

**COUNTY OF MENDOCINO
STANDARD SERVICES AGREEMENT**

This Agreement, dated as of _____, 2014, is by and between the COUNTY OF MENDOCINO, hereinafter referred to as the "COUNTY", and **Telecare Corporation, Garfield Neurobehavioral Center** hereinafter referred to as the "CONTRACTOR".

WITNESSETH

WHEREAS, pursuant to Government Code Section 31000, COUNTY may retain independent contractors to perform special services to or for COUNTY or any department thereof; and,

WHEREAS, COUNTY desires to obtain CONTRACTOR skilled nursing facility ("Services"); and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this AGREEMENT and is willing to provide same to COUNTY.

NOW, THEREFORE it is agreed that COUNTY does hereby retain CONTRACTOR to provide the services described in Exhibit "A", and CONTRACTOR accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

- Exhibit A Definition of Services
- Exhibit B Payment Terms
- Exhibit C Insurance Requirements
- Exhibit D Assurance of Compliance with Nondiscrimination
- Exhibit E Behavioral Health and Recovery Services Requirements
- Appendix A Certification Regarding Debarment, Suspension, and other Responsibility Matters - lower tier covered transactions
- Addendum A Medi-Cal Privacy and Security Agreement
- Attachment 1 Sample Invoice

The term of this Agreement shall be from October 1, 2013 through June 30, 2014.

The compensation payable to CONTRACTOR hereunder shall not exceed Ninety Thousand (\$90,000) for the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF MENDOCINO

By _____
Dan Hamburg, Chair and/or
John Pinches, Vice Chair
Board of Supervisors

Date: _____

ATTEST:

CARMEL J. ANGELO, Clerk of said Board

By _____
Deputy

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

CARMEL J. ANGELO, Clerk of said Board

By _____
Deputy

Date: _____

CONTRACTOR/TELECARE CORPORATION

By _____
Signature

Printed Name: _____

Title: _____

Date: _____

NAME AND ADDRESS OF CONTRACTOR:

Telecare Corporation
1080 Marina Village Parkway, Suite 100
Alameda, CA 94501
Phone: (510) 337-7950
Email: mlangfeld@telecarecorp.com

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

HEALTH AND HUMAN SERVICES AGENCY

By _____
TOM PINIZZOTTO, HHSA Assistant Director,
Health Services

Date: _____

Budgeted: Yes No

Budget Unit: 4050

Line Item (Acct String): 86-3162

Org/Object Code: MHAS75

Grant: Yes No

Grant No.: _____

INSURANCE REVIEW:

RISK MANAGER

By _____
KRISTIN McMENOMEY, Director
General Services Agency

Date: _____

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

Thomas R. Parker, County Counsel

By _____

Date: _____

EXECUTIVE OFFICE REVIEW:

APPROVAL RECOMMENDED

By _____
Carmel J. Angelo, Chief Executive Officer

Date: _____

Fiscal Review:

By: _____
Deputy CEO/Fiscal Date

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; **\$50,001+ Board of Supervisors**

Exception to Bid Process Required/Completed **Exception #:** _____

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONTRACTOR is an Independent Contractor. CONTRACTOR is not the agent or employee of the COUNTY in any capacity whatsoever, and COUNTY shall not be liable for any acts or omissions by CONTRACTOR nor for any obligations or liabilities incurred by CONTRACTOR.

CONTRACTOR shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold County harmless from any and all liability which COUNTY may incur because of CONTRACTOR's failure to pay such amounts.

In carrying out the work contemplated herein, CONTRACTOR shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of COUNTY.

CONTRACTOR does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, including but not limited to prevailing wage laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of COUNTY is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the County agency concerned.

Notwithstanding the foregoing, if the COUNTY determines that pursuant to state and federal law CONTRACTOR is an employee for purposes of income tax withholding, COUNTY may upon two (2) week's written notice to CONTRACTOR, withhold from payments to CONTRACTOR hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever including damages to property and injuries to, or death of persons, reasonable attorney's fees, expert fees and court costs occurring or resulting, or alleged to be occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connections with the CONTRACTOR'S performance or its obligations under this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting, or alleged to be occurring or resulting, to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance of its obligations under this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR'S performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.
3. **INSURANCE AND BOND:** CONTRACTOR shall at all times during the term of the Agreement with the COUNTY maintain in force those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
4. **WORKERS' COMPENSATION:** CONTRACTOR shall provide Workers' Compensation insurance, as applicable, at CONTRACTOR's own cost and expense and further, neither the CONTRACTOR nor its carrier shall be entitled to recover from COUNTY any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, CONTRACTOR shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. CONTRACTOR shall indemnify and hold COUNTY harmless from any and all liability, fines, penalties and consequences from any of CONTRACTOR's failures to comply with such laws, ordinances, codes and regulations.
 - b. **Accidents:** If a death, serious personal injury or substantial property damage occurs in connection with CONTRACTOR's performance of this Agreement, CONTRACTOR shall immediately notify Mendocino County Risk Manager's Office by telephone. CONTRACTOR shall promptly submit to COUNTY a written report, in such form as may be required by COUNTY of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address

of the injured or deceased person(s); (2) name and address of CONTRACTOR's sub-contractor, if any; (3) name and address of CONTRACTOR's liability insurance carrier; and (4) a detailed description of the accident and whether any of COUNTY's equipment, tools, material, or staff were involved.

- c. CONTRACTOR further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the COUNTY the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: For services performed in accordance with this Agreement, payment shall be made to CONTRACTOR as provided in Exhibit "B" hereto as funding permits.
7. TRAVEL EXPENSES: CONTRACTOR shall not be allowed or paid travel expenses unless set forth in this Agreement.
8. TAXES: Payment of all applicable federal, state, and local taxes shall be the sole responsibility of the CONTRACTOR.
9. OWNERSHIP OF DOCUMENTS: CONTRACTOR hereby agrees to provide to a private, not-for-profit, successor and if there is none then assigns the COUNTY and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the COUNTY, the CONTRACTOR, the CONTRACTOR's subcontractors or third parties at the request of the CONTRACTOR (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONTRACTOR shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. CONTRACTOR agrees to take such further steps as may be reasonably requested by COUNTY to implement the aforesaid assignment. If for any reason said assignment is not effective, CONTRACTOR hereby grants the COUNTY and any assignee of the COUNTY an express royalty – free license to retain and use said Documents and Materials. The COUNTY's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONTRACTOR's services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

CONTRACTOR shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by the

CONTRACTOR and incorporated into the work as set forth in Exhibit "A", and shall defend, indemnify and hold the COUNTY harmless from any claims for infringement of patent or copyright arising out of such selection.

The COUNTY's rights under this Paragraph 9 shall not extend to any computer software used to create such Documents and Materials.

10. CONFIDENTIALITY: CONTRACTOR agrees to require its employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code and Division 19000 of the State of California, Department of Social Services, Manual of Policies and Procedures, to assure that:
 - a. All applications and records concerning an individual, made or kept by any public officer or agency in connection with the administration of any provision of the Welfare and Institutions Code relating to any form of public social services for which grants-in-aid are received by this State from the Federal Government shall be confidential and shall not be open to examination for any purpose not directly connected with the administration of such public social services.
 - b. No person shall publish or disclose, or use or permit, or cause to be published, disclosed or used, any confidential information pertaining to an applicant or recipient.

Contractor agrees to inform all its employees, agents, and partners of the above provisions and that any person who knowingly or intentionally violates the provisions of said State law is guilty of a misdemeanor.

11. MONITORING: CONTRACTOR shall cooperate fully with any utilization review committee established by the COUNTY for the purpose of monitoring the accomplishments and effectiveness of CONTRACTOR and specific services provided to individuals.
12. GRIEVANCE PROCEDURE: CONTRACTOR agrees to provide a system through which recipients of service shall have the opportunity to express and have considered their views, grievances and complaints regarding the delivery of services. This system shall include notification to the recipients of their right to a state hearing.
13. ABUSE REPORTING REQUIREMENTS:
 - a. CHILD ABUSE REPORTING REQUIREMENT: CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to a child protective agency as defined in Penal Code Section 11165(k). This responsibility shall include:

(1) A requirement that all employees, consultants, or agents performing services under this agreement who are required by Penal Code Section 11166, to report child abuse or neglect, sign a statement that he or she knows of the reporting requirements and shall comply with them.

(2) Establishing procedures to ensure reporting even when employees, consultants, or agents who are not required to report child abuse under Penal Code 11166, gain knowledge of, or reasonably suspect that a child has been a victim of abuse or neglect.

b. **ADULT ABUSE REPORTING REQUIREMENT:** CONTRACTOR shall ensure that all known or suspected instances of elder abuse as defined in Welfare and Institutions Code 15610 are reported to Adult Protective Services. This responsibility shall include:

(1) A requirement that all employees, consultants, or agents performing services under this agreement who are required by Welfare and Institutions Code Section 15630 and 15632, to report adult abuse or neglect, sign a statement that he or she knows of the reporting requirements and shall comply with them.

(2) Establishing procedures to ensure reporting even when employees, consultants, or agents who are not required to report adult abuse under Welfare and Institutions Code Section 15630 and 15632, gain knowledge of, or reasonably suspect that an adult has been a victim of abuse or neglect.

14. **HIPAA COMPLIANCE:** CONTRACTOR agrees to comply with the applicable regulations for the Health Insurance Portability and Accountability Act (HIPAA) and shall hold the COUNTY harmless from any sanctions received by the CONTRACTOR, to the extent permitted by law, for breach of these regulations. CONTRACTOR also agrees: patients to whom services are rendered are third-party beneficiaries of this section; to prohibit any unauthorized disclosures or use of protected information; to put in place appropriate safeguards ensuring only permitted uses and disclosures; to immediately report to COUNTY reports of any unauthorized uses or disclosures; ensure that sub-contractors of CONTRACTOR agree to the provisions of this section; to consent to patient access to their own health information; to make protected information available to the Federal Department of Health and Human Services as well as all internal compliance policies and procedures; to provide for the destruction of protected information upon agreement termination unless it must be retained to comply with another provision of law; and to ensure appropriate correction or amendment of records. A failure by CONTRACTOR to adhere to these provisions shall result in agreement termination.

15. ELIGIBILITY FOR SERVICES: The COUNTY shall determine eligibility for receiving services under this agreement.
16. CONFLICT OF INTEREST: The CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement.
17. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Facsimile transmission: When sent by facsimile to the facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that, (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To COUNTY: COUNTY OF MENDOCINO
BHRS
1120 S. Dora Street
Ukiah, CA 95482
Attn: Contracts

To CONTRACTOR: Telecare Corporation
1080 Marina Village Parkway, Suite 100
Alameda, CA 94501
Attn: Marshall Langfeld, SVP and CFO

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

18. **USE OF COUNTY PROPERTY:** CONTRACTOR shall not use County property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
19. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** CONTRACTOR certifies that it will comply with all federal and state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation or termination.
 - a. CONTRACTOR shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - b. CONTRACTOR shall, if requested to so do by the COUNTY, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - c. If requested to do so by the COUNTY, CONTRACTOR shall provide the COUNTY with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.
 - e. The CONTRACTOR shall include the provisions set forth in paragraphs a through d (above) in each of its subcontracts.
20. **NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS FOR RECIPIENTS OF MENDOCINO COUNTY HEALTH & HUMAN SERVICES**

AGENCY: If applicable, under this agreement, the CONTRACTOR provides assistance or services to any applicant, client, participant or service recipient, hereinafter referred to as "recipient" of the Mendocino County Health & Human Services Agency, the CONTRACTOR shall administer said assistance or service in compliance with the provisions of Exhibit D "Assurance of Compliance with the Mendocino County Health & Human Services Agency Nondiscrimination in State and Federally Assisted Programs" form and shall complete and submit to the COUNTY said form prior to providing said assistance or service under this agreement. CONTRACTOR shall not charge recipients for the use of interpreters and shall insure that recipients covered under the provisions of Exhibit D are not denied or delayed in receiving assistance or services available to the other recipients under this agreement.

21. DRUG-FREE WORKPLACE: CONTRACTOR and CONTRACTOR's employees shall comply with the COUNTY's policy of maintaining a drug-free workplace. Neither CONTRACTOR nor CONTRACTOR's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. 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 work site, the CONTRACTOR, within five days thereafter, shall notify the head of the County department/agency for which the agreement services are performed. Violation of this provision shall constitute a material breach of this Agreement.
22. ENERGY CONSERVATION: CONTRACTOR agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Administrative Code).
23. COMPLIANCE WITH LICENSING REQUIREMENTS: CONTRACTOR shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the County Executive Office.
24. AUDITS; ACCESS TO RECORDS: The CONTRACTOR shall make available to the COUNTY, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the COUNTY, and shall furnish to the COUNTY, within sixty (60) days after examination, its authorized agents, officers or employees such other evidence or information as the COUNTY may require with regard to any such expenditure or disbursement charged by the CONTRACTOR.

The CONTRACTOR shall maintain full and adequate records in accordance with County requirements to show the actual costs incurred by the CONTRACTOR in the performance of this Agreement. If such books and records are not kept and

maintained by CONTRACTOR within the County of Mendocino, California, CONTRACTOR shall, upon request of the COUNTY, make such books and records available to the COUNTY for inspection at a location within County or CONTRACTOR shall pay to the COUNTY the reasonable, and necessary costs incurred by the COUNTY in inspecting CONTRACTOR's books and records, including, but not limited to, travel, lodging and subsistence costs. CONTRACTOR shall provide such assistance as may be reasonably required in the course of such inspection. The COUNTY further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the COUNTY, and the CONTRACTOR shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after the COUNTY makes the final or last payment or within four (4) years after any pending issues between the COUNTY and CONTRACTOR with respect to this Agreement are closed, whichever is later.

25. DOCUMENTS AND MATERIALS: CONTRACTOR shall maintain and make available to COUNTY for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 9 of this Agreement. CONTRACTOR's obligations under the preceding sentence shall continue for four (4) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by COUNTY), and CONTRACTOR shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following the COUNTY's last payment to CONTRACTOR under this Agreement.
26. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
27. TERMINATION: The COUNTY has and reserves the right to suspend, terminate or abandon the execution of any work by the CONTRACTOR without cause at any time upon giving to the CONTRACTOR prior written notice. In the event that the COUNTY should abandon, terminate or suspend the CONTRACTOR's work, the CONTRACTOR shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to CONTRACTOR for its services outlined in Exhibit A shall not exceed \$90,000 payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment or lack of funding.
28. NON APPROPRIATION: If COUNTY should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the services set forth in this Agreement, or other means of performing the same functions of such

services, COUNTY may unilaterally terminate this Agreement only upon thirty (30) days written notice to CONTRACTOR. Upon termination, COUNTY shall remit payment for all products and services delivered to COUNTY and all expenses incurred by CONTRACTOR prior to CONTRACTOR'S receipt of the termination notice.

29. CHOICE OF LAW: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
30. WAIVER: No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
31. ADVERTISING OR PUBLICITY: CONTRACTOR shall not use the name of County, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of COUNTY in each instance.
32. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between COUNTY and CONTRACTOR relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. This Agreement may not be modified except by a written document signed by both parties.
33. HEADINGS: Herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.
34. MODIFICATION OF AGREEMENT: This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
35. ASSURANCE OF PERFORMANCE: If at any time the COUNTY has good objective cause to believe CONTRACTOR may not be adequately performing its obligations under this Agreement or that CONTRACTOR may fail to complete the

Services as required by this Agreement, COUNTY may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to COUNTY, to correct the observed deficiencies in CONTRACTOR's performance. CONTRACTOR shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of COUNTY's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.

36. **SUBCONTRACTING/ASSIGNMENT:** CONTRACTOR shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without the COUNTY's prior written approval.
 - a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - b. CONTRACTOR shall use the subcontractors identified in Exhibit A and shall not substitute subcontractors without COUNTY's prior written approval.
 - c. CONTRACTOR shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between CONTRACTOR and its subcontractors.
37. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 9), and Conflict of Interest (Paragraph 16), shall survive termination or expiration for two (2) years.
38. **SEVERABILITY:** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.
39. **PATENT AND COPYRIGHT INDEMNITY:** CONTRACTOR represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("CONTRACTOR Products") provided to COUNTY under this Agreement infringe any patent, copyright or other proprietary right. CONTRACTOR shall defend, indemnify and hold harmless COUNTY of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any CONTRACTOR Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.

EXHIBIT A

DEFINITION OF SERVICES

I. PROGRAM OBJECTIVES:

CONTRACTOR is a Skilled Nursing Facility (SNF), providing medical, nursing, and rehabilitative services to individuals with neurological deficits resulting from trauma, disease processes, or metabolic or toxic degenerative disorders. The overall program objectives are based on the belief that individuals, regardless of their level of impairment, can achieve realistic, individualized goals and objectives. CONTRACTOR provides a safe, comprehensive medical, nursing, and post-rehabilitative treatment using state-of-the-art interventions based on up-to-date clinical knowledge and current research findings.

II. PROGRAM DESCRIPTION/STRUCTURE:

CONTRACTOR is a Skilled Nursing Facility (SNF) which treats individuals with a variety of neurological impairments. Using an eclectic model which incorporates the principles of physical medicine, psychiatry, occupational and physical therapy, nursing, rehabilitation and behavioral components, the program addresses the symptoms of neurological disorders, the loss of personal care and social skills that result over time from the symptoms and the deficits which result from the neurological impairment. Through accurate diagnosis, evaluation and assessment, and a client-centered treatment planning process, individualized goals are achieved.

The program will operate within a highly structured framework using a clearly outlined, systematic set of clinical and medical interventions. All aspects of residents' lives and functioning which are necessary for the provision of an appropriate, safe, and secure environment will be covered. Daily resident activities will focus on minimizing the negative impact of the neurological disorder. Activities will include, but will not be limited to, skill building regarding activities of daily living, medical evaluation and monitoring, and working on individual goals. The primary goal of the program is to maintain the individual in a safe, secure, "homelike" setting, which will positively impact on the individual's quality of life and ability to obtain personal goals.

III. PROGRAM GOALS:

The treatment philosophy and clinical direction of CONTRACTOR is to maintain the individual's safety, promote health, and ultimately maximize the quality of the individual's life. CONTRACTOR'S approach is based on optimizing the individual's potential to reach his/her highest level of functioning or greatest quality of life. Identifying personal goals and working toward them is the aim of the treatment team and the program structure.

EXHIBIT A – page two

DEFINITION OF SERVICES

As with all Telecare facilities, CONTRACTOR is based on the premise that, regardless the degree of impairment, disability, and handicap, all individuals have the potential to achieve realistic, individualized goals and objectives. CONTRACTOR focuses on providing a safe, secure, “homelike environment” which provides a multi-disciplinary, comprehensive, holistic approach to the needs of the individual with neurological impairments, creating an environment that promotes success.

It is intended that individuals will work on individual goals and realize their potential within the Skilled Nursing Facility while improving the quality of their lives. Safety, physical health, and well-being are the primary initiatives for this program.

IV. TARGET POPULATION:

CONTRACTOR provides services to individuals over the age of 18 with special treatment needs related to neurological impairments requiring a longer treatment phase to gain skills needed for community re-entry. The degree of impairment for this population is not of the intensity to necessitate acute care, but of the intensity of needing longer term interventions in order to allow the individual to successfully return to a less restrictive environment.

The following overview highlights the target population for the facility. CONTRACTOR will operate as a 55 bed Skilled Nursing Facility (SNF) to provide safe medical care and ongoing treatment of adults, predominantly between the ages of 18-55, with a primary diagnosis of Dementia, Amnesic and other Cognitive disorders and mental disorders due to General Medical Conditions. The identified population CONTRACTOR will admit shall include those individuals who are characterized by the disruptive behavioral sequelae of cerebral organic disorders beyond the point of maximal recovery and medical rehabilitation, including:

- A. Head injury and brain trauma, including accidents and gunshot wounds;
- B. Cerebral tumors and infectious disease abscesses;
- C. Cerebrovascular disorders, including subdural hematoma and stroke (CVA);
- D. Specific dementias including senile and pre-senile dementias;
- E. Nutritional and toxic degenerative disorders associated with drug use and alcoholism, including Wernicke-Korsakoff syndrome;
- F. Other Organic Brain Syndromes (OBS) with behavioral management problems (including metabolic disorders, i.e., hypoglycemic seizures); and
- G. Cognitive disorders requiring a secure environment and structured services.
- H. Developmental disabilities or related developmental disorders (i.e., mental retardation, pervasive developmental disorders, and autism).

EXHIBIT A – page three

DEFINITION OF SERVICES

V. CRITERIA FOR CONTRACTOR:

- A. Individuals must have a primary diagnosis of Dementia, Amnestic and other Cognitive disorders, and mental disorders due to a General Medical Condition. (The latter disorders had previously been known as “organic” disorders, but this term has been eliminated in the DSM-IV. Classifications include 290.xx for Dementia, 294.xx for Dementia due to..., 294.0 for Amnestic Disorders due to..., 294.8 Amnestic Disorder, NOS; Dementia, NOS, 294.9 Cognitive Disorder, NOS, 317 Mild Mental Retardation, 318.0 Moderate Mental Retardation, 318.1 Severe Mental Retardation, 318.2 Profound Mental Retardation, 299.0 Autistic Disorder, 2993 .xx, and 7S0.xx.)
- B. Individual behavioral characteristics must be of the nature, which can be managed at a SNF, level of functioning, e.g. free of seriously and persistently aggressive or violent behavior.
- C. Individuals must not pose an imminent threat to themselves or others due to severe disinhibition or aggressive behavior.
- D. Individuals must be able to benefit from this level and intensity of intervention.
- E. Medical complications must be of the nature which can be medically managed at a skilled nursing level of care, i.e. individuals with severe or acute impairment will be screened by the CONTRACTOR assessment team for appropriateness for the Center.
- F. Individuals may have a co-existing substance abuse or dependence disorder or psychiatric disorder, but neither can be primary or the principle focus of treatment.

VI. LIMITATIONS OF SERVICE:

Individuals with the following will not be accepted for admission*:

- A. Individuals whose medical condition, as assessed by the contractor, is deemed to be beyond the scope or resources of the facility, e.g. individuals on ventilators or receiving intravenous fluids, individuals whose complex medical needs are beyond the resources of the facility at any given period;
- B. Individuals in extreme debilitated states, e.g. severe contractures; or whose supplemental equipment needs exceed the scope of items normally provided in the plan of care (e.g., special bed enclosures, highly specialized wheelchairs, which may then necessitate reimbursement by the County); or
- C. Individuals not able to benefit from services at a skilled nursing level of care.

* Please note an individual's acuity, e.g. disinhibition, assaultiveness, will be assessed and admission decision based on the facility's ability to safely provide services. Therefore, individuals with severe disinhibition and violent behaviors may not be acceptable for the program.

EXHIBIT A – page four

DEFINITION OF SERVICES

VII. REPORTS:

- A. CONTRACTOR shall provide COUNTY, to the satisfaction of the Assistant Agency Director, monthly reports of the units of services performed.
- B. CONTRACTOR shall prepare a revenue collection report which shall reflect all revenue collected by CONTRACTOR from COUNTY on a monthly basis and such report shall be forwarded to COUNTY with the monthly billings.
- C. CONTRACTOR shall provide client data information within specified time periods including, but not limited to, client identification, admission, and discharge data.
- D. CONTRACTOR shall, without additional compensation, make further fiscal, program evaluation and progress reports as required by Assistant Agency Director or by the State Department of Mental Health concerning CONTRACTOR'S activities as they affect the contract duties and purposes herein. COUNTY shall provide and explain reporting instructions and formats.

VIII. OTHER CRITERIA

In providing mental health services, CONTRACTOR further agrees:

- A. To furnish all personnel, facilities, insurance, equipment and administrative services as reasonably necessary to competently and professionally conduct the mental health services and programs provided for by this Agreement.
- B. To provide the COUNTY, in satisfaction of Section 621 of Title 9 of the California Code of Regulations, with the services of a psychiatrist with the qualifications set forth in Section 623 of that Code, who shall have the duties and responsibilities set forth in Section 522 of the Code.

[End of Exhibit A]



EXHIBIT B

PAYMENT TERMS

COUNTY will pay CONTRACTOR:

\$227.27 day	Enhanced treatment services (patch)
\$247.70 day	Additional if client is not Medi-Cal eligible*

*This additional charge of \$247.70 is set at the State Medi-Cal rate and will be adjusted if the Medi-Cal rate changes.

Billing for services are expected to be completed on a monthly basis on a pre-approved billing form, and must occur within sixty (60) days of service provision. Billings for services beyond the 60-day period will not be honored.

The compensation payable to CONTRACTOR hereunder shall not exceed \$90,000 for the term of this Agreement.

[END OF PAYMENT TERMS]

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EXHIBIT C

INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude COUNTY from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

CONTRACTOR agrees to indemnify and hold harmless COUNTY, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorney's fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, to the extent arising out of the performance of this Agreement by CONTRACTOR.

CONTRACTOR affirms that s/he is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self insurance in accordance with the provisions of the Code and CONTRACTOR further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of CONTRACTOR'S and subcontractors' employees.

CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing malpractice insurance coverage for CONTRACTOR and his employee(s) in an amount, which is no less than \$1,000,000 in a form acceptable to the COUNTY.

CONTRACTOR shall furnish to COUNTY certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum the following:

- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
- b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.

EXHIBIT D
CONTRACTOR ASSURANCE OF COMPLIANCE WITH
THE MENDOCINO COUNTY
HEALTH & HUMAN SERVICES AGENCY
**NONDISCRIMINATION IN STATE
AND FEDERALLY ASSISTED PROGRAMS**

NAME OF CONTRACTOR: Telecare Corporation, Garfield Neurobehavioral Center

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights Act of 1964 as amended; Section 504 of the Rehabilitation Act of 1973 as amended; the Age Discrimination Act of 1975 as amended; the Food Stamp Act of 1977, as amended and in particular section 272.6; Title II of the Americans with Disabilities Act of 1990; California Civil Code Section 51 et seq., as amended; California Government Code section 11135-11139.5, as amended; California Government Code section 12940 (c), (h) (1), (i), and (j); California Government Code section 4450; Title 22, California Code of Regulations section 98000 – 98413; Title 24 of the California Code of Regulations, Section 3105A(e); the Dymally-Alatorre Bilingual Services Act (California Government Code Section 7290-7299.8); Section 1808 of the Removal of Barriers to Interethnic Adoption Act of 1996; and other applicable federal and state laws, as well as their implementing regulations [including 45 Code of Federal Regulations (CFR) Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFR Part 42], by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of ethnic group identification, age, sex, sexual orientation, color, disability, medical condition, national origin, race, ancestry, marital status, religion, religious creed or political belief be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state financial assistance; and HEREBY GIVE ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE CONTRACTOR HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, CONTRACTOR agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws, rules and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code section 10605, or Government Code section 11135-11139.5, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on CONTRACTOR directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

Date
1080 Marina Village Parkway, Suite 100, Alameda, CA 95401
Address of CONTRACTOR

CONTRACTOR Signature

EXHIBIT E

BEHAVIORAL HEALTH AND RECOVERY SERVICES REQUIREMENTS

In any instance in which provisions of Exhibit E differ from those of the general provisions of this contract, the general provisions shall control.

1. **PLACEMENT GUIDELINES**

In order to insure proper reimbursement the following guidelines must be followed:

- a. All referrals to CONTRACTOR must be authorized by COUNTY Behavioral Health and Recovery Services Director
- b. The final admission decision shall rest with CONTRACTOR
- c. If admission is denied, the Behavioral Health and Recovery Services Director, or her designee, shall be immediately notified and shall be informed of the reasons leading to the denial
- d. Policies and procedures for admission shall be written by CONTRACTOR based on this Agreement

2. **PERSONNEL**

- a. CONTRACTOR shall furnish such qualified professional personnel as prescribed by Title 9 of the California Administrative Code for the type of services described in Scope of Services attached.
- b. CONTRACTOR'S personnel shall have the appropriate State licensure for their given profession. CONTRACTOR shall provide copies of current licensure for all clinical staff to COUNTY within thirty (30) days of execution of this Agreement or date of employment/renewal.
- c. CONTRACTOR shall comply with all applicable federal, state laws, rules and regulations in regard to non-discrimination in employment because of race, color, ancestry, national origin, religion, sex, martial status, sexual preference, age, medical condition or handicap, (including compliance with the Federal Rehabilitation Act of 1973, Section 504).

3. **CLINICAL RECORDS**

- a. CONTRACTOR shall maintain adequate records. Patient records must comply with all appropriate state and federal requirements. Individual records shall contain intake information, interviews and progress notes. Program records shall contain details adequate for the evaluation of the service.

EXHIBIT E - PAGE 2
BEHAVIORAL HEALTH AND RECOVERY SERVICES REQUIREMENTS

- b. CONTRACTOR shall provide COUNTY with required records for billing purposes, utilization review, and other purposes as may be required under terms of this Agreement in a timely manner.
 - c. CONTRACTOR hereby agrees that COUNTY shall withhold payment for lack of appropriate records and/or contents of those records required in order to bill under Medi-Cal guidelines.
4. **QUALITY ASSURANCE**
- a. CONTRACTOR shall notify COUNTY of any and incidents involving a Mendocino County placement within 24 hours of the incident.
 - b. Incidents are reviewed by the Mendocino County Mental Health Department's Quality Improvement Committee and any recommendations will be forwarded both to the Mendocino County Mental Health Director and the CONTRACTOR'S Chief Executive Officer.
 - c. CONTRACTOR shall furnish COUNTY with a copy of its Quality Assurance Policies and Procedures and its Client Complaint/Grievance Procedure within thirty (30) days of execution of this Agreement.
5. **TERMINATION**
- a. CONTRACTOR'S services. If the California State Department of Mental Health disapproves of this Agreement, it shall be null and void.
6. **DOCUMENTS AND RECORDS**
- a. CONTRACTOR agrees to permit COUNTY, and any state agency authorized by COUNTY'S Behavioral Health and Recovery Services Director, to inspect, review and copy all records, notes and writing of any kind in connection with the services provided by CONTRACTOR under this Agreement. All such inspections and copying shall occur during normal business hours.
7. **PATIENTS RIGHTS**
- a. CONTRACTOR shall give the patients notice of their rights pursuant to and in compliance with: California Welfare and Institutions Code 5323; California Administrative Code, Title 9, Chapter 1, Sub chapter 4, Article 6. In addition, in all facilities providing the services described herein the CONTRACTOR shall have prominently posted in the predominant languages of the community a list of the patients' rights.
 - b. CONTRACTOR shall respond to any inquiries from the Mendocino County Patients Rights Advocate in accordance with COUNTY policy and State Statutes, including State Fair Hearings, as requested.

Addendum A

Medi-Cal Data Privacy and Security Agreement

The California Department of Health Care Services (DHCS) and the County of Mendocino Health and Human Services Agency (MC-HHSA) have entered into a Medi-Cal Data Privacy and Security Agreement in order to ensure the privacy and security of Medi-Cal Personally Identifiable Information (PII).

Medi-Cal PII is information directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining Medi-Cal eligibility or conducting IHSS operations, that can be used alone, or in conjunction with any other information, to identify a specific individual. PII includes any information that can be used to search for or identify individuals, or can be used to access their files, such as name, social security number, date of birth, driver's license number or identification number. PII may be electronic or paper.

AGREEMENTS

NOW THEREFORE, DHCS and the Contractor mutually agree as follows:

I. Privacy and Confidentiality

- A. Contractors may use or disclose Medi-Cal PII only to perform functions, activities or services directly related to the administration of the Medi-Cal program in accordance with Welfare and Institutions Code section 14100.2 and 42 Code of Federal Regulations section 431.300 et.seq, or as required by law.

Disclosures which are required by law, such as a court order, or which are made with the explicit written authorization of the Medi-Cal client, are allowable. Any other use or disclosure of Medi-Cal PII requires the express approval in writing of DHCS. Contractor shall not duplicate, disseminate or disclose Medi-Cal PII except as allowed in the Agreement.

- B. Access to Medi-Cal PII shall be restricted to only contractor personnel who need the Medi-Cal PII to perform their official duties in connection with the administration of the Medi-Cal program.
- C. Contractor and/or their personnel who access, disclose or use Medi-Cal PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable Federal and State statutes.

II. Employee Training and Discipline

Contractor agrees to advise its personnel who have access to Medi-Cal PII of the confidentiality of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in applicable Federal and State laws. Contractor shall:

Addendum A – page 2

- A. Train and use reasonable measures to ensure compliance with the requirements of this Agreement by their personnel who assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII; and take corrective action against such personnel who intentionally violate any provisions of this Agreement, up to and including by termination of employment. New employees will receive privacy and security awareness training from Contractor within 30 days of employment and receive regular reminders throughout their employment. This information will be recorded in employee records with dates of each training/reminder. These records are to be retained and available for inspection for a period of three years after completion of the training/reminders.

III. Management Oversight and Monitoring

The Contractor agrees to:

- A. Establish and maintain ongoing management oversight and quality assurance for monitoring workforce compliance with the privacy and security safeguards in this Agreement when using or disclosing Medi-Cal PII and ensure that ongoing management oversight includes periodic self-assessments.

IV. Confidentiality Statement

Contractor agrees to ensure that all contractor personnel who assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII sign a confidentiality statement. The statement shall include at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement shall be signed by the Contractor and their personnel prior to access to Medi-Cal PII.

V. Physical Security

Contractor shall ensure that Medi-Cal PII is used and stored in an area that is physically safe from access by unauthorized persons during working hours and non-working hours. Contractor agrees to safeguard Medi-Cal PII from loss, theft or inadvertent disclosure and, therefore, agrees to:

- A. Secure all areas of Contractor facilities where personnel assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII. The Contractor shall ensure that these secure areas are only accessed by authorized individuals with properly coded key cards, authorized door keys or access authorization; and access to premises is by official identification.
- B. Ensure that there are security guards or a monitored alarm system with or without security cameras 24 hours a day, 7 days a week at Contractor facilities and leased facilities where a large volume of Medi-Cal PII is stored.

Addendum A – page 3

- C. Issue Contractor personnel who assist in the administration of the Medi-Cal program identification badges and require County Workers to wear the identification badges at facilities where Medi-Cal PII is stored or used.
- D. Store paper records with Medi-Cal PII in locked spaces, such as locked file cabinets, locked file rooms, locked desks or locked offices in facilities which are multi-use (meaning that there are personnel other than contractor personnel using common areas that are not securely segregated from each other.) The contractor shall have policies which indicate that Contractor and their personnel are not to leave records with Medi-Cal PII unattended at any time in vehicles or airplanes and not to check such records in baggage on commercial airlines.
- E. Use all reasonable measures to prevent non-authorized personnel and visitors from having access to, control of, or viewing Medi-Cal PII.

VI. Computer Security Safeguards

The Contractor agrees to comply with the general computer security safeguards, system security controls, and audit controls in this section. In order to comply with the following general computer security safeguards, the Contractor agrees to:

- A. Encrypt portable computer devices, such as laptops and notebook computers that process and/or store Medi-Cal PII, with a solution using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution. One source of recommended solutions is specified on the California Strategic Sourced Initiative (CSSI) located at the following link: www.pd.dgs.ca.gov/masters/EncryptionSoftware.html. The Contractor shall use an encryption solution that is full-disk unless otherwise approved by DHCS.
- B. Encrypt workstations where Medi-Cal PII is stored using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- C. Ensure that only the minimum necessary amount of Medi-Cal PII is downloaded to a laptop or hard drive when absolutely necessary for current business purposes.
- D. Encrypt all electronic files that contain Medi-Cal PII when the file is stored on any removable media type device (i.e. USB thumb drives, floppies, CD/DVD, etc.) using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- E. Ensure that all emails sent outside the Contractor's e-mail environment that include Medi-Cal PII are sent via an encrypted method using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- F. Ensure that all workstations, laptops and other systems that process and/or store Medi-Cal PII have a commercial third-party anti-virus software solution and are updated when a new anti-virus definition/software release is available.

Addendum A – page 4

- G. Ensure that all workstations, laptops and other systems that process and/or store Medi-Cal PII have current security patches applied and up-to-date.
- H. Ensure that all Medi-Cal PII is wiped from systems when the data is no longer legally required. The Contractor shall ensure that the wipe method conforms to Department of Defense standards for data destruction.
- I. Ensure that any remote access to Medi-Cal PII is established over an encrypted session protocol using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI. The Contractor shall ensure that all remote access is limited to minimum necessary and least privilege principles.

VII. System Security Controls

In order to comply with the following system security controls, the Contractor agrees to:

- J. Ensure that all Contractor systems containing Medi-Cal PII provide an automatic timeout after no more than 20 minutes of inactivity.
- K. Ensure that all Contractor systems containing Medi-Cal PII display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User shall be directed to log off the system if they do not agree with these requirements.
- L. Ensure that all Contractor systems containing Medi-Cal PII log successes and failures of user authentication and authorizations granted. The system shall log all data changes and system accesses conducted by all users (including all levels of users, system administrators, developers, and auditors). The system shall have the capability to record data access for specified users when requested by authorized management personnel. A log of all system changes shall be maintained and be available for review by authorized management personnel.
- M. Ensure that all Contractor systems containing Medi-Cal PII use role based access controls for all user authentication, enforcing the principle of least privilege.
- N. Ensure that all Contractor data transmissions over networks outside of the Contractor's control are encrypted end-to-end using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI, when transmitting Medi-Cal PII. The Contractor shall encrypt Medi-Cal PII at the minimum of 128 bit AES or 3DES (Triple DES) if AES is unavailable.
- O. Ensure that all Contractor systems that are accessible via the Internet or store Medi-Cal PII actively use either a comprehensive third-party real-time host based intrusion detection and prevention program or be protected at the perimeter by a network based IDS/IPS solution.

Addendum A – page 5

VIII. Audit Controls

- P. Contractor agrees to an annual system security review by the County to assure that systems processing and/or storing Medi-Cal PII are secure. This includes audits and keeping records for a period of at least three (3) years. A routine procedure for system review to catch unauthorized access to Medi-Cal PII shall be established by the Contractor.

IX. Paper Document Controls

In order to comply with the following paper document controls, the Contractor agrees to:

- A. Dispose of Medi-Cal PII in paper form through confidential means, such as cross cut shredding and pulverizing.
- B. Not remove Medi-Cal PII from the premises of the Contractor except for identified routine business purposes or with express written permission of DHCS.
- C. Not leave faxes containing Medi-Cal PII unattended and keep fax machines in secure areas. The Contractor shall ensure that faxes contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Contractor personnel shall verify fax numbers with the intended recipient before sending.
- D. Use a secure, bonded courier with signature of receipt when sending large volumes of Medi-Cal PII. The Contractor shall ensure that disks and other transportable media sent through the mail are encrypted using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.

X. Notification and Investigation of Breaches

The Contractor agrees to:

- A. Notify John Martire, Chief Welfare Investigator, at 467-5856.

XI. Assessments and Reviews

In order to enforce this Agreement and ensure compliance with its provisions, the Contractor agrees to inspections of its facilities, systems, books and records, with reasonable notice from the County, in order to perform assessments and reviews.

XII. Assistance in Litigation or Administrative Proceedings

In the event of litigation or administrative proceedings involving DHCS based upon claimed violations, the Contractor shall make all reasonable effort to make itself and its personnel who assist in the administration of the Medi-Cal program and using or disclosing Medi-Cal PII available to DHCS at no cost to DHCS to testify as witnesses.

Addendum A – page 6

Signature Page

Marshall Langfeld
Contractor Name (printed)

Contractor Signature

Senior Vice President and CFO
Contractor Title

Telecare Corporation
Contractor's Agency Name

Date

ATTACHMENT 1 – SAMPLE INVOICE



Mendocino County Health and Human Services Agency
Behavioral Health and Recovery Services
Personal Services Contract Claim Form

Submit Invoice to: Mendocino
County BHRS
Attn: Accounting
1120 S. Dora
Ukiah, CA 95482

Contractor: _____
Address: _____

Date of Service			
00/00/00	Example: IACMT Mtg.	8:00-12:30	4h 30 min
		Total Hours	
		Rate of Pay	
		Total Invoice Amount	

Contractor's Signature: _____ **Date:** _____

Approved By: _____ **Date:** _____

ACCOUNTS PAYABLE USE ONLY	
Date Paid	
Contract Number	
Batch Number	
Control Number	4050-
Account String	MH
Description	