

AMENDMENT TO CONTRACT

1

The County of San Benito (“COUNTY”) and DAVIS GUEST HOME (“CONTRACTOR”) enter into this agreement on the date stated next to the signatures below. In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Existing Contract.

a. Initial Contract.

COUNTY and CONTRACTOR acknowledge that the parties entered into a contract, dated 05/11/2021.

b. Prior Amendments. (Check one.)

- The initial contract previously has not been amended.
- The initial contract previously has been amended. The date(s) of prior amendments are as follows: _____

c. Incorporation of Original Contract.

The initial contract and any prior amendments to the initial contract (hereafter collectively referred to as the “original contract”) are attached to this amendment as Exhibit 1 and made a part of this amended contract.

2. Purpose of this Amendment.

The purpose of this amendment is to change the agreement between the parties in the following particulars:

a. Term of the Contract. (Check one.)

- The term of the original contract is not modified.
- The term of the original contract (Exhibit 1) is extended from the current expiration date of 06/30/2022, to a new expiration date of 06/30/2023.

b. Scope of Services. (Check one.)

- The services specified in the original contract (Exhibit 1) are not modified.
- The services specified in the original contract (Exhibit 1) are modified as specified below: (Check one.)
 - The services specified in the original contract are modified only as specified below:

Modified or New Scope of Services:
(Insert modified or new services.)

- The services specified in the original contract are deleted in their entirety and replaced with the following services:

New Scope of Services:
(Insert new services.)

c. Payment Terms. (Check one.)

- The payment terms in the original contract (Exhibit 1) are not modified.
 The payment terms in the original contract (Exhibit 1) are modified as specified below: (Check one.)
 The payment terms are modified only as specified below:

Modified or New Payment Terms:
(Insert modified or new payment terms.)

- The payment terms are deleted in their entirety and replaced with the following payment terms:

New Payment Terms:

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (Check one.)

- One month in arrears.
 Upon the complete performance of the services specified in the original agreement (Exhibit 1) and this amendment.
 The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COUNTY to CONTRACTOR at the address specified in paragraph 8 of the original contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COUNTY shall pay to CONTRACTOR: (Check one.)

- a total lump sum payment of \$_____, or
 a total sum not to exceed FIVE HUNDRED NINETY-FIVE THOUSAND (\$595,000) for the contract term _____,

for services rendered pursuant to the terms and conditions of the original contract (Exhibit 1) and this amendment, and pursuant to any special compensation terms specified in paragraph B-4.

B-4. SPECIAL COMPENSATION TERMS: (Check one.)

- There are no additional terms of compensation.
 The following specific terms of compensation shall apply:
(Specify)

d. **Other Terms.** (Check one.)

There are no other terms of the original contract that are modified.

Other terms of the original contract are modified only as specified below:

Other Modified or New Terms:
(Insert other modified or new terms.)

3. **Other Terms.**

All other terms and conditions of the original contract (Exhibit 1) which are not changed by this amendment shall remain the same.

CONTRACTOR


Name/Title: Lonny G. Davis, President/Owner

3/30/22
Date

COUNTY

San Benito County Board of Supervisors

Bea Gonzales, Chair

Date

APPROVED AS TO LEGAL FORM:
San Benito County Counsel's Office



03/30/2022
Date

EXHIBIT 1
TO AMENDMENT # 1

ORIGINAL
CONTRACT

(Please attach the initial contract and any prior amendments, from the most recent to the initial contract, in reverse chronological order.)

C O N T R A C T

The COUNTY OF SAN BENITO ("COUNTY") and DAVIS GUEST HOME, ("CONTRACTOR") enter into this contract which shall be effective on the date stated in Paragraph 1.

1. **Duration of Contract.**

This contract shall commence on July 1, 2021, and end on June 30, 2022, unless sooner terminated as specified herein.

2. **Scope of Services.**

CONTRACTOR, for COUNTY's benefit shall perform the services specified on Attachment A to this contract. Attachment A is made a part of this contract.

3. **Compensation for Services.**

In consideration for CONTRACTOR's performance, COUNTY shall pay compensation to CONTRACTOR according to the terms specified in Attachment B. Attachment B is made a part of this contract.

4. **General Terms and Conditions.**

The rights and duties of the parties to this contract are governed by the general terms and conditions mutually agreed to and listed in Attachment C. Attachment C is made a part of this contract.

5. **Insurance Limits.**

CONTRACTOR shall maintain the following insurance policy limits of coverage consistent with the further insurance requirements specified in Attachment C.

- (a) Comprehensive general liability insurance: \$1,000,000
- (b) Professional liability insurance: \$1,000,000
- (c) Comprehensive motor vehicle liability insurance: \$1,000,000

6. **Termination.**

The number of days of advance written notice required for termination of this contract is sixty (60) days.

7. **Specific Terms and Conditions** *(check one)*

- There are no additional provisions to this contract.
- The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment D. Attachment D is made a part of this contract.
- The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment E. Attachment E is made a part of this contract.

8. **Information about Contract Administrators.**

The following names, titles, addresses, and telephone numbers are the pertinent information for the respective contract administrators for the parties.

Contract Administrator for COUNTY:


Name: Alan Yamamoto
Title: Behavioral Health Director
Address: 1131 San Felipe Road
Hollister, CA 95023
Telephone No: (831) 636-4020
Fax No: (831) 636-4025

Contract Administrator for CONTRACTOR:

Name: Lonny G. Davis
Title: President / Owner
Address: 1878 E. Hatch Road
Modesto, CA 95351
Telephone No: (209) 538-1496
Fax No: (209) 538-6584

SIGNATURES

APPROVED BY COUNTY:

Name: 
Chair, San Benito County
Board of Supervisors


APPROVED BY CONTRACTOR:

Name: 
President / Owner

Date: 5/11/21

TAX ID# 94-2532667
Date: 4/1/21

APPROVED AS TO LEGAL FORM:

San Benito County Counsel By: 
Date: 4-22-2021

ATTACHMENT A
SCOPE OF SERVICES

Davis Guest Home – Licensed Residential Care Facility

CONTRACTOR agrees to provide clients on behalf of COUNTY a residential care facility offering a broad range of services, including a structured environment for clients with mental health challenges.

CONTRACTOR'S residential facility shall provide a non-restrictive, supervised program, focused on each resident's specific needs and interests. Contractor shall maintain a residential environment of respect, encouragement, and appreciation for all COUNTY clients placed at CONTRACTOR'S facility. COUNTY client residents will be encouraged and given support in discovering and acquiring independent living skills and self-help management skills. Client residents will be encouraged to participate in many out-of-home activities that are provided in an effort to normalize lifestyles and allow social training opportunities within the community.

COUNTY client resident shall be encouraged to reach and maintain his/her highest possible quality of life. Each COUNTY client resident will be provided CONTRACTOR support to achieve individualized goals that will result in their being re-integrated into the community as soon as possible.

CONTRACTOR shall provide Programs and Services dedicated to discovering each COUNTY client resident's interest and goals and assist residents in achieving these with training opportunities, education and counseling.

CONTRACTOR shall provide opportunities for residents to participate in activities or educational opportunities in the following areas:

Educational:

Money Management/Budgeting Training
Public Transportation Access/Utilization
Interpersonal/Dyadic Communications Skills
Family and Peer Relational Processes
Nutritional/Menu Planning and Food Preparation
Responsibility Orientation, Cause/Effect Sequences
Chemical Dependency/Substance Abuse Awareness

Socialization/Group Interactions:

Current Events/Cultural Relativity
Problem Solving/Life challenge bridge
Self-Disclosure/Transparency Therapy
Healthy Responses to relational Pain/Trust Development

Entertainment/Recreational

Annual trips to Disneyland
Concerts, Community Events
Holiday Celebrations
Movies, Games, and Sports.
Bingo Bonanza
Talent Shows/Competition
Pizza/Ice Cream Socials
Shopping Trips
Birthday Celebrations
Live Bands/Dances

CONTRACTOR shall on behalf of COUNTY provide services to address the following:

1. Serious, psychotic impairment: difficulty self-care in bathing dressing, grooming, toileting, eating; persistently intrusive behavior requiring significant redirection: serious regression which impedes or prevents program participation.
2. Sub-acute danger to self, including suicidal ideation
3. Gross inactivity
4. Basic difficulties in sharing, working out, co-existing in a room with another person.
5. Exaggerated, loud outbursts in response to perceived injustices.
6. Problem smoking unauthorized areas.
7. Borrowing, begging or stealing or inappropriate handling of money or property.
8. Medication Compliance.
9. Paranoid perception - which goes unvoiced and sometimes leads to the person acting out of place in the community.
10. Reversed sleep patterns - up all night. sleeping in the day.
11. Sexual acting out.
12. Excessive dependency.

CONTRACTOR shall maintain staff that have bi-lingual capabilities: two administrative staff who are fluent in sign language. CONTRACTOR shall provide a multi-cultural approach that is reflected in both staffing and programming. Staff members shall regularly receive training in defusing assaultive situations, and utilize early intervention techniques that serve to help prevent hospitalizations in most instances. CONTRACTOR client resident's personal and incidental funds are placed in trust and may be withdrawn by the client at regular intervals as determined by the resident's service plan, payee, and case management contracts. CONTRACTOR shall provide transportation to day programs, community events, recreational activities, doctor and medical appointments, and other transportation requirements.

CONTRACTOR shall maintain Quality Assurance Procedures

CONTRACTOR shall maintain qualified personnel capable of distributing medication as directed by psychiatrist or physician at prescribed intervals. CONTRACTOR shall require its staff who distribute medication to complete in-service training pertaining to medications.

CONTRACTOR provided services, facility, programs and records shall be evaluated annually by the following agencies:

State of California Community Care Licensing, Valley Mountain Regional Center, Stanislaus County Ombudsman Program, and Patients' Rights Consumer Review Task Force, Stanislaus County.

CONTRACTOR Staff Qualifications and Training

CONTRACTOR staff members shall be fingerprinted and attend courses in CPR, First Aid, and receive bimonthly in-service training programs. In-service training's will provide a forum, which allows discussion and interaction among staff concerning residents, IPP's (Individual Program Plans), residents' day programs, and general progress.

CONTRACTOR shall maintain a Designated Psychiatrist to provide residents medication support services

COUNTY client residents shall be provided psychiatric services by local psychiatrists who are contracted with CONTRACTOR to provide residents medication support services. Psychiatrists will visit residents on-site regularly and shall be available on call continuously for emergency consultation.

CONTRACTOR's psychiatrist may bill each COUNTY at the standard Medi-Cal reimbursement rates for the initial consult/new patient assessments, and the regular/subsequent medication refill appointments.

CONTRACTOR, for services rendered under this contract, must utilize psychiatrist, M.D.'s that are confirmed by CONTRACTOR to possess all necessary professional registrations, certifications, permits, licenses or approvals as required by Federal and California law and the Medical Board of California. The COUNTY shall not be responsible for reimbursement of said expenses. CONTRACTOR additionally, for services rendered under this contract, shall not utilize any psychiatrist, M.D. that has been prohibited by any state, or federal sanctioning entity from obtaining Medi-Cal reimbursement for medication support services

CONTRACTOR facilitated access for resident Emergency Services

In the event COUNTY client residents require emergency services, CONTRACTOR shall facilitate resident access to Emergency services that are provided by "Stanislaus Behavioral Health Center". COUNTY shall maintain the right to also choose to transfer its resident back to COUNTY and provide other options for in-patient acute care.

CONTRACTOR may provide transportation services availability on a case-by-case basis.

COUNTY agrees that in the event individuals placed with CONTRACTOR are no longer conserved by COUNTY, CONTRACTOR will be notified as to the change of Conservator status.

COUNTY agrees to continue case management responsibility for any client whose xxxxxx COUNTY conservatorship terminates while at CONTRACTOR'S facility. COUNTY further agrees to work towards avoiding a non-conserved client leaving CONTRACTOR'S facility and becoming a Stanislaus permanent resident. All efforts will be made to relocate such a client to xxxxxx COUNTY for placement.

COUNTY will give CONTRACTOR a written two-week notice upon terminating a resident's placement at CONTRACTOR'S facility. Residents that are moved from CONTRACTOR'S facility without providing a two-week written notice, or before the date indicated on the notice, COUNTY will be responsible for payment of the term indicated in the termination notice.

CONTRACTOR will hold a resident's bed for a total of ten days for in-patient hospitalizations (Medical and or Psychiatric) per occurrence and seven days per month for overnight passes. Upon written requests, exceptions can be accepted with COUNTY approval. Hospital days and passes require payment to CONTRACTOR within time framed indicated above, extensions may be secured with written notice to CONTRACTOR. County agrees to adhere to attached protocol regarding returning a LPS conserved Resident from Davis Guest Home.

County agrees to provide Davis Guest Homes names and contact information (including after-hours contact numbers) for Case Managers and or Conservators in the event of emergencies. Emergency contacts must be available to respond to calls within one hour.

Augmented services provided by Davis Guest Home such as transportation outside of Stanislaus County, extraordinary staffing request, residents requiring special medical attention waivers or treatments and other enhanced services may be negotiated on an individual basis.

Before placement, all Residents of Davis Guest Homes must have in place some form of medical insurance or provision for medical care and treatments including payment arrangements.

End Of Attachment A

ATTACHMENT B

Payment Schedule

Prior Authorization

a. **Form**

County shall develop a prior authorization form, which must be completed for each patient admitted by Contractor under this agreement. At a minimum, this form shall contain a clear patient identification, admission date, and County approval of the admission and level of service. Contractor is committed to provide care in accordance with the terms of this agreement, and County is committed to reimburse Contractor for care as set forth in this Exhibit.

b. **Process**

County contract liaison shall provide Contractor with a completed authorization form prior to each patient admission. A patient may be admitted without a completed authorization form on the basis of verbal authorization from the county contract liaison by mutual consent of the County and Contractor, provided County supplies a completed form within three (3) days from the date of admission.

Reimbursement

a. **Amount**

The total amount of reimbursement available under this agreement shall not exceed Eighty thousand dollars (\$80,000) per year.

b. **Rate**

County shall reimburse Contractor on fee for service basis for services under this agreement at a rate for services of \$125.00 per patient day. The monthly gross billings shall reflect a reduction of third party revenues received on behalf of individual clients from this County. In addition, the contractor shall receive the board and care payment at a rate predetermined by social security administration which will be paid out of client's Social Security Benefits. The county will deduct the personal and incidental (P&I) expense allowance of \$80.00 per month and forward to the CONTRACTOR to be placed in the Conservatee's Trust Account.

County shall pay the daily rate for clients participating in the program when a client is absent for a short time which is defined as not more than (7) of non-medical leave and not more that (10) days of medical leave upon prior notification by CONTRACTOR.

County shall be responsible to remove Resident with 30 days upon notification that they have failed placement or in the opinion of the CONTRACTOR Administration are no longer appropriate for the level care at Davis Guest Homes. In the event a Resident is not relocated within 30 days as stipulated in our Admission Agreement, County will pay a rate of \$350.00 per day until such a time Resident may be relocated.

Board and Care shall be paid from the clients SSI or SSI/SSA benefits. If the client does not yet receive SSI or SSI/SSA benefits, or those benefits have been diminished due to back payments owed to other entities, or do not reflect standard residential care rates, COUNTY will provide payment to cover the delinquent and /or amount owed. The clients SSI or SSI/SSA monthly residential board and care rate is currently \$1,079.37 per month for a client who receives one check and \$1099.37 for a client who receives two checks (this monthly amount is subject to annual adjustments by the Federal Government and State of California), which adjustments shall be effective without the need for any amendment to the Agreement. COUNTY shall pay the daily rate for clients participating in the program when a client is absent for a short tome which is defined as not more than (7) of non-medical leave and not more than (10) days of medical leave upon prior notification by CONTRACTOR.

c. **Claims**

Contractor shall submit all claims for reimbursement under the agreement within sixty (60) days after the ending date of the agreement. All claims submitted after sixty (60) days following the ending date of the agreement will not be subject to reimbursement by the County. Any "obligations incurred" included in claims for reimbursement and paid by the County which remain unpaid by the Contractor after ninety (90) days following the ending date of the agreement will be disallowed under audit by the County.

d. **Monthly Payment**

County shall provide Contractor with an approved form for use in billing services under this agreement. Contractor shall bill for services under this agreement on a monthly basis in arrears. Contractor shall provide County with a bill on the approved form within ten (10) days of the end of the month of service. County shall reimburse Contractor for services within thirty (30) days of receipt of the approved form.

e. **Final Payment**

County shall provide Contractor with final payment for services under this agreement within thirty (30) days of receipt of Contractor billing for the last month of service. Final payment shall be adjusted as appropriate to reconcile cash advance provided Contractor (c. above), differences between estimated and actual Contractor share of cost receipts, and other outstanding payment issues.

Audits

a. **Scope**

County may audit Contractor billing for, and provision of, services under this agreement at any time with fourteen (14) days advance written notice. County audits shall be conducted in accordance with generally accepted audit standards and limited to a verification that services billed by the Contractor were actually provided to County patients as prescribed in the Basic Services Statement included in Exhibit "A". Contractor shall provide County with on-site access to all reasonable documents, records, and other supporting information for billing and services under this agreement.

- b. Contractor shall make available to County, upon written request, and to the Federal/State Government or any of their duly authorized representatives, this agreement and such books, documents and records of Contractor that are necessary to certify the nature and extent of the reasonable costs of services to County.

c. **Findings**

Where problems are identified in the course of an audit, which resulted in a significant overpayment to the Contractor, County must conduct an exit conference with the Contractor at the close of the audit and provide a written report and demand letter within thirty (30) days of audit completion.

d. **Repayment**

Contractor must repay County for any overpayment identified in the course of an audit within thirty (30) days of audit completion unless the audit findings are appealed as set forth in D below. At the Contractor's discretion, repayment may be scheduled for direct submission to the County or an offset of a future bill for services under this agreement. If Contractor fails to submit appropriate repayment within designated timeframe, County may offset future bills for services under this agreement.

e. **Appeals**

Contractor has the right to appeal audit findings and related County actions in writing to the County Board of Supervisors or through any other administrative conflict resolution mechanism identified by county. County shall schedule a formal hearing for Contractor appeals within thirty (30) days of receipt of a written request. County shall issue a final report on appeal findings within thirty (30) days of the formal hearing. Contractor shall also have the right to judicial review of County actions related to audits conducted under this agreement. In the case of such an appeal, contractor repayment shall be due within thirty (30) days after the appeal process is final.

END OF ATTACHMENT B

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 indemnitee 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 insureds.
- (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 ten years from the final date of the contract period or the date of completion of any audit, whichever is later. 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 ten-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 ten year period shall arise only if the COUNTY notifies CONTRACTOR of the commencement of an audit prior to the expiration of the ten 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. COUNTY requires that all ownership interest, financial interest, and control interest of 5% or more in relevant contracts and relationships be disclosed; and in some cases, criminal background checks and fingerprints may be required.

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.

CONTRACTOR is responsible to comply with state and federal requirements regarding reporting potential fraud, waste, or abuse and will implement processes and verification checks to ensure that services billed were actually delivered. CONTRACTOR will work with COUNTY to mitigate any identified fraudulent activity.

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.

CONTRACTOR shall comply with COUNTY contract terms, state and federal regulations, or standards of care; COUNTY has the right to suspend payments and/or terminate providers who do not comply.

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.

ATTACHMENT D

Specific Terms and Conditions

- D-1. CONTRACTOR shall comply specifically with Division 5 of the Welfare and Institutions Code, Titles 9 and 22 of the California Code of Regulations, and all statutes and regulations related thereto.
- D-2. CONTRACTOR shall adhere to all statutes and regulations governing the confidentiality of records. Contractor agrees to maintain the confidentiality of any information, which may be obtained in the performance of this agreement. Contractor agrees to hold all such confidential information in trust and confidence and upon cancellation or expiration of this agreement Contractor will return to County all written or descriptive matter, which contains any such confidential information.
- D-3. CONTRACTOR shall maintain all patient records in compliance with all appropriate federal, state and local requirements.
- D-4. CONTRACTOR shall comply with all Patients' Rights statutes and regulations.
- D-5. CONTRACTOR shall ensure that all pertinent admissions and length of stay requests comply with utilization review regulations.
- D-6. CONTRACTOR shall ensure that appropriate service and financial records are maintained and retained at least four (4) years or until audit findings are resolved, whichever is later.
- D-7. State and County agencies shall have the right to inspect all records to evaluate the cost, quality, appropriateness and time lines of services.
- D-8. CONTRACTOR agrees to complete and return to COUNTY the Provider Satisfaction Survey when COUNTY provides such.
- D-9. Facility access for handicapped persons shall comply with Section 504 of the Rehabilitation Act of 1973.
- D-10. In the event of a medical emergency, either psychiatric or non-psychiatric, CONTRACTOR shall stabilize and treat or transfer patients in accordance with Emergency Medical Treatment and Active Labor Act, 42 U.S.C. § 1395dd ("EMTALA"). COUNTY agrees that all screenings and stabilizing services provided by a CONTRACTOR in a medical emergency are services covered by COUNTY under this agreement.
- D-11. The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (HIPAA). Each party understands that, as a provider of medical treatment services, it is a "covered entity" under HIPAA, and as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information including the training of staff and the establishment of proper procedures for the release of

such information, including the use of appropriate patient authorizations specified under HIPAA.

- D-12. As to all insurance coverage required herein, any deductible or self-insured retention exceeding 1% of company's annual gross earnings or \$5,000 for an individual shall be disclosed to and be subject to approval by County Risk Manager, prior to the effective date of this contract.
- D-13. If any insurance coverage required hereunder is provided on a "claim made" rather than "occurrence" form, CONTRACTOR shall maintain such insurance coverage with an effective date earlier or equal to the effective date of the contract and continue coverage for a period of three (3) years after the expiration of the contract and any extensions thereof.
- D-14. In lieu of maintaining post-contract expiration coverage as specified above, CONTRACTOR may satisfy this provision by purchasing tail coverage for the "claims made" policy. Such tail coverage shall, at a minimum, provide coverage for claims received and reported three (3) years after the expiration of this contract.
- D-15 Contractor will cooperate with County in the preparation of and will furnish any and all information required for reports to be prepared by County as may be required by the rules, regulations, or statutes of the State of California or United States Government.
- D-16 County, with prior written notice of fourteen (14) days to Contractor, may, at any time during the term of this agreement, conduct an evaluation of services provided hereunder.
- D-17 Nothing herein shall be deemed to prohibit Contractor from contracting with more than one entity to perform additional work similar to or the same as that herein contracted.
- D-18 Contractor agrees to comply with all requirements which are now, or may hereafter be, imposed by the funding governmental entity with respect to the receipt and disbursement of the funds referred to in Exhibit "B", as well as such requirements as may be imposed by County. Without limiting the generality of the foregoing, Contractor agrees that it will not use funds received pursuant to this agreement, either directly or indirectly, as a contribution in order to obtain any federal funding under any federal programs.
- D-19 Contractor and Contractor's employees shall comply with the County's policy of maintaining a drug-free workplace. Neither the Contractor or Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances as defined in Title 21, USC, Chapter 13, Subchapter I, part B, Section 812, including but not limited to marijuana, heroin, cocaine and amphetamines at any of Contractor's facilities or County's facilities or worksites. If Contractor or any employee of Contractor is convicted or pleads nolo contendere to a criminal drug statute violation occurring at a County facility or worksite, the Contractor, within five (5) days thereafter, shall notify the supervising department or the County department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this agreement.

- D-20 In this connection, the parties hereto agree that the term "without reasonable cause" utilized in Section 5657 of the Welfare and Institutions Code means, for purposes of this agreement, that a representative of the County agency has not articulated, verbally or in written form, a reason for not making payment within sixty (60) days of the required payment date as set forth in Exhibit "B".
- D-21 In cases of unusual occurrences Contractor shall comply with the California Code of Regulations (CCR) Title 9; Division 1., Chapter 3.5 Mental Health Rehabilitation Centers, Article 4, Subsection 784.15. Contractor agrees to concurrently notify County in writing of said unusual occurrence.

END OF ATTACHMENT D

ATTACHMENT E

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT

BUSINESS ASSOCIATE

- (a) Contractor shall comply with, and assist the County in complying with, the privacy requirements of the Health Insurance Portability and Accountability Act (including but not limited to 42 U.S.C. 1320d et seq.; "HIPAA") and its implementing regulations (including but not limited to 45 CFR Parts 142, 160, 162 and 164), hereinafter collectively referred to as the "Privacy Rule." Terms used but not otherwise defined in this Addendum shall have the same meaning as those terms are used in the Privacy Rule.
- (b) Except as otherwise limited in this Addendum, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for or on behalf of the County as specified in this Addendum, provided that such use or disclosure would not violate the Privacy Rule with which the County complies.
- (c) Contractor shall not use or further disclose Protected Health Information other than as permitted or required by this Addendum, or as required by law.
- (d) Contractor shall use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Addendum.
- (e) Contractor shall report to the County any use or disclosure of the Protected Health Information not provided for by this Addendum.
- (f) Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor as a result of a use or disclosure of Protected Health Information by Contractor, which is in violation of the requirements of this Agreement.
- (g) Contractor shall ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, created, or received by Contractor on behalf of the County, agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.
- (h) Contractor shall provide access, at the request of the County, and in the time and manner designated by the County, to Protected Health Information in a Designated Record Set; this Protected Health Information will be released to the County or, as directed by the County, to an Individual, in order to meet the requirements under 45 CFR Section 164.524.
- (i) Contractor shall make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs, pursuant to 45 CFR Section 164.526, at the request of the County or an Individual, and in the time and manner designated by the County.
- (j) Contractor shall document such disclosures of Protected Health Information and information related to such disclosures as would be required for the County, to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR Section 164.528.
- (k) Contractor shall provide to the County or an Individual, in the time and manner designated by the County, information collected in accordance with subsection (j), to

permit the County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR Section 164.528.

- (l) Contractor shall make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of the County, available to the County; or at the request of the County, to the Secretary of the United States Department of Health and Human Services (“Secretary”), in a time and manner designated by the County or the Secretary, for purposes of the Secretary determining the County’s compliance with the Privacy Rule.
- (m) A breach by Contractor of any provision of this Addendum, as determined by County, shall constitute a material breach of the contract and shall provide grounds for immediate termination of the Contract by the County.
 - (1) Except as provided in subparagraph (2) of this section, upon termination of this Addendum for any reason, Contractor shall return or destroy all Protected Health Information received from the County, or created or received by Contractor on behalf of the County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of the Contractor. Contractor, its agents and subcontractors shall retain no copies of the Protected Health Information.
 - (2) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to the County notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Contractor shall extend the protections of this Addendum to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such Protected Health Information.
- (n) Contractor is responsible for providing the required notification only if a breach involved of “unsecured PHI”. Unsecured PHI is PHI that has not been rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified in guidance by the Secretary of DHHS. The most current guidance can be found on the DHHS website (<http://www.hhs.gov>).
- (o) The Parties agree to take action to amend this Agreement from time to time as is necessary for the County to comply with the requirements for the Privacy Rule or any other requirements of HIPAA and its implementing regulations.

END ATTACHMENT E