

C O N T R A C T

The COUNTY OF SAN BENITO ("COUNTY") and Cielo House ("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 September 10, 2019, and end on June 30, 2020, 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.

[X] 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: Matthew Keck, MFT
Title: Founder/CEO
Address: 750 El Camino Real
Burlingame, CA 94010
Telephone No: (408) 834-0616
Fax No: (866) 398-5858

SIGNATURES

APPROVED BY COUNTY:

Name: _____
Chair, San Benito County
Board of Supervisors

APPROVED BY CONTRACTOR:

Name: Matthew Keck
Founder/CEO

TAX ID# 27-1655973

Date: _____

Date: 8/14/19

APPROVED AS TO LEGAL FORM:

San Benito County Counsel
By: _____

Date: 8-15-2019

ATTACHMENT A
SCOPE OF SERVICES
Cielo House

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 eating disorder challenges.

CONTRACTOR'S residential facility shall provide a non-restrictive, supervised program, focused on each resident's specific eating disorder needs. 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 intervention 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 focused on assisting clients to live in the least restrictive level of care and enhance quality of life for COUNTY client residents.

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

Residential Treatment

The facility will assist the client to become more responsible to take medications as prescribed by the treating physician.

Objectives:

- Transitional housing
- Twenty-four hour, seven days a week staff availability.
- Eating disorder-specific nutritional intake assessment.
- Ongoing weekly assessment
- Comprehensive treatment plan designed for each individual
- Specialized meal plan for all meals monitored by dietician
- individual therapy
- Close supervision
- Registered dietitian Counseling
- Individualized nutritional guidance for client and family support
- Family therapy

- structured group therapy
- Meal time support and processing
- Twice weekly medical evaluation and daily weight and vital signs
- Physician services face-to-face meeting with primary care doctor and psychiatrist at least once a week
- Medication support services when prescribed by a physician
- Dialectical Behavior Therapy modalities
- Cognitive Behavior Therapy
- Equine Therapy
- Internal Family Systems (IFS) models
- Acceptance and Commitment Therapy
- Expressive Therapies including yoga, art and music
- Exposure therapy (restaurant outings, challenge foods)
- Psycho-education groups including body image, self-esteem and assertiveness
- Coordination of care with outside treatment providers
- Detailed discharge planning for relapse prevention
- Post program support (recovery alumni group)
- Other related activities as needed
- Treatment environment management, provided by paraprofessional staff

Partial Hospitalization

Partial Hospitalization, Day treatment program is for individuals who need a high degree of support and are working towards managing their recovery while living at home.

- Six to eight hours of treatment daily, up to seven days a week
- Eating disorder-specific nutritional intake
- Ongoing weekly assessment
- Individual treatment plan
- One –two structured meal; and one–two snacks per day.
- Close supervision
- Registered dietician counseling
- Individualized nutritional guidance for client and family support
- Individual and family based therapy
- Structure group therapy
- Mealtime support and processing
- Twice weekly medical evaluations and daily weights and vital sings
- Dialectical Behavior therapy modalities
- Cognitive Behavioral Therapy
- Internal Family Systems (IFS) Models
- Acceptance and Commitment Therapy
- Expressive Therapies including yoga, art and music
- Exposure therapy (restaurant outings, challenge foods)
- Psycho-education groups including body image, self-esteem and assertiveness

- Coordination of care with outside treatment providers
- Detailed discharge planning for relapse prevention
- Post program support (recovery alumni group)
- Other relate activities as needed

1. Initial Assessment

CONTRACTOR will complete an initial assessment within five (5) business days of client's admission to the program. The initial assessment may include, but not limited to: a medical assessment, family history, eating disorder behaviors, co-morbid mental illness, and motivation to recovery from the eating disorder. The treatment plan will be tailored to fit the client's diagnosis and treatment needs. The treatment plan will include measurable and time bound goals, objective and an intervention plan. The treatment plan will be completed within seven (7) days of admission to the program at Cielo House. The Client initial assessment and treatment plan shall be provided to COUNTY within twelve (12) days of client's admission to the program.

2. Treatment

CONTRACTOR will follow weekly treatment schedules which include individual and family therapy sessions, psychiatric and medical consultations (which will include access to labs, frequent monitoring of vital and medication compliance), individual nutrition sessions, daily to weekly weigh-in, monitoring of caloric intake and therapeutic groups.

3. Culturally Competent Services

CONTRACTOR will provide culturally competent and linguistically appropriate services to meet the needs of the target population. Specifically, CONTRACTOR will provide services in the preferred language used by the clients and their families.

4. Coordination of Care

CONTRACTOR shall develop a plan of coordination with the assigned COUNTY that will include at a minimum:

- a. Mode of communication and frequency
- b. Submission of monthly progress reports
- c. Step down and/or Discharge planning
- d. Timely notification of unplanned medical or mental health interventions

CONTRACTOR will take all reasonable measures to inform COUNTY of any unplanned medical procedure or mental health intervention an in the timeliest manner. Whenever possible, such unplanned procedures/interventions will be provided by COUNTY. In such situation situations, COUNTY will provide medication support; facilitate medical hospitalization and psychological evaluation.

In the event of any unplanned medical emergency or mental health intervention, CONTRACTOR will contact COUNTY at (831) 636-4020.

5. Discharge planning

It is the expectation of COUNTY that discharge planning will be a coordinated effort between the CONTRACTOR and COUNTY. All Client discharges to a lower level of care, both within the Cielo House program or to COUNTY outpatient provider, will be 'planned discharges'. Discharge planning occurs from the moment a client is admitted into treatment and readiness for discharge will at least be evaluated by CONTRACTOR on a **daily basis** for client progress and application of services for COUNTY re-authorization. COUNTY shall engage with CONTRACTOR in a timely and periodic concurrent review process of Contractor provided services subject to claims reimbursement by COUNTY. COUNTY shall maintain authority for final determination of medically necessary services authorized for CONTRACTOR reimbursement by COUNTY.

Upon determination by the COUNTY and CONTRACTOR that the client is ready for discharge, a case conference shall be held and will include the CONTRACTOR, family, client, and COUNTY present to discuss transfer of the case to a lower level of care. The CONTRACTOR is responsible to draft the discharge summary and treatment recommendation and provide this clinical documentation to the COUNTY.

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 One hundred thousand dollars (\$100,000) per year.

b. **Rate**

COUNTY shall reimburse CONTRACTOR for services under this agreement at a rate of \$1,100 per patient, per day for residential services and \$650.00 for Partial Hospitalization (PHP). The monthly gross billings shall reflect a reduction of third party revenues received on behalf of individual clients from this COUNTY.

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.

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 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 C19, 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

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