTRACTOR will provide evidence to COUNTY that the individual named above is authorized as a Managing Partner to bind the organization.

ATTACHMENT C

General Terms and Conditions

C-1. INDEMNIFICATION.

CONTRACTOR and COUNTY each agree to indemnify, defend and save harmless the other party and the other party's officers and employees, from and against any and all claims and losses whatsoever arising out of, or in any way related to, the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnities in connection with such claims or losses. A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

C-2. GENERAL INSURANCE REQUIREMENTS.

Without limiting CONTRACTOR's duty to indemnify COUNTY, CONTRACTOR shall comply with the insurance coverage requirements set forth in the contract and in this attachment. Those insurance policies mandated by Paragraph C-3 shall satisfy the following requirements:

(a) Each policy shall be issued by a company authorized by law to transact business in the State of California.

(b) Each policy shall provide that COUNTY shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or nonrenewal thereof.

(c) The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming the County of San Benito and its officers, agents and employees as additional insured.

(d) The required coverage shall be maintained in effect throughout the term of this contract. CONTRACTOR shall require all subcontractors performing work under this contract to obtain substantially the identical insurance coverage required of CONTRACTOR pursuant to this agreement.

C-3. INSURANCE COVERAGE REQUIREMENTS.

If required by paragraph 5 of the contract, CONTRACTOR shall maintain the following insurance policies in full force and effect during the term of this contract:

(a) Comprehensive general liability insurance. CONTRACTOR shall maintain comprehensive general liability insurance, covering all of CONTRACTOR's operations with a combined single limit of not less than the amount set out in paragraph 5 of this contract.

(b) Professional liability insurance. CONTRACTOR shall maintain professional liability insurance with liability limits of not less than the amount set out in paragraph 5 of this contract.

(c) Comprehensive motor vehicle liability insurance. CONTRACTOR shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this contract, with a combined single limit of not less than the amount set out in Paragraph 5 of this contract.

(d) Workers' compensation insurance. CONTRACTOR shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If CONTRACTOR elects to be self-insured, the certificate of insurance otherwise required by this contract shall be replaced with a consent to self-insure issued by the State Director of Industrial Relations.

C-4. CERTIFICATE OF INSURANCE.

Prior to the commencement of performance of services by CONTRACTOR and prior to any obligations of COUNTY, CONTRACTOR shall file certificates of insurance with COUNTY, showing that CONTRACTOR has in effect the insurance required by this contract. CONTRACTOR shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, CONTRACTOR may provide proof of self-insurance meeting requirements equivalent to those imposed herein. CONTRACTOR warrants that CONTRACTOR's self-insurance provides substantially the same protection to COUNTY as the insurance required herein. CONTRACTOR further agrees to notify COUNTY in the event any change in self-insurance occurs that would alter the obligations undertaken in this contract within thirty (30) days of such change.

C-5. RECORDS TO BE MAINTAINED.

CONTRACTOR shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. CONTRACTOR shall contractually require that all of CONTRACTOR's subcontractors performing work called for under this contract also keep and maintain such records. All such records, whether kept by CONTRACTOR or any subcontractor, shall be made available to COUNTY or its authorized representative, or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by COUNTY, its authorized representative, or officials of the State of California.

C-6. RETENTION OF RECORDS.

CONTRACTOR shall maintain and preserve all records related to this contract for a period of three years from the close of the fiscal year in which final payment under this contract is made. CONTRACTOR shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to insure the maintenance of the records beyond the initial three year period shall arise only if the COUNTY notifies CONTRACTOR of the commencement of an audit prior to the expiration of the three year period.

C-7. TITLE TO DOCUMENTS; COPYRIGHT.

All reports and other materials collected or produced by the CONTRACTOR or any subcontractor of CONTRACTOR shall, after completion and acceptance of the contract, become the property of COUNTY, and shall not be subject to any copyright claimed by the CONTRACTOR, subcontractor, or their agents or employees. CONTRACTOR may retain copies of all such materials exclusively for administrative purposes. Any use of completed or uncompleted documents for other projects by CONTRACTOR, any subcontractor, or any of their agents or employees, without the prior written consent of COUNTY is prohibited.

C-8. INDEPENDENT CONTRACTOR.

CONTRACTOR and its officers and employees, in the performance of this contract, are independent contractors in relation to COUNTY and not officers or employees of COUNTY. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of COUNTY. CONTRACTOR shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this contract. CONTRACTOR further represents to COUNTY that CONTRACTOR has no expectation of receiving any benefits incidental to employment.

C-9. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONTRACTOR further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be used or employed.

C-10. COMPLIANCE WITH APPLICABLE LAWS.

CONTRACTOR shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this contract. This obligation includes, without limitation, the acquisition, and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this contract.

C-11. NONDISCRIMINATION.

CONTRACTOR shall not discriminate in the employment of persons necessary to perform this contract on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.

C-12. BANKRUPTCY.

CONTRACTOR shall immediately notify COUNTY in the event that CONTRACTOR ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.

C-13. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION OF DUTIES.

Except as specifically authorized herein, no rights under this contract may be assigned and no duties under this contract may be delegated by CONTRACTOR without the prior written consent of COUNTY, and any attempted assignment or delegation without such consent shall be void.

C-14. NEGOTIATED CONTRACT.

This contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code Section 1654.

C-15. SEVERABILITY.

Should any provision herein be found or deemed to be invalid, this contract shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this contract are declared to be severable.

C-16. ENTIRE CONTRACT.

This contract is the entire agreement of the parties. There are no understandings or agreements pertaining to this contract except as are expressly stated in writing in this contract or in any document attached hereto or incorporated herein by reference.

C-17. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of this contract.

C-18. TERMINATION.

Either party may terminate this contract, with or without cause, at any time. In order to terminate this contract, the terminating party shall give advance written notice to the other party. The termination shall be effective no earlier than the expiration of the number of days specified in paragraph 6 of this contract. The termination notice shall be made as specified in paragraph C-19, below. In the event of termination, COUNTY shall pay CONTRACTOR for all work satisfactorily performed prior to the effective date of the termination.

C-19. NOTICES.

Notices to the parties in connection with the administration of this contract shall be given to the parties' contract administrator personally, by regular mail, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

- (a) The day the notice is personally delivered to the contract administrator or the office of the party's contract administrator; or
- (b) Five days after the date the notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, with first-class postage fully prepaid; or
- (c) On the day that the notice is transmitted by facsimile to a party's facsimile number specified in paragraph 8 of this contract, provided that an original of such notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, on the same day as the facsimile transmission is made.

C-20. RESPONSIBILITY OF CONTRACT ADMINISTRATORS.

All matters concerning this contract which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective contract administrators or to the party's employee specified, in writing, by the contract administrator. A party may, in its sole discretion, change its designation of its contract administrator and shall promptly give written notice to the other party of any such change.

C-21. MATERIALITY.

The parties consider each and every term, covenant, and provision of this contract to be material and reasonable.

C-22. WAIVER.

Waiver by either party of a breach of any covenant of this contract will not be construed to be a continuing waiver of any subsequent breach. COUNTY's receipt of consideration with knowledge of CONTRACTOR's violation of a covenant does not waive its right to enforce any covenant of this contract. The parties shall not waive any provisions of this contract unless the waiver is in writing and signed by all parties.

C-23. AUTHORITY AND CAPACITY.

CONTRACTOR and CONTRACTOR's signatory each warrant and represent that each has full authority and capacity to enter into this contract.

C-24. BINDING ON SUCCESSORS.

All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of CONTRACTOR. CONTRACTOR and all of CONTRACTOR's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

C-25. CUMULATION OF REMEDIES.

All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

C-26. INDEPENDENT ADVICE.

Each party hereby represents and warrants that in executing this contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this contract and the rights and duties arising out of this contract, or that such party willingly foregoes any such consultation.

C-27. NO RELIANCE ON REPRESENTATIONS.

Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.

C-28. REDUCTION OF CONSIDERATION.

CONTRACTOR agrees that COUNTY shall have the right to deduct from any payments specified in Attachment B any amount owed to COUNTY by CONTRACTOR as a result of any obligation arising prior to, or after, the execution of this contract. For purposes of this paragraph, obligations arising prior to, or after, the execution of this contract may include, without limitation, any property tax, secured or unsecured, which tax is in arrears. If COUNTY exercises the right to reduce the consideration specified in Attachment B, COUNTY, at the time of making a reduced payment, shall give CONTRACTOR notice of the amount of any off-set and the reason for the reduction.

C-29. COUNTERPARTS.

This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

END OF ATTACHMENT C.