

## **ORGANIZATIONAL PROVIDER AGREEMENT FOR FOSTER CHILDREN PLACED OUT OF COUNTY**

This Contract is entered into on \_\_\_\_\_ between the Mental Health Plan of Mendocino County hereinafter referred to as MHP and **Milhous Children's Services**, hereinafter referred to as "Contractor" for access to Medi-Cal Specialty Mental Health Services for Foster Children placed out-of-county. Contractor is located in the County of Nevada and is certified by an MHP to provide Medi-Cal services, as evidenced by the attached Certification.

### **1. General Authority**

The Services will be provided in compliance with all applicable Federal and State laws and regulations including but not limited to:

- A. Division 5, (commencing with Section 5000) of the Welfare and Institutions (W&I) Code
- B. Title 42, Code of Federal Regulations (CFR) Part 438, Managed Care
- C. California Code of Regulations Title 9, Chapter 11, Medi-Cal Specialty Mental Health Services
- D. MHP Contract, Exhibit A, Attachment 1, Y. Reporting on Procedures for Serving Foster Children Placed Out- of-County
- E. MHP Contract, Exhibit A, Attachment 1, W. Requirements for Day Treatment Intensive and Day Rehabilitation

All relevant provisions of the Authority above are incorporated herein by reference

### **2. Definition of Foster Child**

A Court dependent or ward of the Court and children who are subject to a petition pursuant to Welfare and Institutions Code Section 300 & 602.

### **3. Term**

The term is July 1, 2011, and shall be terminated by June 30, 2012, unless extended by the MHP in accordance with MHP policy.

### **4. Scope of Services and Clinical Requirements**

Contractor shall perform the medically necessary services authorized by the MHP, specified in Exhibit A, which is incorporated herein, and in accordance with the clinical standards therein.

**5. Compensation for Services and Fiscal Requirements**

In consideration for Contractor's performance, MHP shall pay compensation to Contractor according to the terms specified in Exhibit B, which is incorporated herein. The Contract maximum shall be \$200,000.

**6. 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 Exhibit C, which is incorporated herein

**7. Insurance Requirements**

Contractor shall maintain the following insurance policy limits of coverage consistent with the insurance requirements specified in Exhibit D, which is incorporated herein.

- A. Comprehensive general liability insurance: \$1,000,000
- B. Professional liability insurance: \$3,000,000
- C. Comprehensive motor vehicle liability insurance: \$1,000,000
- D. Worker's Compensation Insurance as required by the Labor Code of the State of California.

**8. Termination**

The number of days of advance written notice required for termination of this contract by either party is at a minimum thirty (30) days and not greater than sixty (60) days. County may terminate this contract immediately if Contractor materially violates any one of the provisions of State or Federal regulations herein.

**9. Privacy Rights**

The services in this Contract are governed by the standards and requirements of the Health Insurance Portability & Accountability Act (HIPAA) as set forth in Exhibit E which is incorporated herein. The client's right to privacy and confidentiality is also maintained by California laws and regulations as set forth in Exhibit A.

**10. Specific MHP Terms and Conditions**

The rights and duties of the parties to this contract are additionally governed by the specific terms mutually agreed to and listed in Exhibit F, which are limited to specific State or Federal agreements that supersede the provisions herein, pursuant to Welfare and Institutions Code 5777.7(a)(3)(B).

**11. Information about Contract Administrators**

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

**Contract Administrator for MHP**

Name: Elaine Boults

Address: 1120 South Dora Street  
Ukiah, CA 95482

Phone No: (707) 463-4334

Fax No: (707) 463-4043

**Contract Administrator for Contractor**

Name: Milhous Children's Services

Address: 24077 State Hwy 49, Nevada  
City, CA 95959

Phone No: (530) 265-9057

Fax No: (530) 292-3803

**12. Exhibits**

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: Scope of Services and Clinical Requirements

Exhibit A, Attachment 1: Y. Reporting on Procedures for Serving Foster Children Placed Out-of County

Exhibit A, Attachment 1: W. Requirements for Day Treatment Intensive and Day Rehabilitation

Exhibit B: Compensation for Services and Fiscal Requirements

Exhibit C: General Terms and Conditions

Exhibit D: Insurance Requirements

Exhibit E: Health Insurance Portability & Accountability Act- (HIPAA)

Exhibit F: Insert Specific MHP Terms and Conditions

Exhibit G: Certification

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

**A. COUNTY OF MENDOCINO**

By: \_\_\_\_\_

John McCowen, Chair  
and/or Dan Hamburg, Vice Chair  
Board of Supervisors

**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: \_\_\_\_\_

**HEALTH AND HUMAN SERVICES AGENCY**

By: \_\_\_\_\_

Stacey Cryer, HHSA Director  
and/or Doug Gherkin, HHSA CFO

Date: \_\_\_\_\_

Budgeted: ☒ Yes ☐ NoBudget Unit: 4050Line Item (Acct. String): 86-3162Org/Object Code: MHCS75Grant: ☐ Yes ☒ No

Grant #: \_\_\_\_\_

**INSURANCE REQUIREMENTS:**

**KRISTIN McMENOMEY,** Director  
General Services Agency

By: \_\_\_\_\_

RISK MANAGER

Date: \_\_\_\_\_

**B. CONTRACTOR/COMPANY NAME**

By: \_\_\_\_\_

Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NAME AND ADDRESS OF CONTRACTOR:

Milhous Children's ServicesDick or Janet Milhous24077 State Hwy 49Nevada City, CA 95959PHONE # (530) 265-9057

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

**APPROVED AS TO FORM:****JEANINE B. NADEL, County Counsel**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Executive Office Review:**

Approval Recommended

By: \_\_\_\_\_

Carmel J. Angelo, Chief Executive Officer

**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 #: 11-91

## **Exhibit A- Scope of Services and Clinical Requirements**

### **1. Specialty Mental Health Services**

Only the services specified in the Client Plan and authorized by the MHP or the MHP's designee will be subject to payment by the MHP. Services contracted under this agreement are specified below:

<b>Service Description</b>	<b>Provider Currently Certified</b>	<b>MHP will Certify Provider</b>	<b>Provider Not Certified</b>	<b>Contracted Service (indicate with check mark)</b>
Mental Health Services	X			X
Case Management, Brokerage	X			X
Medication Support Services	X			X
Crisis Intervention	X			X
Crisis Stabilization			X	
Therapeutic Behavioral Services			X	
Day Treatment Intensive - Half-day			X	
Day Treatment Intensive - Full day			X	
Day Rehabilitation - Half-day			X	
Day Rehabilitation - Full day	X			X

### **2. Initial Authorization**

Contractor shall submit an initial Service Authorization Request to the MHP or the MHP's designee. MHP or MHP's designee will review for authorization and communicate the results to contractor in writing or by electronic mail (email) within 3-14 days of receipt, in accordance with applicable state and federal statute and regulations.

### **3. Client Plan**

The client plan will be submitted by Contractor to the MHP upon request of the MHP and no later than sixty (60) calendar days after admission of foster child, including the requested level of services to be provided for each service type.

**Exhibit A- Scope of Services and Clinical Requirements – Page 2****4. Discharge Planning**

Discharge planning will begin at the time of initial assessment, be specified in the treatment goals and in the client plan and is accomplished through collaborative communication with the designated County placing agency and MHP staff. In the case of an emergency discharge (i.e. psychiatric hospitalization, removal of client by self, or family, serious illness or accident, etc) the MHP staff will be contacted and consulted immediately and at the latest within 24 hours.

**5. Outcome Measurement and Performance Reporting Requirements**

Contractor agrees to provide the required data elements to meet the State Department of Mental Health (DMH) standards for any outcome measures as required by county contract standards. When requested by the MHP, the Contractor shall provide required Client Services Information (CSI) data elements necessary to open, update, or close a client episode of care.

**6. Quality Assurance/ Utilization Review Compliance**

The requirements specified in Statute, Regulation and the MHP contract regarding QA and UR shall apply to the services provided to Foster Care clients. The Contractor shall update assessment and client plans consistent with MHP frequency requirements.

**7. Medical Records**

The MHP contract Exhibit A - Attachment 1- Appendix C contains required "Documentation Standards for Client Records." Contractor shall comply with these requirements. Contractor shall use standard forms issued by the California Department of Mental Health when a standard form is available.

**Exhibit A- Scope of Services and Clinical Requirements – Page 3****8. Retention of Records**

Contractor shall maintain and preserve all clinical records related to this contract for a period of seven (7) years from the date of discharge for clients over age 18 and up to age 21, and records of clients under the age of eighteen (18) at the time of treatment must be retained until either one (1) year beyond the client's eighteenth (18<sup>th</sup>) birthday or for a period of seven (7) years from the date of discharge, whichever is later.

Contractor shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the seven 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 seven year period shall arise only if the MHP notifies Contractor of the commencement of an audit prior to the expiration of the seven year period. If the contract is cancelled or the contractor closes business, the contractor shall arrange for appropriate storage and accessibility of records by the MHP.

**9. Confidentiality**

Contractor will maintain confidentiality of client medical and/or psychiatric records of clients as required by all California and Federal laws and regulations, including but not limited to:

- A. California Welfare and Institutions Code Section 5328 et seq.;
- B. California Evidence Code Section 1010 seq.
- C. HIPAA, 45 Code of Federal Regulations, Parts 160 & 164
- D. HIV/AIDS, Health and Safety Code Section 121025-121035
- E. Alcohol and Substance Abuse Programs, 42 Code of Federal Regulations Part 2

Contractor agrees to inform all of its employees, agents, subcontractors and partners of the above provisions and that knowing and intentional violation of the provisions State and Federal laws is a misdemeanor.

Updated 8/29/11



**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 1*****Y. Reporting on Procedures for Serving Foster Children Placed Out-of County***

Each year by October 1<sup>st</sup>, following the October 1, 2005 date that initial reports were submitted to the Department, the Contractor shall provide the Department with an amended report if there are any changes in the Contractor's methods for complying with Welfare and Institutions code, Section 5777.6 (a) and (b). an amended report shall include any changes in the description of the Contractor's procedures or changes in the listing of the of the mental health plans and/or providers with whom the Contractor has an arrangement, the counties covered by the arrangement and the capacity of each arrangement by service type. Amendments to the report shall also include any changes in description of the Contractor's procedures for providing out-of-plan services in accordance with Title 9k CCR, Section 1830.220, when a beneficiary requires services our is placed in a county not covered by the Contractor's normal procedures.

**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 2****W. Requirements for Day Treatment Intensive and Day Rehabilitation****1. Authorization and Service Requirements**

The Contractor shall require providers to request an initial mental health plan (MHP) payment authorization, as defined in Title 9, CCR, Section 1810.229, from the Contractor for day treatment intensive and for day rehabilitation. Provider as used in this section includes Contractor staff. The Contractor shall require providers to request MHP payment authorization from the Contractor in advance of service delivery when day treatment intensive or day rehabilitation will be provided for more than five days per week. The Contractor shall require providers to request MHP payment authorization from the Contractor for continuation of day treatment intensive at least every three months and day rehabilitation at least every six months. The Contractor's MHP payment authorization function shall meet the criteria of Exhibit A, Attachment 2, Section B, except that the Contractor shall not delegate the MHP payment authorization function to providers. In the event that the Contractor is the day treatment intensive or day rehabilitation provider, the Contractor shall assure that the MHP payment authorization function does not include Contractor staff involved in providing day treatment intensive or day rehabilitation. The Contractor shall require providers to request initial MHP payment authorization from the Contractor for counseling, psychotherapy or other similar therapeutic interventions that meet the definition of mental health services as defined in Title 9, CCR, Section 1810.227, excluding services to treat emergency and urgent conditions as defined in Title 9, CCR, Sections 1810.216 and 1810.253 and excluding therapeutic behavioral services as described in DMH Letter No. 99-03, that will be provided on the same day that day treatment intensive or day rehabilitation is being provided to the beneficiary. The Contractor shall require the providers of these services to request MHP payment authorization from the Contractor for continuation of these on the same cycle required for continuation of the concurrent day treatment intensive or day rehabilitation for the beneficiary. The Contractor shall not delegate the MHP payment authorization function to the provider of day treatment intensive or day rehabilitation or the provider of the additional services.

2. In addition to meeting the requirements of Title 9, CCR, Sections 1840.318, 1840.328, 1840.330, 1840.350, and 1840.352, the Contractor shall require that providers of day treatment intensive and day rehabilitation include the following minimum service components in day treatment intensive or day rehabilitation:
  - a. Community meetings, which mean meetings that occur at a minimum once a day, but may occur more frequently as necessary, to address

**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 3**

issues pertinent to the continuity and effectiveness of the therapeutic milieu that may, but are not required to be part of the continuous therapeutic milieu; actively involve staff and clients; for day treatment intensive, include a staff person whose scope of practice includes psychotherapy; for day rehabilitation, include a staff person who is a physician; a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist; a registered nurse, a psychiatric technician, a licensed vocational nurse, or a mental health rehabilitation specialist; address relevant items including, but not limited to what the schedule for the day will be, any current event, individual issues clients or staff wish to discuss to elicit support of the group, conflict resolution within the milieu, planning for the day, the week, or for special events, old business from previous meetings or from previous day treatment experiences, and debriefing or wrap-up.

- b. A therapeutic milieu, which means a therapeutic program that is structured by the service components described in subsections 1) and 2) below with specific activities being performed by identified staff; takes place for the continuous scheduled hours of operation for the program (more than four hours for a full-day program and a minimum of three hours for a half-day program); includes staff and activities that teach, model and reinforce constructive interactions; includes peer and staff feedback to clients on strategies for symptom reduction, increasing adaptive behaviors, and reducing subjective distress; involves clients in the overall program, for example, by providing opportunities to lead community meetings and to provide feedback to peers; includes behavior management interventions that focus on teaching self-management skills and children, youth, adults and older adults may use to control their own lives, to deal effectively with present and future problems, and to function well with minimal or no additional therapeutic intervention. The therapeutic milieu service components described in subsections 1) and 2) below shall be made available during the course of the therapeutic milieu for at least a weekly average of three hours per day for full-day programs and an average of two hours per day for half-day programs. (For example, a full-day program that operates five days per week would need to provide a total of 15 hours for the week; a full-day program that operates for seven days a week would need to provide a total of 21 hours for the week.)

**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 4****3. Day rehabilitation shall include:**

- a. Process groups, which are groups facilitated by staff to help clients develop the skills to deal with their individual problems and issues by using the group process to provide peer interaction and feedback in developing problem-solving strategies and to assist one another in resolving behavioral and emotional problems. Day rehabilitation may include psychotherapy instead of process groups or in addition to process groups.
- b. Skill building groups, which are groups in which staff help clients to identify barriers related to their psychiatric and psychological experiences and, through the course of group interaction, become better able to identify skills that address symptoms and behaviors and to increase adaptive behaviors.
- c. Adjunctive therapies, which are non-traditional therapies in which both staff and clients participate that utilize self-expression (art, recreation, dance, music, etc.) as the therapeutic intervention. Participants do not need to have any level of skill in the area of self-expression, but rather be able to utilize the modality to develop or enhance skills directed towards client plan goals.

**4. Day treatment intensive shall include:**

- a. Skill building groups and adjunctive therapies as described in subsection 3, b and c above. Day treatment intensive may also include process groups as described in subsection 3, a above.
- b. Psychotherapy, which means the use of psychosocial methods within a professional relationship to assist the client or clients to achieve a better psychosocial adaptation, to acquire greater human realization of psychosocial potential and adaptation, to modify internal and external conditions that affect individuals, groups, or communities in respect to behavior, emotions, and thinking, in respect to their intrapersonal and interpersonal processes. Psychotherapy shall be provided by licensed, registered, or waived staff practicing within their scope of practice. Psychotherapy does not include physiological interventions, including medication intervention.

**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 5**

- c. An established protocol for responding to clients experiencing a mental health crisis. The protocol shall assure the availability of appropriately trained and qualified staff and include agreed upon procedures for addressing crisis situations. The protocol may include referrals for crisis intervention, crisis stabilization, or other specialty mental health services necessary to address the client's urgent or emergency psychiatric condition (crisis services). If clients will be referred to crisis services outside the day treatment intensive or day rehabilitation program, the day treatment intensive or day rehabilitation staff shall have the capacity to handle the crisis until the client is linked to the outside crisis services.
- d. A detailed weekly schedule that is available to clients and, as appropriate, to their families, caregivers or significant support persons a detailed written weekly schedule that identifies when and where to service components of program will be provided and by whom. The written weekly schedule shall specify the program staff, their qualifications, and the scope of their responsibilities.
- e. Staffing ratios that are consistent with the requirements in Title 9, CCR, Sections 1840.350 and 1840.352, and, for day treatment intensive, that include at least one staff person whose scope of practice includes psychotherapy.

Program staff may be required to spend time on day treatment intensive and day rehabilitation activities outside the hours of operation and therapeutic milieu, e.g., time for travel, documentation, and caregiver contacts.

The Contractor shall require that at least one staff person is present and available to the group in the therapeutic milieu for all scheduled hours of operation.

The Contractor shall require that if day treatment intensive or day rehabilitation staff are also staff with other responsibilities (e.g., as staff of a group home, a school, or another mental health treatment program), a clear audit trail is documented by the provider. The Contractor shall require that there be documentation of the scope of responsibilities for these staff and the specific times in which day treatment intensive or day rehabilitation activities are being performed exclusive of other activities.

**Exhibit A- Scope of Services and Clinical Requirements****Attachment 1 – Page 6**

- f. An expectation that the beneficiary will be present for all scheduled hours of operation for each day. When a beneficiary is unavoidably absent for some part of the hours of operation, the Contractor shall ensure that the provider receives Medi-Cal reimbursement for day treatment intensive and day rehabilitation for an individual beneficiary only if the beneficiary is present for at least 50 percent of the scheduled hours of operation for that day.
5. Documentation of day treatment intensive and day rehabilitation that meets the documentation standards described in Exhibit A-Attachment 1-Appendix C. For day treatment intensive these standards include daily progress notes on activities and a weekly clinical summary reviewed and signed by a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist; or a registered nurse who is either staff to the day treatment intensive program of the person directing the service.
6. At least one contact (face-to-face or by an alternative method (e.g., e-mail, telephone, etc.)) per month with a family member, caregiver or other significant support person identified by an adult client, or one contact per month with the legally responsible adult for a client who is a minor. Adult clients may choose whether or not this service component is done for them. The contacts and involvement should focus on the role of the significant support person in supporting the client's community reintegration. It is expected that this contact will occur outside hours of operation and the therapeutic milieu for day treatment intensive and day rehabilitation.
7. A written program description for day treatment intensive and day rehabilitation. Each provider of these services, including Contractor staff, shall be required to develop and maintain this program description. The written program description shall describe the specific activities of the service and reflect each of the required components of the services described in this section. The Contractor shall review the written program description for compliance with this section for individual and group providers that begin delivering day treatment intensive or day rehabilitation prior to the date the provider begins delivering day treatment intensive or day rehabilitation.
8. The Contractor shall retain the authority to set additional higher or more specific standards than those set by in this contract, provided the Contractor's standards are consistent with applicable state and federal laws and regulations and do not

## Attachment 1 – Page 7

## 9. Authorization Requirements for Related Services.

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**Exhibit B - Compensation for Services and Fiscal Requirements****1. Authorization and Rates for Specialized Mental Health Services**

- A. Payment may be requested for the services identified in this Agreement based on documented medical and service necessity and as authorized by the MHP, MHP designee or contractor if designated by the MHP.
- B. Service authorization as determined by the MHP, MHP designee or contractor if designated by the MHP may change over the duration of treatment based on client needs. Contractor will not be reimbursed for unauthorized services. MHP will be responsible for service authorization and payment only for service months during which the consumer has Medi-Cal assigned to that MHP (County Code). If the MHP of beneficiary is changed during the course of treatment, authorization and payment responsibilities transfer to the new MHP of beneficiary.
- C. Rate setting and payment shall be consistent with federal and state statute, regulations, and with the MHP contract. These rates are presently:

a) Mental Health Services	\$2.61 per minute
b) Case Management, Brokerage	\$2.02 per minute
c) Medication Support Services	\$4.82 per minute
d) Crisis Intervention	\$3.88 per minute
e) Crisis Stabilization	_____ per 4 hours
f) Therapeutic Behavioral Services	_____ per minute
g) Day Treatment Intensive – Half-Day	_____ per half-day
h) Day Treatment Intensive – Full-Day	\$202.43 per full-day
i) Day Rehabilitation – Half-Day	_____ per half-day
j) Day Rehabilitation – Full-Day	\$131.24 per full-day



**Exhibit B - Compensation for Services and Fiscal Requirements – Page 2****2. Medi-Cal Reimbursement Requirements**

- A. Payment for services is subject to Medi-Cal documentation standards, establishment of medical necessity, and claim submissions consistent with State and Federal requirements.
- B. Contractor shall submit an Invoice within thirty (30) days for each consumer which details the units of service provided and payment rate, accompanied by the authorizing documents provided by MHP or designee.
- C. Contractor will cooperate with the MHP process for submitting the unit of service data for the MHP Medi-Cal billing process on the required timeline. A signed certification of claim shall be submitted with each Invoice.
- D. The MHP shall pay the Contractor consistent with the certified public expenditure process required by 42 CFR 433.51.
- E. If Cost Report Settlement is required, it shall be completed by the MHP within a reasonable timeline. Payment shall be required by MHP or Contractor within sixty (60) days of Settlement or as otherwise mutually agreed.

**3. Audits**

Contractor shall comply with MHP, State, or Federal Fiscal or Quality Assurance Audits and repayment requirements based on audit findings. Contractor and MHP shall each be responsible for any audit exceptions or disallowances on their part. MHP shall not withhold payment from Contractor for exceptions or disallowances for which the MHP is financially responsible, consistent with Welfare and Institutions Code 5778 (b)(4).

**4. Records to be Maintained**

Contractor shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. All such records, kept by Contractor shall be made available to MHP or its authorized representative, or officials of the county, State or Federal agencies for review or audit during normal business hours. All supporting

records shall be maintained for seven years or until all Audits and Appeals are completed, whichever is later.

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**EXHIBIT C - General Terms and Conditions****1. Indemnification**

Contractor and MHP each agree to indemnify, defend and hold harmless the other party and the other party's officers and employees and subcontractors, from and against any and all claims and losses whatsoever (resulting from or connected with), (arising out of, or in any way related to), the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnities in connection with such claims or losses, but only in proportion to and to the extent such liability, expenses or damage is caused by any negligent or willful act or omission of the indemnifying party, its employees or agents.

A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

**2. Independent Contractor**

Contractor and its officers and staff, in the performance of this contract, are Independent Contractors in relation to MHP and not officers or employee of the MHP. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of MHP. 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 retirement benefits, which taxes or benefits arise out of the performance of this contract. Contractor further represents to MHP that Contractor has no expectation of receiving any employment benefits incidental to employment.

**3. Conflict of Interest**

Contractor and its officers and staff shall have 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.

**EXHIBIT C - General Terms and Conditions – Page 2****4. 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, certification or other requirements necessary to perform the duties imposed expressed or implied under this contract.

**5. Nondiscrimination for Services**

Contractor shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection or training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation.

Contractor will give written notice of its obligations under this clause as follows:

- A. Notices- Contractor will post in a conspicuous place such notices to potential Applicants and to employees, setting forth their right to be treated in conformity with the non-discrimination provisions of this Agreement.
- B. Position Advertisements – All solicitations or advertisements for employees placed by or on behalf of Contractor will state that Contractor is an Equal Opportunity Employer.

**6. Bankruptcy**

Contractor shall immediately notify MHP 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

**EXHIBIT C - General Terms and Conditions – Page 3**

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. Contractor shall notify MHP of the location of records and party responsible for granting access to those records.

**7. 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 shall be delegated by Contractor without the prior written consent of MHP and any attempted assignment or delegation without such consent shall be void.

**8. 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.

**9. Entire Contract**

This contract is the entire Contract 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.

**10. Notices**

Notices to the parties in connection with the administration of this contract shall be given to the person designated by the party, personally, by regular mail, email, or by facsimile transmission as more particularly specified in this paragraph. Notices shall be deemed effective on:

**EXHIBIT C - General Terms and Conditions – Page 4**

- A. The day the notice is personally delivered to the person designated by the party, 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 person designated by the party, 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.

## 11. 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 person designated by the party in writing. A party may, in its sole discretion, change its designation of the person responsible for the administration of this contract, and shall promptly give written notice to the other party of any such change.

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## **Exhibit D- Insurance Requirements**

### **1. General Insurance Requirements**

Without limiting Contractor's duty to indemnify MHP, Contractor shall comply with the insurance coverage requirements set forth in the contract and in this Exhibit. 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 the MHP shall be given notice in writing of any change, cancellation, or non-renewal no more than thirty (30) days following receipt of notification of such change, cancellation, or non-renewal by the insurance company.
- C. The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming the MHP and its officers, agents and employees as additional insured's.
- D. The required coverage shall be maintained in effect throughout the term of this contract.

Contractor shall require MHPs performing work under this contract to obtain substantially the identical insurance coverage required of Contractor pursuant to this Contract.

### **2. Insurance Coverage Requirements**

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 7 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 7 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 7 of this contract.
- D. Workers' Compensation Insurance- Contractor shall maintain a workers' compensation plan covering all of its employees as required by California Labor Section 3700, either through workers' compensation 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 consent to self-insure issued by the Director of Industrial Relations.

Prior to the commencement of performance of services by Contractor and prior to any obligations of MHP, Contractor shall file certificates of insurance with MHP, 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 MHP as the insurance required herein. Contractor further agrees to notify MHP 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.

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## **Exhibit E – Health Insurance Portability & Accountability Act- (HIPAA)**

### **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, County 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.**

## **Exhibit E – Health Insurance Portability & Accountability Act- (HIPAA) – Page 2**

### **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:**

- 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.**

## **Exhibit E – Health Insurance Portability & Accountability Act- (HIPAA) – 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](http://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.**

- 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.**

## **Exhibit E – Health Insurance Portability & Accountability Act- (HIPAA) – 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.**

## **Exhibit E – Health Insurance Portability & Accountability Act- (HIPAA) – Page 6**

Signature Page

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**Contractor Name (printed)**

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**Contractor Signature**

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**Contractor Title**

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**Contractor's Agency Name**

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**Date**

## **Exhibit F**

### **Insert Specific MHP Terms and Conditions**

If the MHP has received a waiver from using the standard documents required by Senate Bill 785 (Chapter 469, Statutes of 2007) pursuant to Welfare and Institutions Code section 5777.7 (a)(3)(B), this exhibit shall cover those waived provisions.

**(No Specific MHP Term or Conditions in this contract)**