

**California Institute for Behavioral Health Solutions
California Youth Opioid Response Services Contract**

This California Youth Opioid Response Services Contract (the "**Agreement**") is entered into as of August 1, 2019 (the "**Effective Date**") by and between the California Institute for Behavioral Health Solutions, a California nonprofit corporation ("**CIBHS**"), with its principal address at 2125 19th Street, Sacramento, CA 95818, and the following contractor (the "**Subgrantee**"):

| | |
|--------------------|---|
| Subgrantee Name: | <u>Shasta County Health and Human Services Agency</u> |
| Legal Entity Type: | <u>Local Government Entity</u> |
| Principal Address: | <u>1313 Yuba Street</u> <u>Redding, CA 96001</u> |
| Email Address: | <u>nbolen@co.shasta.ca.us</u> |
| Telephone Number: | <u>(530) 225-5075</u> |

CIBHS and the Subgrantee are sometimes collectively referred to herein as the "**Parties**," or, individually, as a "**Party**."

Recitals:

WHEREAS, CIBHS is the recipient of a government grant intended to address the opioid epidemic in California;

WHEREAS, in order to effectuate the purpose of the grant, CIBHS must engage with contractors to provide services to affected populations in California by increasing access to medication-assisted treatment using FDA-approved medications for the treatment of Opioid Use Disorder ("**OUD**"), reducing unmet treatment needs, and reducing opioid overdose-related deaths through the provision of prevention, treatment and recovery activities for OUD resulting from the use of prescription opioids, heroin, illicit fentanyl and fentanyl analogs; and

WHEREAS, CIBHS agrees to engage Subgrantee to effectuate the purpose of the grant, and Subgrantee agrees to such engagement, pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CIBHS and Subgrantee hereby agree as follows, with the above Recitals incorporated herein by this reference:

Agreement

I. TERM AND TERMINATION

1) **Term.** The term of this Agreement shall commence on the Effective Date and continue until the earlier of (a) August 31, 2020, or (b) termination of this Agreement pursuant to Section I(2) below (the “**Term**”).

2) **Termination.**

a. CIBHS may terminate this Agreement for any reason in its sole discretion by providing Subgrantee with thirty (30) days’ prior written notice.

b. CIBHS may terminate this Agreement effective immediately by providing written notice to Subgrantee if any of the following occurs or is determined by CIBHS to be substantially at risk of occurring:

i. The Grant Contract (defined below) is terminated for any reason;

ii. Subgrantee breaches this Agreement and does not cure the breach within thirty (30) days of the commencement of such breach;

iii. Subgrantee terminates its existence, discontinues business, has a receiver appointed for any of its property, makes any assignment for the benefit of creditors, or has any proceedings under any bankruptcy, reorganization, or similar laws commenced by or against it;

iv. If Subgrantee is a sole proprietorship or the sole owner of an entity contracting hereunder as Subgrantee, and is not able to perform the Services (defined below) for reasons of death or incapacity; or

v. Arrest for, conviction of or pleading guilty to an offense involving moral turpitude or a crime involving misuse or misappropriation of funds or property on the part of Subgrantee, any of its subcontractors, or any of their respective directors, officers, employees, agents, affiliates, designees, and assignees that provide any portion of the Services.

3) **Transition Assistance.** In the event of termination of the Agreement, at CIBHS’s request, Subgrantee shall perform all activities, functions and services that are

requested by CIBHS to transition the Services to another contractor to effectuate the purpose of the Grant Contract.

II. OBLIGATIONS OF CONTRACTOR

- 1) **Scope of Services.** Subject to the terms of this Agreement, Subgrantee shall provide services to persons ages 12 to 24 years old who are at risk of developing an OUD, have an OUD, or are at risk of an opioid overdose, which services support the implementation of the California Youth Opioid Response (“**YOR California**”) program as described in Contract 18-95471 effective as of January 8, 2019 by and between the State of California Department of Health Care Services (“**DHCS**”) and CIBHS (the “**Grant Contract**”). Such services provided by the Subgrantee are referred to as the “**Services**” in this Agreement.

Subgrantee shall comply with all applicable terms and conditions set forth in the Grant Contract attached hereto as Exhibit A (Grant Contract), including but not limited to the obligations set forth in the following numbered provisions of Exhibit D(F) of the Grant Contract: 1, 2, 3, 4, 7, 8, 10, 11, 12, 13, 14, 19, 20, 24, 25, 27, 28, 31, 32, 33, 34, and 35.

- 2) **Implementation Plan.** The Services shall conform to Subgrantee’s implementation plan (the “**Implementation Plan**”) set forth in Exhibit B (Implementation Plan) attached hereto. The Implementation Plan shall include a deliverables schedule. Changes to the Implementation Plan require the express prior written consent of CIBHS.
- 3) **Budget.** The Services shall be performed in accordance with the Subgrantee’s budget (the “**Budget**”) set forth in Exhibit C (Budget) attached hereto. Changes to the Budget require the express prior written consent of CIBHS; provided, however, that reallocations of funds totaling not more than fifteen percent (15%) of the total Budget amount to different line items within the Budget may be implemented by Subgrantee with prior written notice to CIBHS.
- 4) **Permitted Subcontractors.** Subgrantee may subcontract any portion of the Services to a subcontractor, subject to CIBHS’s prior express written consent. The subcontractors approved by CIBHS as of the Effective Date are set forth on Exhibit D (Subcontractors). Subgrantee shall ensure that each subcontractor is bound by the terms and conditions of this Agreement. Subgrantee shall ensure that each of its subcontractors obtains prior express written consent from CIBHS prior to further subcontracting any portion of the Services.
- 5) **Licensed Facilities and Personnel.** All Services conducted by Subgrantee shall be provided in facilities that are duly licensed and duly certified, as applicable, by the State

of California, any other applicable governmental body, or professional organization. All personnel providing Services shall be duly licensed and, as applicable, duly certified and sufficiently trained, as required by the State of California or any other applicable governmental body, or professional organization.

- 6) **Charges for Services.** Subgrantee shall not, directly or indirectly (including through any subcontractors), charge a fee for Services to any recipient of Services or any other third party (other than CIBHS).
- 7) **Acknowledgement of Financial Support.** In performing the Services, Subgrantee shall inform all persons admitted to any of the Subgrantee's or their subcontractors' treatment programs, and all persons engaged in any of Subgrantee's planning, prevention, or intervention programs, and all other stakeholders, that the Services are funded by a federal grant under the State Opioid Response program. Subgrantee shall acknowledge this source of funding in any and all public information released regarding the Services. Such releases shall contain a credit reading substantially as follows:

"This service is supported by a federal grant under the State Opioid Response program, with funding provided by the California Department of Health Care Services."

- 8) **Public Information.** Subgrantee shall submit all written (or otherwise recorded) materials produced for public distribution in connection with the Services to the CIBHS Program Director, or his or her designee, at the address provided by CIBHS to Subgrantee, for review and approval prior to public distribution of such materials. For purposes of this paragraph, "public distribution" refers to the distribution of materials to any person other than CIBHS or Subgrantee's or its subcontractors' directors, officers, employees, agents, affiliates, designees and assignees. All such material, and any other reports, analyses or other documents whose creation is supported by funds provided under this Agreement shall be in the public domain.
- 9) **Reports.** Subgrantee shall prepare and submit to CIBHS such periodic reports as may be required by CIBHS or DHCS for YOR California project management, including, but not limited to, the following:
 - a) **Performance Reports.** Subgrantee shall prepare and submit, in the time, form, and manner required by CIBHS, monthly and quarterly performance reports providing a status update on the (i) action steps and progress measures for each objective in the Implementation Plan and (ii) a report of unduplicated clients seen, prepared in the form and manner prescribed by CIBHS; provided, however, that such report does not contain the personally identifiable health information or any other personally

identifiable information of any person (other than the name and identifying information of the person submitting the report to CIBHS on Subgrantee's behalf).

b) **Final Performance Report.** No later than thirty (30) days following the expiration or termination of the Term, Subgrantee shall prepare and submit to CIBHS a final performance report in the form and manner prescribed by CIBHS.

10) **Record Retention and Audits.** Subgrantee shall, and Subgrantee shall ensure that each subcontractor shall, retain all books, documents, papers, and records, including all financial records, supporting documents, statistical records, and all other records related to the Services and this Agreement for the duration of the Term and a period not less than three (3) years after the expiration or termination of the Term. By way of example, and not by way of limitation, Subgrantee shall, and Subgrantee shall ensure that its subcontractors shall, retain for the period specified in the preceding sentence all timesheets, receipts, and similar records associated with Subgrantee's invoices for Services.

Subgrantee agrees to maintain and preserve, until three (3) years after termination of the Grant Contract and final payment from DHCS to CIBHS, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this Agreement and to allow interviews of any employees who might reasonably have information related to such records.

Subgrantee shall ensure that each subcontractor is in compliance with the above requirement.

11) **Personally Identifiable Information.** Subgrantee shall, and shall ensure that each subcontractor shall, maintain reasonable security of all personally identifiable information (including but not limited to personal health information), and comply with all applicable legal requirements relating to such information, including requirements relating to safeguarding, storing, transmitting, sharing, and destroying such information, and breach notification requirements.

Subgrantee shall not, and shall ensure that each subcontractor shall not, share personally identifiable information (including but not limited to personal health information) with CIBHS (excluding the personally identifiable information of Subgrantee's or its subcontractors' directors, officers, employees, agents, affiliates, and designees, in connection with Subgrantee's performance under this Agreement).

12) **Workers' Compensation.** Subgrantee shall maintain, and shall ensure that each subcontractor maintains, at its own cost and expense, workers compensation insurance for all persons performing Services during the Term.

- 13) **Liability Insurance.** During the Term, Subgrantee shall maintain, and shall ensure that each subcontractor maintains, at its own cost and expense, commercial general liability insurance with a limit of at least One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage liability combined. The commercial general liability insurance policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought.

The certificate of insurance must state that it applies to this Agreement, and include the following provisions:

- a) The insurer will attempt to provide thirty (30) days' prior written notice to CIBHS of cancellation, but failure to mail such notice shall impose no obligation or liability to the issuing party, and
- b) CIBHS is included as an additional insured, but only with respect to work performed under this Agreement.

The Subgrantee agrees that the insurance required herein will remain in effect at all times during the Term. In the event said insurance coverage expires at any time during the Term, the Subgrantee agrees to provide, at least thirty (30) calendar days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the Term of the Agreement or for a period of not less than one (1) year.

CIBHS will not be responsible for any premiums, deductibles, or assessments on the insurance policy.

In addition, if any motor vehicle-related expenses are reimbursed with Agreement funds, the Subgrantee shall maintain, and shall ensure that each applicable subcontractor maintains, automobile liability insurance in the amount of One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage combined, as set forth in Exhibit D(F), section 4(g), of the Grant Contract.

- 14) **Disclosures of Violations of Federal Criminal Law.** The Subgrantee shall timely disclose, in writing to CIBHS all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Grant Contract or the Services.

- 15) **Recovery of Overpayments.** If an audit by CIBHS, DHCS, or any other third party results in a finding that Subgrantee received an overpayment, Subgrantee shall promptly remit to CIBHS the overpaid funds in full within thirty (30) days of CIBHS's request for such repayment, or upon mutual consent of the Parties, the Parties may establish a repayment schedule for such funds. Interest on the overpayment shall accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund of the Office of the State Treasurer of California commencing on the date that an audit or examination finding is mailed to the Subgrantee, beginning thirty (30) days after the Subgrantee's receipt of CIBHS's demand for repayment.

III. OBLIGATIONS OF CIBHS

- 1) **Payment.** CIBHS shall authorize payment to Subgrantee to reimburse Subgrantee for its actual costs of providing the Services, or upon completion of certain deliverables or products associated with the Services, as specified in the Implementation Plan and Budget, and on the terms and subject to the conditions set forth in this Agreement.

In no event shall total payment for Services under this Agreement exceed \$157,060.00. This amount shall not be construed as a guaranteed sum, and compensation shall be based upon the Budget.

- 2) **Taxes.** Unless otherwise expressly provided in the Budget, (i) Subgrantee shall be solely responsible for any applicable sales or use tax; and (ii) all Subgrantee's fees and expenses set forth in the Budget are deemed inclusive of all forms and types of taxes in all jurisdictions. In no event will CIBHS owe any taxes attributable to Subgrantee's income.
- 3) **Expenses.** Subgrantee's charges for travel, lodging and per diem expenses associated with performing the Services shall not exceed the travel reimbursement rates set forth on Exhibit H to the Grant Contract (rates published by the California Department of Human Resources, ("CalHR") as of the Effective Date). If the CalHR travel reimbursement rates change during the Term, the updated travel reimbursement rates shall apply upon their effective date, and no amendment to this Agreement shall be necessary.
- 4) **Funding Periods.** The amounts set forth in the Budget shall not exceed the following amounts, and shall reflect the following funding periods:
- a) \$8,822.00 for the period of August 1, 2019 through September 30, 2019, and
 - b) \$148,238.00 for the period of October 1, 2019 through August 31, 2020.
- Funds unexpended in one funding period may be carried over for expenditures in the following funding period only with the express prior written approval of DHCS.

- 5) **Invoices and Reports.** Payment by CIBHS for Services shall be made only upon presentation by Subgrantee of an invoice, all applicable performance and cost reports containing descriptions of Subgrantee's costs supporting the amounts on the invoice, and other supporting documentation CIBHS may request, in the manner and form prescribed by CIBHS. Subgrantee's invoices must be submitted to the YOR California administrative services organization, Advocates for Human Potential, Inc., by email to Ap2@ahpnet.com.

IV. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SUBGRANTEE

- 1) **No Conflict; Binding Obligation.** Subgrantee is a legal entity (if applicable), duly formed and validly existing under the laws of the State of California. Subgrantee represents and warrants to CIBHS that, as of the Effective Date, neither the execution, delivery nor performance of this Agreement constitutes a breach or violation of any contract or agreement to which Subgrantee is a party or by which it is bound and during the Term Subgrantee will not acquire any interests or obligations which conflict with or hamper its ability to perform as required by this Agreement.
- 2) **Due Authorization.** The execution and delivery of the Agreement and the performance of Subgrantee's obligations hereunder have been duly authorized by all necessary action of Subgrantee. The person signing this Agreement on behalf of Subgrantee is duly authorized and has the legal capacity to execute and deliver this Agreement on behalf of Subgrantee.
- 3) **Professional Performance.** Subgrantee covenants to CIBHS that, during the Term, Subgrantee will perform the Services in a professional and workmanlike manner.
- 4) **Binding Obligation.** The Agreement is a valid and legal agreement binding the Subgrantee, and enforceable in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratoriums, or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.
- 5) **Compliance with Laws; No Discrimination; No Harassment.** During the Term, Subgrantee shall comply, and shall ensure that each of its subcontractors complies, with all applicable laws, regulations, ordinances, and other legal requirements, including, but not limited to, all laws relating to confidentiality, privacy, and information security, non-discrimination and harassment, applicable sections of 45 C.F.R. Part 75 (Uniform Administrative Requirements, Cost Principles, And Audit Requirements For HHS Awards), the California Fair Employment and Housing Act (Cal. Gov. Code § 12900 *et seq.*), and the applicable regulations promulgated thereunder (including 2 C.C.R. § 11102). By way of example and not by way

of limitation, Subgrantee shall not, and shall ensure that each of its subcontractors does not, unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability, mental disability, medical condition (including HIV and AIDS status), age, or marital status, nor shall family care leave be denied, except as permitted under applicable law.

- 6) **Conflicts of Interest.** The Subgrantee shall disclose in writing to CIBHS any potential conflict of interest in accordance with Health and Human Services' (HHS) grant policy. (See <https://www.hhs.gov/sites/default/files/grants/grants/policies-regulations/hhsgps107.pdf>).
- 7) **Americans with Disabilities Act.** Subgrantee agrees to ensure that deliverables developed and produced pursuant to this Agreement shall comply with the accessibility requirements of Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973 as amended (29 U.S.C. § 794 (d)), and regulations implementing that Act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code section 11135 codifies section 508 of the Act requiring accessibility of electronic and information technology.
- 8) **Non-Infringement.** All materials produced by or on behalf of Subgrantee or its subcontractors in connection with the Services shall be free from materials that infringe the copyright, trademark, or other intellectual property rights of third parties.

V. INDEMNIFICATION AND LIMITATION OF LIABILITY

- 1) **Indemnity by Subgrantee.** Subgrantee, at its own expense, shall indemnify, defend and hold CIBHS, its directors, officers, employees, agents, affiliates, designees and assignees (collectively, the “**Indemnitees**”) harmless from and against any and all suits, causes of action, proceedings, loss, damage, liability or expense, including defense costs and legal fees, and claims of any nature, including but not limited to, damage to property and personal injuries, including death, arising out of or resulting from any negligent act or omission of Subgrantee, any of its subcontractors or agents, or any of their respective directors, officers, employees, agents, affiliates, designees and assignees, relating to their performance on behalf of Subgrantee under or relating to this Agreement. Subgrantee, at its expense, shall defend any suit or dispose of any claim or other proceeding brought against the Indemnitees on account of such damage or injury, and shall pay all expenses, including attorney’s fees, and satisfy all judgments which may be incurred by or rendered against the Indemnitees. The Indemnitees shall maintain full control and all decision-making rights in connection with

any suits, causes of action, or proceedings described in this Section V(1) (Indemnity by Subgrantee).

- 2) **Limitations of Liability.** In no event shall CIBHS be liable to the Subgrantee for claims directly arising from this Agreement for: (i) any amount beyond the specified amount payable to Subgrantee hereunder, or (ii) any indirect, incidental, consequential, special, or punitive losses, including lost profits. The Parties agree that this limitation of liability reflects the allocation of risk among the Parties and the payment agreed upon herein reflects this limitation of liability. Upon receipt of the final payment due to Subgrantee pursuant to this Agreement, Subgrantee agrees to release and discharge CIBHS and all Indemnitees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from or related to the Agreement.

VI. GENERAL PROVISIONS

- 1) **Entire Agreement.** This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior negotiations, understandings, representations or agreements whether written or oral. All exhibits to this Agreement are incorporated and made a part of this Agreement by this reference.
- 2) **Interpretation.** In the event of a conflict between the body of this Agreement and any of its exhibits, the following order of priority shall be given to interpreting the intent of the Parties with respect to such documents: (1) Exhibit A (Grant Contract), (2) the body of this Agreement, (3) Exhibit B (Implementation Plan), (4) Exhibit C (Budget), and (5) Exhibit D (Subcontractors).
- 3) **Waiver.** The failure of either Party to require performance by the other Party of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative and in addition to every other remedy available at law or in equity.
- 4) **Relationship.** Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between Subgrantee and CIBHS, and neither Party shall have the right, power or authority to obligate or bind the other Party in any manner whatsoever, except as otherwise expressly agreed in writing.

- 5) **Use of CIBHS Name and Logo.** Except as provided in Section II(7) (Acknowledgement of Financial Support), Subgrantee shall not use the CIBHS name or logo in any written materials or publications without CIBHS's express prior written consent.
- 6) **Assignment and Delegation.** Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Subgrantee (including through a change in control of Subgrantee, or other assignment as a matter of law) without the prior written consent of CIBHS. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives and assignees of the Parties hereto.
- 7) **Severability.** If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect, and be construed and enforced as if such provision had not been included, or had been modified as above provided, as the case may be.
- 8) **Paragraph Headings.** The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.
- 9) **Survival.** The respective rights and obligations of the Parties under Sections II (Obligations of Subgrantee), IV (Representations, Warranties, and Covenants of Subgrantee), V (Indemnification and Limitation of Liability), and VI (General Provision) shall survive the termination or expiration of this Agreement.
- 10) **Amendment.** This Agreement may not be modified or amended, except in writing by each Party. The Parties agree to take such action as is necessary to amend this Agreement from time to time for CIBHS to comply with applicable legal requirements, the Grant Contract, and any other state or federal grants.
- 11) **No Third Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement is not intended to confer, nor shall anything in this Agreement confer, upon any person other than the Parties hereto, any rights, remedies, obligations, or liabilities whatsoever.
- 12) **Notices.** Any notices to be given hereunder shall be made via U.S. mail or express courier or hand delivery to the other Party's address set forth on the first page of this Agreement.
- 13) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law. Any suit

or proceeding relating to this Agreement will be brought in the exclusive jurisdiction of the state or federal court in Sacramento, California. Each of the Parties consent to the exclusive personal jurisdiction and venue of such court.

- 14) **Costs and Attorney Fees.** Except as set forth in Section V(1) (Indemnity by Subgrantee), each Party shall pay their own attorney fees, court costs, costs of investigation, expert fees and other related expenses incurred in connection with any enforcement of rights under this Agreement. Except as otherwise expressly set forth herein, each Party shall be responsible for all expenses incurred by it in the course of its performance under this Agreement.
- 15) **Injunctive Relief.** The Parties recognize that a remedy at law for a breach of the provisions of this Agreement may not be adequate, and accordingly the Parties shall have the right to obtain, in addition to any other relief and remedies available to it, injunctive relief to enforce the provisions of this Agreement.
- 16) **Ambiguities.** The language used in this Agreement shall be deemed to be jointly drafted by the Parties, and no rule of strict construction shall be applied for or against any Party by reason of such Party being deemed the principal drafter of this Agreement.
- 17) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one instrument.

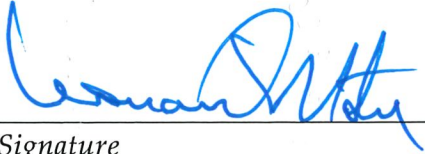
IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date by their duly authorized representatives.

Subgrantee:

CIBHS:

Shasta County

California Institute for Behavioral Health Solutions





Signature

Signature

LEONARD MOTY

Percy Howard III, LCSW

Print Name

Print Name

Chair, Shasta County Board of Supervisors

President and CEO

Title

Title

12/17/2019

1-15-20

Date

Date

94-6000535

68-0314970

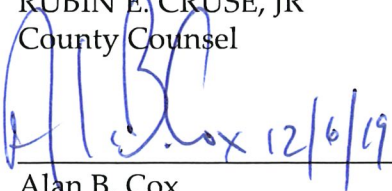
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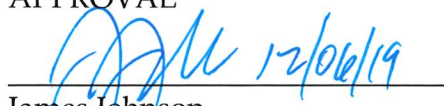
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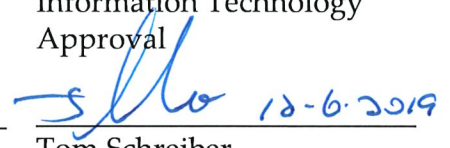
Approved as to form:
RUBIN E. CRUSE, JR
County Counsel

RISK MANAGEMENT
APPROVAL

Information Technology
Approval







Alan B. Cox
Deputy County Counsel III

James Johnson
Risk Management Analyst III

Tom Schreiber
Chief Information Officer

Signature Page to California Youth Opioid Response Services Contract

Exhibit A
Grant Contract

STANDARD AGREEMENT

STD 213 (Rev. 10/2018)

AGREEMENT NUMBER

18-95471

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Health Care Services

CONTRACTOR NAME

California Institute for Behavioral Health Solutions

2. The term of this Agreement is:

START DATE

January 8, 2019

THROUGH END DATE

September 29, 2020

3. The maximum amount of this Agreement is:

\$12,000,000.00 (Twelve million dollars)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

| EXHIBITS | TITLE | PAGES |
|--------------|---|-------|
| Exhibit A | Scope of Work | 12 |
| Exhibit B | Budget Detail and Payment Provisions | 3 |
| Exhibit B1 | Attachment I - Budget Year 1 | 1 |
| Exhibit B2 | Attachment II - Budget Year 2 | 1 |
| Exhibit B3 | Attachment III - Budget Year 3 | 2 |
| Exhibit C* | General Terms and Conditions (GTC 04/2017) | |
| Exhibit D(F) | Special Terms & Conditions (Attached hereto as part of this agreement) Notwithstanding Provisions 5, 6, 15, 16, 17, 22, 23, 29, and 30 which do not apply to this agreement | 27 |
| Exhibit E | Additional Provisions | 5 |
| Exhibit F | HIPPA Business Associate Addendum | 15 |
| Exhibit G | Contractor's Release | 1 |
| Exhibit H | Travel Reimbursement Information | 2 |
| Exhibit I | Resumes for Key Personnel | 15 |

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at www.dgs.ca.gov/ols/resources/standardcontractlanguage.aspx

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

California Institute for Behavioral Solutions

CONTRACTOR BUSINESS ADDRESS

2125 19th Street, 2nd Floor

CITY

Sacramento

STATE

CA

ZIP

95818

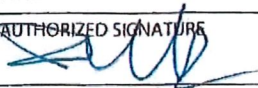
PRINTED NAME OF PERSON SIGNING

Percy Howard III

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

4-26-19

STANDARD AGREEMENT

STD 213 (Rev. 10/2018)

AGREEMENT NUMBER

18-95471

PURCHASING AUTHORITY NUMBER (if applicable)

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Health Care Services

CONTRACTING AGENCY ADDRESS

100 G Street 4th Floor

CITY

Sacramento

STATE

CA

ZIP

95814

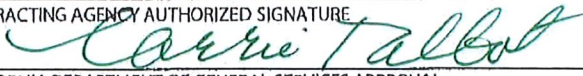
PRINTED NAME OF PERSON SIGNING

Carrie Talbot

TITLE

Chief, Contract Management Unit

CONTRACTING AGENCY AUTHORIZED SIGNATURE



DATE SIGNED

5/18/19

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION, IF APPLICABLE

Exempt per Budget Act 2018, Chapter 29

Exhibit A
Scope of Work

1. Services Overview

As described in this Scope of Work, the Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein.

1. Outreach
2. Implementation Plan
3. Request for Application (RFA)
4. Subcontracting
5. Protocols, Guidelines, and Toolkits
6. Distribution of OUD Materials
7. Learning Collaboratives
8. Meetings
9. Quarterly Reporting
10. Final Report

The State Opioid Response (SOR) is a service grant program funded by the Substance Abuse and Mental Health Services Administration (SAMHSA). The program aims to address the opioid crisis by increasing access to medication-assisted treatment using the three FDA-approved medications for the treatment of Opioid Use Disorder (OUD), reducing unmet treatment need, and reducing opioid overdose related deaths through the provision of prevention, treatment and recovery activities for OUD (including prescription opioids, heroin, illicit fentanyl and fentanyl analogs).

This Agreement implements services for the Expanding MAT for Youth and Young Adults Project funded by the SOR grant. The Contractor shall develop an outreach plan; develop an implementation plan outlining deliverables and a project schedule; develop new treatment access points for youth and young adults with OUD; develop or distribute protocols and guidelines; distribute OUD materials to stakeholders; develop and organize learning collaboratives; attend and schedule meetings with stakeholders; and submit to DHCS quarterly reports and a final report.

2. Service Location

The Contractor shall perform all services in California statewide.

3. Service Hours

The Contractor shall provide services during normal Contractor working days and hours.

4. Contract Period

This Contract shall be effective from January 8, 2019 to September 29, 2020.

Exhibit A
Scope of Work

5. Project Representatives

A. The project representatives during the term of this Agreement will be:

| | |
|--|--|
| Department of Health Care Services Contract Manager: Annabelle Pauly Telephone: (916) 345-7459 Fax: (916) 440-5230 Email: Annabelle.Pauly@dhcs.ca.gov | California Institute for Behavioral Health Solutions Contract Manager: Victor Kogler Telephone: (916) 623-5415 Fax: (916) 556-3478 Email: vkogler@cibhs.org |
|--|--|

B. Direct all inquiries to:

| | |
|---|---|
| Department of Health Care Services P.O. Box 997413, MS 2600 Sacramento, CA 95899-7413 Contract Manager: Annabelle Pauly Telephone: (916) 345-7459 Fax: (916) 440-5230 Email: Annabelle.Pauly@dhcs.ca.gov | California Institute for Behavioral Health Solutions 2125 19 th Street, 2 nd Floor Sacramento, CA 95818 Contract Manager: Victor Kogler Telephone: (916) 623-5415 Fax: (916) 556-3478 Email: vkogler@cibhs.org |
|---|---|

C. Either party may make changes to the information in Section 4 (A) and (B) above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

6. Services to be Performed

A. Outreach

1. The Contractor shall develop a community outreach plan for the purpose of distributing information regarding services available under the Expanding MAT for Youth and Young Adults Project with the goal of increasing treatment options of individuals in need. The outreach plan shall include the following minimum elements:
 - a. **Communication Plan.** A communication plan shall notify local entities, stakeholders, and individuals regarding available youth and young adult OUD services. The plan shall include target audiences, such as youth and young adults with OUD, programs focusing on prevention services, treatment programs, and stakeholders, local county Behavioral Health Department, local criminal justice entities, Local Opioid Coalitions, local hospitals, and local Federally Qualified Health Centers (FQHCs).
 - b. **Engagement of Individuals.** A description of efforts to engage youth and young adults with an OUD.

Exhibit A
Scope of Work

- c. **Timeframes.** A description of timeframes for notifying impacted individuals and entities of services available under the Expanding MAT for Youth and Young Adults Project.

The Contractor may include additional elements in the outreach plan to address unique local or regional concerns.

2. The Contractor shall submit to DHCS a draft of the outreach plan no later than sixty (60) calendar days of the start of the contract performance period. The outreach plan shall be no longer than ten (10) typewritten pages. Within thirty (30) calendar days from receipt of the Contractor's outreach plan, DHCS shall either approve the plan as submitted or provide the Contractor written notice requiring modifications to the plan. The Contractor shall re-submit the revised outreach plan within thirty (30) calendar days of receiving notice from DHCS. Within fifteen (15) calendar days from receipt of the Contractor's revised outreach plan, DHCS shall either approve the revised plan as submitted or provide the Contractor written notice requiring additional modifications to the plan.

B. Implementation Plan

1. The Contractor shall submit an Implementation Plan to DHCS within sixty (60) calendar days of the start of the contract performance period. The Implementation Plan shall include a schedule that sets forth the anticipated dates of activities to be implemented through the entirety of the Contract period. The Contractor shall provide the DHCS Project Representative an Implementation Plan outlining development of new treatment access points for youth and young adults with an OUD; distribution of protocols and guidelines; distribution of OUD materials to stakeholders; development and organization of learning collaboratives; attending and scheduling meetings with stakeholders; and submitting to DHCS quarterly reports and a final report. Changes to the schedule cannot be made prior to the annual evaluation date without prior written consent from the DHCS Project Representative. The Contractor must submit any proposed changes to the schedule thirty (30) calendar days prior to the activity date. DHCS shall either approve or deny the request to amend the schedule within fifteen (15) calendar days of receiving the Contractor's request.

C. Request for Application (RFA)

1. The Contractor shall, within sixty (60) calendar days of the start of the contract performance period, develop an RFA to solicit applicants to develop new or enhanced MAT services for youth and young adults with OUD. MAT services include prevention, treatment and recovery services. The Contractor shall be responsible for writing the RFA, developing the criteria, and circulating the RFA to potential applicants. The total amount allocated to RFA grantees shall be no less than \$11,000,000. The RFA shall:
 - a. Be submitted to DHCS for review and approval prior to posting on the DHCS website;

Exhibit A
Scope of Work

- b. Be posted within ten (10) calendar days of DHCS approval;
 - c. Include federal data requirements and funding allowance for data activities;
 - d. Include grant reporting requirements; and,
 - e. Guidance on allowable activities for prevention, treatment and recovery services for youth, young adults, and their families.
2. The Contractor shall develop the RFA and the evaluation criteria and submit it to DHCS within 60 calendar days of the start of the contract performance period . Upon DHCS approval, the Contractor shall publicly release the RFA within thirty (30) calendar days of receiving DHCS approval of the RFA.
 3. The Contractor shall develop an application-scoring instrument to evaluate applications and submit to DHCS for approval within ten (10) calendar days after release of the RFA. DHCS shall approve or deny the application scoring instruments within ten (10) calendar days of receipt. DHCS may provide the Contractor written notice requiring additional modifications to the application and/or scoring tool.
 4. If necessary, more than one RFA process may need to be initiated pending DHCS discretion based on the number of applicants awarded and Subcontracts completed during the first round of the RFA process.

D. Subcontracting

1. Within fourteen (14) calendar days after the RFA submission due date, the Contractor shall review proposals and provide a list of recommended awardees to DHCS based on the RFA scoring criteria.
2. After receiving approval from DHCS, the Contractor shall award grants within seven (7) calendar days of receiving DHCS approval.
3. The Contractor shall, within sixty (60) calendar days of award announcements, be responsible for developing and executing subcontracts with awarded applicants to provide prevention, treatment or recovery services.
4. The Contractor shall ensure that each Subcontractor receives funding in a timely fashion and pursuant to contractual obligations.
5. The Contractor shall be responsible for keeping a detailed account of all funds distributed and expended.
6. The Contactor shall serve as the primary contact to selected applicant service locations upon application award.
7. Each Subcontractor awarded a grant must have a deliverable schedule.

Exhibit A
Scope of Work

8. The Contractor shall consult DHCS prior to accepting or denying all decisions proposed by or involving Subcontractors.
9. The Contractor shall develop policies and procedures to review progress reports and ensure that each grant is compliant with contractual obligations set forth in their awarded applications and subcontracts.
10. The Contractor shall be responsible for establishing a process to document and remedy areas of Subcontractor non-compliance, such as sites not serving new patients or not increasing the number of waived prescribers.
11. DHCS may review the Contractor or Subcontractors' documentation and/or deliverables as deemed necessary.
12. The Contractor shall serve as the administrative entity, responsible for managing, processing, and distributing payments to Subcontractors.
13. The Contractor shall ensure all work performed by Subcontractors is in alignment with other statewide and federal efforts focused on improving OUD care of youth and young adults with OUD, including the Drug Medi-Cal Organized Delivery System, the California Department of Public Health's efforts, and the efforts to expand access to MAT in primary care, mental health, hospitals and jails.
14. The Contractor shall not subcontract with any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

E. Protocols, Guidelines, and Toolkits

1. The Contractor shall distribute currently available prevention, screening, and treatment protocols, guidelines, and toolkits that address the OUD.
 - a. These shall be distributed in formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials.
 - b. Guidelines and toolkits shall be consistent with updated or modified State and Federal regulations, including any regulatory changes or bulletins published during the Contract period.
 - c. Guidelines and toolkits shall address the clinical judgment involved in developing an appropriate treatment plan for the delivery of services to youth and young adult populations, including the appropriate use of MAT

Exhibit A
Scope of Work

and naloxone (for overdose reversal), as well as treatment for Co-Occurring Disorders (COD).

F. Distribution of OUD Materials

1. The Contractor shall develop and disseminate to youth and young adult patients and family members, the following OUD materials:
 - a. OUD prevention, treatment, and recovery education materials that are specific to youth and young adult patients, family members, prescribers, clinicians, and other stakeholders. Education materials shall be distributed as handouts, pamphlets, toolkits, and in other formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials; and
 - b. Suicide prevention materials that are specific to youth and young adults with OUD, patients, prescribers, clinicians, and stakeholders. Suicide prevention materials shall be distributed to patients and stakeholders as handouts, pamphlets, toolkits, and in other formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials.
 - c. Post-Traumatic Stress Disorder (PTSD) materials that are specific and applicable to youth and young adult patients, prescribers, clinicians, and stakeholders. PTSD materials shall be distributed to patients and stakeholders as handouts, pamphlets, toolkits, and in other formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials.
 - d. COD materials that are specific and applicable to youth and young adult patients, prescribers, clinicians, and stakeholders. COD materials shall be distributed to patients and stakeholders as handouts, pamphlets, toolkits, and in other formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials.
 - e. OUD materials that are specific and applicable to youth and young adult patients, prescribers, clinicians, and stakeholders. OUD materials shall be distributed to patients and stakeholders as handouts, pamphlets, toolkits, and in other formats as approved by DHCS. The Contractor shall provide to DHCS a request for approval of the materials prior to distribution. DHCS shall either approve or deny the request within fifteen (15) calendar days of receiving the Contractor's materials.

Exhibit A
Scope of Work

G. Learning Collaboratives

1. The Contractor shall develop and schedule Learning Collaborative meetings for youth and young adult stakeholder organizations, county stakeholders, prescribers, clinicians, and other stakeholders to facilitate networking and peer learning, and provide a discussion forum regarding strategies and tools of the project. Meetings shall also focus on development and implementation of new youth and young adult treatment access points. The Contractor shall:
 - a. Organize a minimum of four (4) Learning Collaboratives with youth and young adult organizations and other stakeholders to ensure best treatment practices are implemented;
 - b. Submit to DHCS a schedule setting forth the dates of Learning Collaborative meetings during the Contract within sixty (60) calendar days of the start of the contract performance period. DHCS shall either approve or deny the Contractor's request within fifteen (15) calendar days of receipt;
 - c. Engage speakers and presenters to cover technical content; and
 - d. Develop meeting materials to include PowerPoint slides, outlines, and digital and physical handouts provided to attendees. The Contractor shall provide to DHCS a request for approval of the materials a minimum of thirty (30) calendar days prior to each scheduled conference. DHCS shall either approve or deny the request within fifteen (10) calendar days of receiving the Contractor's materials.

H. Meetings

1. The Contractor shall participate in quarterly meetings with DHCS, beginning thirty (30) calendar days the start of the contract performance period. Meetings shall discuss summaries of project implementation, project progress, project challenges, and successfully implemented strategies and procedures. DHCS shall schedule meeting location, date, time, and format (e.g. telephone or in-person). The Contractor will also participate in ad hoc meetings with DHCS, contractor meetings and trainings and other stakeholder meetings as necessary.

I. Quarterly Reporting

1. The Contractor shall submit quarterly reports to DHCS. Reports shall consist of summaries of project progress, project successes, project challenges and solutions, project innovations, summaries documenting progress of grants.

Exhibit A
Scope of Work

2. The Contractor shall submit quarterly reports via email to DHCS on the following dates:

| Quarter | Period | Due Date to DHCS |
|-----------------|-------------------------|------------------|
| Initial Quarter | 01/08/2019 - 03/31/2019 | 04/15/2019 |
| 2nd Quarter | 04/01/2019 - 06/30/2019 | 07/15/2019 |
| 3rd Quarter | 07/01/2019 - 09/30/2019 | 10/15/2019 |
| 4th Quarter | 10/01/2019 - 12/31/2019 | 01/15/2020 |
| 5th Quarter | 01/01/2020 - 03/31/2020 | 03/15/2020 |
| 6th Quarter | 04/01/2020 - 06/30/2020 | 07/15/2020 |
| 7th Quarter | 07/01/2020 - 09/29/2020 | 10/15/2020 |

J. Final Report

1. The Contractor shall submit a Final Report to DHCS. The Final Report shall be due prior to the expiration of the Contract and shall include:
- a. Templates, documents, and materials developed for services performed as part of the Contract.
 - b. General data or auditing information collected during the Contract;
 - c. A summary of challenges encountered in implementing services during the Contract. The summary of challenges shall include specific scenarios that arose relating to services for youth and young adults with OUD during the Contract; and
 - d. A summary of successful strategies encountered in implementing services during the Contract. The summary of successful strategies shall include specific scenarios that arose relating to services for youth and young adults with OUD during the Contract.

7. Americans with Disabilities Act

Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of **Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973** as amended (29 U.S.C. § 794 (d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. In 1998, Congress amended the **Rehabilitation Act of 1973** to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code section 11135 codifies section 508 of the Act requiring accessibility of electronic and information technology.

8. Contractor Designation

A. DHCS discloses the following information:

1. Federal Award Identification: TBD
2. TBD
3. Unique entity identifier: TBD upon CMU contract execution
4. Federal Award Identification Number (FAIN): TBD

Exhibit A
Scope of Work

5. Federal Award Date: TBD
 6. Sub award Period of Performance: TBD
 7. Amount of Federal Funds Obligated by this action by DHCS to the Contractor:
\$12,000,000
 8. Total Amount of Federal Funds Obligated to the Contractor by DHCS including the current obligation: \$12,000,000
 9. Total Amount of the Federal Award committed to the Contractor by DHCS:
\$12,000,000
 10. Federal award project description: The program aims to address the opioid crisis by increasing access to treatment, reducing unmet treatment need, and reducing opioid overdose related deaths through the provision of prevention, treatment and recovery activities for OUD (including prescription opioids as well as illicit drugs such as heroin).
 11. Name and contact information of Federal awarding agency:
Odessa Crocker
Office of Financial Resources, Division of Grants Management
Substance Abuse and Mental Health Services Administration
240-276-1078
foacsat@samhsa.hhs.gov
 12. CFDA Number and Name:
- B. The Contractor shall:
1. Maintain effective internal control over contract funds;
 2. The Contractor may shift funds between expenditure categories identified in the budget by providing written notice to DHCS in the form of a revised budget. Any proposed shifts require written approval from DHCS.
 3. Comply with federal statutes, regulations, including 45 CFR Part 75, and the terms and conditions of the grant;
 4. Evaluate and monitor its activities and the activities of all of its subcontractors for compliance with applicable statutes, regulations, and terms and conditions of the award;
 5. Address any instances of noncompliance promptly, including noncompliance identified in audit findings; and
 6. Oversee the operations of the federal award supported activities.
- C. The Contractor shall disclose, in writing to DHCS, any potential conflict of interest in accordance with Health and Human Services' (HHS) grant policy. (See, <https://www.hhs.gov/sites/default/files/grants/grants/policies-regulations/hhsqps107.pdf>).
- D. The Contractor shall timely disclose, in writing to DHCS, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the grant. If Contractor fails to make a required disclosure the DHCS may seek any of the remedies described in Exhibit A, Section 9 of this Agreement "Contractor Non-compliance."

Exhibit A
Scope of Work

9. Records and Record Keeping

- A. The Contractor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the grant in accordance with 45 CFR section 75.361.
- B. SAMHSA, the Inspector General, the Comptroller General, and DHCS, or any of its authorized representatives, have the right to access any documents, papers, or other records of the Contractor which are pertinent to the grant, for the purpose of performing audits, examinations, excerpts, and transcripts. The right to access records also includes timely and reasonable access to the Contractor's personnel for the purpose of interview and discussion related to the requested documents.
- C. The right to access records is not limited to the required retention period but lasts as long as the records are retained by the Contractor.

10. Monitoring and Audits

- A. The Contractor shall be subject to monitoring by DHCS for compliance with the provisions of this Agreement. Such monitoring activities shall include, but are not limited to, inspection and auditing of the Contractor's treatment services, patient files, management procedures, books, and records, as DHCS deems appropriate. DHCS may conduct monitoring activities at any time during the Contractor's normal business hours.
- B. DHCS shall conduct a review of the Contractor's records to determine if any of the claimed expenditures were an improper use of grant funds.
- C. The refusal of the Contractor to permit access to physical facilities and/or inspection of any documents, files, books, or records necessary for DHCS to complete its monitoring and auditing activities constitutes an express and immediate material breach of this Agreement and will be a sufficient basis to terminate the Agreement for cause.

11. Contractor Non-Compliance

- A. If the Contractor fails to comply with Federal statutes, regulations, or the terms and conditions of the grant, DHCS may impose additional conditions on the sub award, including:
 - 1. Withholding authority to proceed to the next phase until receipt of evidence acceptable performance within a given performance period;
 - 2. Requiring additional or more detailed financial reports;
 - 3. Requiring technical or management assistance; and/or
 - 4. Establishing additional prior approvals.
- B. If DHCS determines that the Contractor's noncompliance cannot be remedied by imposing additional conditions, DHCS may take one or more of the following actions:

Exhibit A
Scope of Work

- 1) The Contractor shall comply with the regulations set forth in 42 CFR Part 2, including the responsibility for assuring the security and confidentiality of all electronically transmitted patient material.

13. Definitions

The following definitions shall apply to this Agreement:

Contractor: Contractor means the organization or entity selected to perform services for the Expanding MAT for Youth and Young Adults Project.

Counseling: Counseling means individual and group sessions provided by a licensed professional or an individual registered or certified pursuant to Title 9, CCR, Division 4, Chapter 8. Counseling provided at a NTP shall conform to Title 9, CCR, Division 4, Chapter 4.

Expanding MAT for Youth and Young Adults Project: Expanding MAT for Youth and Young Adults is the title of this California SOR grant project funded by SAMHSA.

Grant: Grant means the State Opioid Response Grant funded by SAMHSA.

Medication Assisted Treatment: Medication Assisted Treatment means a combination of medications utilized to treat an OUD in conjunction with counseling services.

Recovery Service: Recovery Service means services provided to a patient to maintain the patient's abstinence from the use of alcohol or drugs, maintain sobriety, or maintain any goal or objective that a patient achieved during treatment for his or her substance use disorder. Recovery Service includes any service designed to initiate, support, and enhance recovery.

Subcontractor: Subcontractor means the individual or entity that contracts and performs services for the Contractor.

Waivered Prescriber: Waivered Prescriber means a physician, nurse practitioner, or physician assistant who obtains a federal Data 2000 waiver from SAMHSA to prescribe buprenorphine. Waivered prescribers who provide services outside of a NTP or Medication Unit must have this federal waiver since buprenorphine is a scheduled narcotic.

Exhibit B

Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, DHCS agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget(s) attached hereto.
- B. Invoices shall include the Agreement Number and shall be submitted not more frequently than monthly in arrears to:

Ivan Bhardwaj
Department of Health Care Services
Substance Use Disorder Compliance Division
MS 2600
P.O. Box 997413
Sacramento, CA 95899-7413

DHCS, at its discretion, may designate an alternate invoice submission address. A change in the invoice address shall be accomplished via a written notice to the Contractor by DHCS and shall not require an amendment to this Agreement.

- C. Invoices shall:
 - 1) Be prepared on Contractor letterhead. If invoices are not on produced letterhead invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.
 - 2) Bear the Contractor's name as shown on the Agreement.
 - 3) Identify the billing and/or performance period covered by the invoice.
 - 4) Itemize costs for the billing period in the same or greater level of detail as indicated in this Agreement. Subject to the terms of this Agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this Agreement and approved by DHCS.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall have the option to either cancel this Agreement with no liability occurring to DHCS, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

Exhibit B
Budget Detail and Payment Provisions

4. Amounts Payable

A. The amounts payable under this Agreement shall not exceed:

- 1) \$2,408,970 for the budget period of 01/08/2019 through 06/30/2019.
- 2) \$9,501,005 for the budget period of 07/01/2019 through 06/30/2020.
- 3) \$90,025 for the budget period of 07/01/2020 through 09/29/2020.

B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

C. The Contractor must maintain records reflecting actual expenditures for each state fiscal year covered by the term of this Agreement.

5. Timely Submission of Final Invoice

A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this Agreement, unless a later or alternate deadline is agreed to in writing by the Program Contract Manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of DHCS under this Agreement have ceased and that no further payments are due or outstanding.

B. DHCS may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written DHCS approval of an alternate final invoice submission deadline. Written DHCS approval shall be sought from the Program Contract Manager prior to the expiration or termination date of this Agreement.

C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit G)**" acknowledging submission of the final invoice to DHCS and certifying the approximate percentage amount, if any, of recycled products used in performance of this Agreement.

6. Expense Allowability / Fiscal Documentation

A. Invoices, received from a Contractor and accepted and/or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.

B. The Contractor shall maintain for review and audit and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this Agreement to permit a determination of expense allowability.

C. If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

D. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, see Exhibit H entitled, "Travel Reimbursement Information".

Exhibit B

Budget Detail and Payment Provisions

E. Costs and/or expenses deemed unallowable are subject to recovery by DHCS. See provision 7 in this exhibit entitled, "Recovery of Overpayments" for more information.

7. Recovery of Overpayments

A. Contractor agrees that claims based upon a contractual agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by DHCS by one of the following options:

- 1) Contractor's remittance to DHCS of the full amount of the audit exception within 30 days following DHCS' request for repayment;
- 2) A repayment schedule which is agreeable to the both DHCS and the Contractor.

B. DHCS reserves the right to select which option will be employed and the Contractor will be notified by DHCS in writing of the claim procedure to be utilized.

C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after the Contractor's receipt of DHCS' demand for repayment.

D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, the Contractor shall repay, to DHCS, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of DHCS' notice requesting reimbursement of questioned audit costs or disallowed expenses.

Special Terms and Conditions

(For federally funded service contracts or agreements and grant agreements)

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Health Care Services", "California Department of Health Services", "Department of Health Care Services", "Department of Health Services", "CDHCS", "DHCS", "CDHS", and "DHS" shall all have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

| | |
|---|---|
| 1. Federal Equal Employment Opportunity Requirements | 19. Novation Requirements |
| 2. Travel and Per Diem Reimbursement | 20. Debarment and Suspension Certification |
| 3. Procurement Rules | 21. Smoke-Free Workplace Certification |
| 4. Equipment Ownership / Inventory / Disposition | 22. Covenant Against Contingent Fees |
| 5. Subcontract Requirements | 23. Payment Withholds |
| 6. Income Restrictions | 24. Performance Evaluation |
| 7. Audit and Record Retention | 25. Officials Not to Benefit |
| 8. Site Inspection | 26. Four-Digit Date Compliance |
| 9. Federal Contract Funds | 27. Prohibited Use of State Funds for Software |
| 10. Termination | 28. Use of Small, Minority Owned and Women's Businesses |
| 11. Intellectual Property Rights | 29. Alien Ineligibility Certification |
| 12. Air or Water Pollution Requirements | 30. Union Organizing |
| 13. Prior Approval of Training Seminars, Workshops or Conferences | 31. Contract Uniformity (Fringe Benefit Allowability) |
| 14. Confidentiality of Information | 32. Suspension or Stop Work Notification |
| 15. Documents, Publications, and Written Reports | 33. Public Communications |
| 16. Dispute Resolution Process | 34. Compliance with Statutes and Regulations |
| 17. Financial and Compliance Audit Requirements | 35. Lobbying Restrictions and Disclosure Certification |
| 18. Human Subjects Use Requirements | |

1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from DHCS under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to CalHR rates may be approved by DHCS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by DHCS or expenses for said items are reimbursed by DHCS with state or federal funds provided under the Agreement.)

a. Equipment/Property definitions

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of **\$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
 - (2) **Minor equipment/property:** A tangible item having a base unit cost of **less than \$5,000** with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.

- (1) Equipment/property purchases shall not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Contractor shall submit to the DHCS Program Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the DHCS Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
 - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
 - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
 - (c) Procurements shall be conducted in a manner that provides for all of the following:
 - [1] Avoid purchasing unnecessary or duplicate items.
 - [2] Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
 - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHCS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase

authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

4. Equipment/Property Ownership / Inventory / Disposition

(Applicable to agreements in which equipment/property is furnished by DHCS and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under the Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement shall be considered state equipment and the property of DHCS.

- (1) **Reporting of Equipment/Property Receipt** - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by DHCS or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the DHCS Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHCS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHCS Funds) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager.

- (2) **Annual Equipment/Property Inventory** - If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the DHCS Program Contract Manager using a form or format designated by DHCS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
- (b) Submit the inventory report to DHCS according to the instructions appearing on the inventory form or issued by the DHCS Program Contract Manager.
- (c) Contact the DHCS Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by either the DHCS Program Contract Manager or DHCS' Asset Management Unit.

- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.

- (1) In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHCS Program Contract Manager.

- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the DHCS Program Contract Manager and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to DHCS. Final disposition of equipment and/or property shall be at DHCS expense and according to DHCS instructions. Equipment and/or property disposition instructions shall be issued by DHCS immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.
- g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to DHCS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHCS Program Contract Manager. The certificate of insurance shall identify the DHCS contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.

- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
- [1] The Insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services).
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify the California Department of Health Care Services (DHCS), in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHCS, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHCS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
- (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
 - (2) DHCS may identify the information needed to fulfill this requirement.
 - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - (a) A local governmental entity or the federal government,
 - (b) A State college or State university from any State,
 - (c) A Joint Powers Authority,
 - (d) An auxiliary organization of a California State University or a California community college,
 - (e) A foundation organized to support the Board of Governors of the California Community Colleges,

- (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
 - (g) Firms or individuals proposed for use and approved by DHCS' funding Program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
 - (h) Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5 Section 5.80 Subsection B.2. View this publication at the following Internet address:
<http://www.dgs.ca.gov/ols/Resources/StateContractManual.aspx>.
- b. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
- (1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make copies available for approval, inspection, or audit.
- e. DHCS assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- "(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHCS to the Contractor, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
- i. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, 32 and/or other numbered provisions herein that are deemed applicable.

6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Agreement.

7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896.77)
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
 - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
 - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- f. The Contractor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.
- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

10. Termination

a. For Cause

The State may terminate this Agreement, in whole or in part, and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand. If this Agreement is terminated, in whole or in part, the State may require the Contractor to transfer title, or in the case of licensed software, license, and deliver to the State any completed deliverables, partially completed deliverables, and any other materials, related to the terminated portion of the Contract, including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding Medicaid claims. The State shall pay contract price for completed deliverables delivered and accepted and items the State requires the Contractor to transfer as described in this paragraph above.

b. For Convenience

The State retains the option to terminate this Agreement, in whole or in part, without cause, at the State's convenience, without penalty, provided that written notice has been delivered to the Contractor at least ninety (90) calendar days prior to such termination date. In the event of termination, in whole or in part, under this paragraph, the State may require the Contractor to transfer title, or in the case of licensed software, license, and deliver to the State any completed deliverables, partially completed deliverables, and any other materials related to the terminated portion of the contract including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding Medicaid claims. The Contractor will be entitled to compensation upon submission of an invoice and proper proof of claim for the services and products satisfactorily rendered, subject to all payment provisions of the Agreement. Payment is limited to expenses necessarily incurred pursuant to this Agreement up to the date of termination.

11. Intellectual Property Rights

a. Ownership

- (1) Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.

- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
- (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHCS. **Except as otherwise set forth herein, neither the Contractor nor DHCS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHCS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.

- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHCS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2010, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DHCS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining for DHCS, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and DHCS determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DHCS.

f. Warranties

- (1) Contractor represents and warrants that:
 - (a) It is free to enter into and fully perform this Agreement.

- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
 - (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
 - (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
 - (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
 - (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
 - (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.
- (2) DHCS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

- (1) Contractor shall indemnify, defend and hold harmless DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DHCS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHCS.
- (2) Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its

authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

- (3) Contractor agrees that damages alone would be inadequate to compensate DHCS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Federal Funding

In any agreement funded in whole or in part by the federal government, DHCS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

i. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

12. Air or Water Pollution Requirements

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt by law.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 USC 7606) section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations.
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Clean Water Act (33 U.S.C. 1251 et seq.), as amended.

13. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior DHCS approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

14. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or

are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.

- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

15. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

16. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from DHCS' action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DHCS, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
 - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Health and Safety Code Section 100171.
- c. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
- d. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

17. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code Section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code Section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
 - (1) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
 - (2) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement,*** the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
 - (3) ***If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by 2 C.F.R. §§ 200.64, 200.70, and 200.90) and expends \$750,000 or more in Federal awards,*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in 2 C.F.R. 200.501 entitled "Audit Requirements". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:
 - (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
 - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
 - (4) If the Contractor submits to DHCS a report of an audit other than a 2 C.F.R. 200.501 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$750,000 or more in federal funds for the year covered by the audit report.

- d. Two copies of the audit report shall be delivered to the DHCS program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHCS Program Contract Manager shall forward the audit report to DHCS' Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
- e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The DHCS program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
- f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
- g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
- h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
- i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
- j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
- k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

18. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

19. Novation Requirements

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

20. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 2 CFR 180, 2 CFR 376
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) violation of Federal or State antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, obstruction of justice, or the commission of any other offense indicating a lack of business integrity or business honesty that seriously affects its business honesty;
 - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
 - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
 - (5) Have not, within a three-year period preceding this application/proposal/agreement, engaged in any of the violations listed under 2 CFR Part 180, Subpart C as supplemented by 2 CFR Part 376.
 - (6) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - (7) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in 2 CFR Part 180 as supplemented by 2 CFR Part 376.
- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this Agreement for cause or default.

21. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

22. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

23. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, DHCS may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHCS receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

24. Performance Evaluation

(Not applicable to grant agreements.)

DHCS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

25. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

26. Four-Digit Date Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

27. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

28. Use of Small, Minority Owned and Women's Businesses

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

29. Alien Ineligibility Certification

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

30. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

31. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
 - (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.

f. Earned/Accrued Compensation

- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

32. Suspension or Stop Work Notification

- a. DHCS may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Contractor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within 30 working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from DHCS. The resumption of work (in whole or part) will be at DHCS' discretion and upon receipt of written confirmation.
 - (1) Upon receipt of a suspension or stop work notification, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.

- (2) Within 90 days of the issuance of a suspension or stop work notification, DHCS shall either:
- (a) Cancel, extend, or modify the suspension or stop work notification; or
 - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Contractor may resume work only upon written concurrence of funding Program's Contract Manager.
 - d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or contract terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
 - e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
 - f. DHCS shall not be liable to the Contractor for loss of profits because of any suspension or stop work notification issued under this clause.

33. Public Communications

"Electronic and printed documents developed and produced, for public communications shall follow the following requirements to comply with Section 508 of the Rehabilitation Act and the American with Disabilities Act:

- A. Ensure visual-impaired, hearing-impaired and other special needs audiences are provided material information in formats that provide the most assistance in making informed choices."

34. Compliance with Statutes and Regulations

- a. The Contractor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Contractor's performance under the Agreement.
- b. These authorities include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subpart F, Appendix II; Title 42 CFR Part 431, subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR Part 434; Title 45 CFR Part 75, subpart D; and Title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations and they shall supersede any conflicting provisions in this Agreement.

35. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

- a. Certification and Disclosure Requirements
 - (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
 - (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant,

which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.

- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
 - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
 - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS Program Contract Manager.

b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

Attachment 1
State of California
Department of Health Care Services

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

California Institute for Behavioral Health Solutions
Name of Contractor

Percy Howard III
Printed Name of Person Signing for Contractor

18-95471
Contract / Grant Number


Signature of Person Signing for Contractor

4-26-19
Date

President
Title

After execution by or on behalf of Contractor, please return to:

California Department of Health Care Services

DHCS reserves the right to notify the contractor in writing of an alternate submission address.

Attachment 2

CERTIFICATION REGARDING LOBBYING

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
0348-0046

| | | |
|---|---|--|
| <p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p> | <p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p> | <p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: Year _____ quarter _____ date of last report _____.</p> |
| <p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:</p> <p>Congressional District, if known:</p> | <p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known:</p> | |
| <p>6. Federal Department/Agency</p> | <p>7. Federal Program Name/Description:</p> <p>CDFA Number, if applicable: _____</p> | |
| <p>8. Federal Action Number, if known:</p> | <p>9. Award Amount, if known:</p> <p>\$ _____</p> | |
| <p>10.a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):</p> | <p>b. Individuals Performing Services (including address if different from 10a. (Last name, First name, MI):</p> | |
| <p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a not more than \$100,000 for each such failure.</p> | <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No.: _____ Date: _____</p> | |
| <p>For Internal Use Only</p> | | <p>Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)</p> |

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Exhibit E
Additional Provisions

1. Amendment Process

Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the both parties and the Department of General Services (DGS), if DGS approval is required.

2. Cancellation / Termination

- A. This Agreement may be cancelled by DHCS without cause upon 30 calendar days advance written notice to the Contractor.
- B. DHCS reserves the right to cancel or terminate this Agreement immediately for cause. The Contractor may submit a written request to terminate this Agreement only if DHCS substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this Agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in DHCS' notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to payment for all allowable costs authorized under this Agreement and incurred up to the date of termination or cancellation, including authorized non-cancelable obligations, provided such expenses do not exceed the stated maximum amounts payable.

3. Dispute Resolution Process

- A. This provision replaces and supersedes provision 15 of Exhibit D(F).
- B. If a dispute arises between the Contractor and DHCS, the Contractor must seek resolution using the process outlined below.
 - 1) The Contractor should first informally discuss the problem with the DHCS program contract manager. If the problem cannot be resolved informally, the Contractor must direct the grievance together with any evidence, in writing, to the program Branch Chief. The grievance must state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief must render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefor. Should the Contractor disagree with the Branch Chief's decision, the Contractor may appeal to the second level.

Exhibit E
Additional Provisions

- 2) When appealing to the second level the Contractor must prepare an appeal indicating the reasons for disagreement with the Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal. The decision rendered by the Deputy Director or his/her designee shall be the final administrative determination of DHCS.
- 3) Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS program contract manager.
- 4) There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS program contract manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

4. Performance Evaluation

- A. This provision replaces and supercedes provision 23 of Exhibit D(F).
- B. The Contractor's performance under this Agreement shall be evaluated at the conclusion of the term of this Agreement. The evaluation shall include, but not be limited to:
 - 1) Whether the contracted work or services were completed as specified in the Agreement, and reasons for and amount of any cost overruns.
 - 2) Whether the contracted work or services met the quality standards specified in the Agreement.
 - 3) Whether the Contractor fulfilled all requirements of the Agreement.
 - 4) Factors outside the control of the Contractor, which caused difficulties in contractor performance. Factors outside the control of the Contractor shall not include a Subcontractor's poor performance.
- C. The evaluation of the Contractor shall not be a public record.

5. Progress Reports or Meetings

- A. Contractor shall submit progress reports or attend meetings with state personnel at intervals determined by DHCS to determine if the Contractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.

Exhibit E
Additional Provisions

- B. At the conclusion of this Agreement and if applicable, Contractor shall hold a final meeting at which Contractor shall present any findings, conclusions, and recommendations. If required by this Agreement, Contractor shall submit a comprehensive final report.

9. Insurance Requirement

Contractor shall comply with the following insurance requirements:

A. Commercial General Liability

The Contractor must furnish to DHCS a certificate of insurance stating that commercial general liability insurance of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined is presently in effect for the Contractor. The commercial general liability insurance policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

- B. The certificate of insurance must identify the agreement number for which the certificate of insurance applies and include the following provisions:

- 1) The insurer will not cancel the insured's coverage without giving 30 days prior written notice to the California Department of Health Care Services, and
- 2) The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State of California under this Agreement.

- C. The Contractor agrees that the insurance required herein will remain in effect at all times during the term of the Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, the Contractor agrees to provide, at least 30 calendar days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Agreement or for a period of not less than one year. DHCS may, in addition to any other remedies it may have, terminate this Agreement on the occurrence of such event.

- D. DHCS will not be responsible for any premiums, deductibles, or assessments on the insurance policy.

6. Avoidance of Conflicts of Interest by Contractor

- A. DHCS intends to avoid any real or apparent conflict of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, DHCS reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of Contractor to submit additional information or a plan for resolving the conflict, subject to DHCS review and prior approval.

- B. Conflicts of interest include, but are not limited to:

- 1) An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractors, has an interest, financial or otherwise,

Exhibit E
Additional Provisions

whereby the use or disclosure of information obtained while performing services under the Agreement would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the Agreement.

- 2) An instance where the Contractor's or any subcontractors' employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.
- C. If DHCS is or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information or to resolve the conflict. A Contractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by DHCS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by DHCS and cannot be resolved to the satisfaction of DHCS, the conflict will be grounds for terminating the Agreement. DHCS may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.

7. Subcontract Requirements

- A. This provision replaces and supersedes provision 5 of Exhibit D(F).
- B. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in paragraph B3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
 - 1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
 - 2) DHCS may identify the information needed to fulfill this requirement.
 - 3) Subcontracts performed by the entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - a. A local governmental entity or the federal government,
 - b. A State college or State university from any State,
 - c. A Joint Powers Authority,
 - d. An auxiliary organization of a California State University or a California Community college,
 - e. A foundation organized to support the Board of Governors of the California Community Colleges,
 - f. An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
 - g. Firms or individuals proposed for use and approved by DHCS' funding program via acceptance of an application or proposal for funding or pre/post contract award negotiations. Included in this category are entities whose name and budgeted costs have been submitted to DHCS in response to a competitive Invitation for Bid or Request for Proposal.
 - h. Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5, Section 5.80, Subsection B.2. View this

Exhibit E
Additional Provisions

publication at the following Internet address:

<http://www.ols.dgs.ca.gov/Contract%20Manual/default.htm>.

- 4) When the conditions of C1) apply, each subcontract that is not with a type of entity or of a service type described in paragraph B3) herein, shall not commence work before DHCS has obtained applicable prior approval to use said subcontractor. DHCS shall inform the Contractor when DHCS has obtained appropriate approval to use said subcontractors.
- C. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
- 1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- D. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
- E. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make said copies available for approval, inspection, or audit.
- F. DHCS assumes no responsibility for the payment of subcontractors used in performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractor used in performance of this Agreement.
- G. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- H. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- I. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- "(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHCS, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."*
- J. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- K. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the applicable numbered provisions of this exhibit.

Exhibit F
HIPAA Business Associate Addendum

I. Recitals

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act, and the Final Omnibus Rule as well as the Alcohol and Drug Abuse patient records confidentiality law 42 CFR Part 2, and any other applicable state or federal law or regulation. 42 CFR section 2.1(b)(2)(B) allows for the disclosure of such records to qualified personnel for the purpose of conducting management or financial audits, or program evaluation. 42 CFR Section 2.53(d) provides that patient identifying information disclosed under this section may be disclosed only back to the program from which it was obtained and used only to carry out an audit or evaluation purpose or to investigate or prosecute criminal or other activities, as authorized by an appropriate court order.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

II. Definitions

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the Final Omnibus Rule.
- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the final Omnibus Rule.
- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and Final Omnibus Rule.
- D. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.

Exhibit F**HIPAA Business Associate Addendum**

- E. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- F. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.
- G. Privacy Rule shall mean the HIPAA Regulation that is found at 45 CFR Parts 160 and 164.
- H. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- I. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- J. Required by law, as set forth under 45 CFR section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.
- M. Security Rule shall mean the HIPAA regulation that is found at 45 CFR Parts 160 and 164.
- N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act, and the HIPAA regulations.

III. Terms of Agreement**A. Permitted Uses and Disclosures of PHI by Business Associate**

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the

Exhibit F
HIPAA Business Associate Addendum

HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, the HIPAA regulations, the Final Omnibus Rule and 42 CFR Part 2.

1. **Specific Use and Disclosure Provisions.** Except as otherwise indicated in this Addendum, Business Associate may:
 - a. **Use and disclose for management and administration.** Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
 - b. **Provision of Data Aggregation Services.** Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

1. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
2. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

1. **Nondisclosure.** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
2. **Safeguards.** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and

Exhibit F
HIPAA Business Associate Addendum

which incorporates the requirements of section 3, Security, below. Business Associate will provide DHCS with its current and updated policies.

3. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
- a. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III - Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 - d. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.

Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

- D. Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.

E. Business Associate's Agents and Subcontractors.

1. To enter into written agreements with any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PI under this Addendum, and that comply with all applicable provisions of HIPAA, the HITECH Act the HIPAA regulations, and the Final Omnibus Rule, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI. Business associates are directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of protected health information that are not authorized by its contract or required by law. A business associate also is directly liable and subject to civil penalties for failing to safeguard electronic protected health information in accordance with the HIPAA Security Rule. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.

Exhibit F
HIPAA Business Associate Addendum

2. In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor, Business Associate shall:
 - a. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by DHCS; or
 - b. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

F. Availability of Information to DHCS and Individuals. To provide access and information:

1. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
2. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
3. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.

G. Amendment of PHI. To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.

H. Internal Practices. To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Business Associate, Business Associate shall so certify to DHCS and shall set forth the efforts it made to obtain the information.

Exhibit F

HIPAA Business Associate Addendum

- I. **Documentation of Disclosures.** To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after January 1, 2014. If Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.
- J. **Breaches and Security Incidents.** During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:
1. **Notice to DHCS.** (1) To notify DHCS **immediately** upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. This notification will be **by telephone call plus email or fax** upon the discovery of the breach. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves data provided to DHCS by the Social Security Administration, notice shall be provided by calling the DHCS EITS Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov, then select "Privacy" in the left column and then "Business Use" near the middle of the page) or use this link:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

- a. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- b. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

Exhibit F**HIPAA Business Associate Addendum**

2. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. If the initial report did not include all of the requested information marked with an asterisk, then within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:
3. **Complete Report.** To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. If all of the required information was not included in either the initial report, or the Investigation Report, then a separate Complete Report must be submitted. The report shall be submitted on the "DHCS Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Privacy Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Privacy Incident Report" form. DHCS will review and approve or disapprove the determination of whether a breach occurred, is reportable to the appropriate entities, if individual notifications are required, and the corrective action plan.
4. **Notification of Individuals.** If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.
5. **Responsibility for Reporting of Breaches.** If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.
6. **DHCS Contact Information.** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to

Exhibit F
HIPAA Business Associate Addendum

the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

| DHCS Program Contract Manager | DHCS Privacy Officer | DHCS Information Security Officer |
|--|--|--|
| See the Scope of Work exhibit for Program Contract Manager information | Privacy Officer c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646 Fax: (916) 440-7680 | Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Fax: (916) 440-5537 Telephone: EITS Service Desk (916) 440-7000 or (800) 579-0874 |

K. Termination of Agreement. In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by DHCS of this Addendum, it shall take the following steps:

1. Provide an opportunity for DHCS to cure the breach or end the violation and terminate the Agreement if DHCS does not cure the breach or end the violation within the time specified by Business Associate; or
2. Immediately terminate the Agreement if DHCS has breached a material term of the Addendum and cure is not possible.

L. Due Diligence. Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.

M. Sanctions and/or Penalties. Business Associate understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Business Associate may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA, the HITECH Act and the HIPAA regulations.

IV. Obligations of DHCS

DHCS agrees to:

A. Notice of Privacy Practices. Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx> or the DHCS website at www.dhcs.ca.gov (select "Privacy in the left column and "Notice of Privacy Practices" on the right side of the page).

B. Permission by Individuals for Use and Disclosure of PHI. Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

Exhibit F**HIPAA Business Associate Addendum**

- C. *Notification of Restrictions.*** Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- D. *Requests Conflicting with HIPAA Rules.*** Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

V. Audits, Inspection and Enforcement

- A.** From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':
1. Failure to detect or
 2. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.
- B.** If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

VI. Termination

- A. *Term.*** The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS, in accordance with 45 CFR 164.504(e)(2)(ii)(I).
- B. *Termination for Cause.*** In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach or violation of this Addendum by Business Associate, DHCS shall:
1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS; or
 2. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible.

Exhibit F**HIPAA Business Associate Addendum**

- C. *Judicial or Administrative Proceedings.*** Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. *Effect of Termination.*** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend the protections of this Addendum to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions

- A. *Disclaimer.*** DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. *Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:
1. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section; or
 2. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- C. *Assistance in Litigation or Administrative Proceedings.*** Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

Exhibit F

HIPAA Business Associate Addendum

- D. *No Third-Party Beneficiaries.*** Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. *Interpretation.*** The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.
- F. *Regulatory References.*** A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.
- G. *Survival.*** The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement.
- H. *No Waiver of Obligations.*** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Exhibit F
HIPAA Business Associate Addendum

Attachment A

Business Associate Data Security Requirements

I. Personnel Controls

- A. *Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.
- B. *Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.
- C. *Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.
- D. *Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

II. Technical Security Controls

- A. *Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.
- B. *Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- C. *Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- D. *Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

Exhibit F

HIPAA Business Associate Addendum

- E. Antivirus software.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- F. Patch Management.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- G. User IDs and Password Controls.** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
- Upper case letters (A-Z)
 - Lower case letters (a-z)
 - Arabic numerals (0-9)
 - Non-alphanumeric characters (punctuation symbols)
- H. Data Destruction.** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.
- I. System Timeout.** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- J. Warning Banners.** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- K. System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- L. Access Controls.** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

Exhibit F**HIPAA Business Associate Addendum**

- M. *Transmission encryption.*** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- N. *Intrusion Detection.*** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

III. Audit Controls

- A. *System Security Review.*** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- B. *Log Reviews.*** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.
- C. *Change Control.*** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

IV. Business Continuity / Disaster Recovery Controls

- A. *Emergency Mode Operation Plan.*** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. *Data Backup Plan.*** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

V. Paper Document Controls

- A. *Supervision of Data.*** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. *Escorting Visitors.*** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

Exhibit F

HIPAA Business Associate Addendum

- C. Confidential Destruction.** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- D. Removal of Data.** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. Faxing.** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- F. Mailing.** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to contract number 18-95471 entered into between the Department of Health Care Services (DHCS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via invoice number(s) _____, in the amount(s) of \$ _____ and dated _____.

If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHCS or purchased with or reimbursed by contract funds)

Unless DHCS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHCS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHCS, at DHCS' expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING IT TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): California Institute for Behavioral Health Solutions

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

Distribution: Accounting (Original) Program

Travel Reimbursement Information

(Lodging and Per Diem Reimbursement Increase – Effective for travel on/after January 1, 2019)

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.
 - a. Reimbursement for travel and/or per diem shall be at the rates established for nonrepresented/excluded state employees. Exceptions to California Department of Human Resources (CalHR) lodging rates may be approved by the Department of Health Care Services (DHCS) upon the receipt of a statement on/with an invoice indicating that State employee travel rates are not available.
 - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract or subcontract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. Headquarters may be individually established for each traveler and approved verbally or in writing by the program funding the agreement. Verbal approval shall be followed up in writing or email.
 - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on Page 2 of this document to determine the reimbursement allowance. All lodging reimbursement claims must be supported by a receipt*. If a contractor does not or cannot present receipts, lodging expenses will not be reimbursed.

(1) Lodging (with receipts*):

| Travel Location / Area | Reimbursement Rate |
|--|--------------------|
| All counties (except the counties identified below) | \$ 90.00 plus tax |
| Counties of Sacramento, Napa, Riverside | \$ 95.00 plus tax |
| Marin | \$110.00 plus tax |
| Counties of Los Angeles (except City of Santa Monica), Orange, Ventura and Edwards AFB | \$120.00 plus tax |
| Counties of Monterey and San Diego | \$125.00 plus tax |
| Counties of Alameda, San Mateo, and Santa Clara | \$140.00 plus tax |
| City of Santa Monica | \$150.00 plus tax |
| San Francisco | \$250.00 plus tax |

Reimbursement for actual lodging expenses that exceed the above amounts may be allowed with the advance approval of the Deputy Director of DHCS or his or her designee. Receipts are required.

*Receipts from Internet lodging reservation services such as Priceline.com which require prepayment for that service, ARE NOT ACCEPTABLE LODGING RECEIPTS and are not reimbursable without a valid lodging receipt from a lodging establishment.

- (2) Meal/Supplemental Expenses: With substantiating receipts, a contractor may claim actual expenses incurred up to the following maximum reimbursement rates for each full 24-hour period of travel.

| Meal / Expense | Reimbursement Rate |
|---------------------|--------------------|
| Breakfast | \$ 7.00 |
| Lunch | \$ 11.00 |
| Dinner | \$ 23.00 |
| Incidental expenses | \$ 5.00 |

- d. Out-of-state travel may only be reimbursed if such travel is necessitated by the scope or statement of work and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors/subcontractors must have prior DHCS written or verbal approval. Verbal approval shall be confirmed in writing (email or memo).

- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on Page 2 of this document.
 - f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.
2. If any of the reimbursement rates stated herein is changed by CalHR, no formal contract amendment will be required to incorporate the new rates. However, DHCS shall inform the contractor, in writing, of the revised travel reimbursement rates and the applicable effective date of any rate change.

At DHCS' discretion, changes or revisions made by DHCS to this exhibit, excluding travel reimbursement policies established by CalHR may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by DHCS program policy. Changes to the travel reimbursement rates stated herein may not be applied earlier than the date a rate change is approved by CalHR.

- 3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
- 4. **Auto mileage reimbursement:** If a contractor uses his/her or a company car for transportation, the rate of reimbursement will be 0.580 cents maximum per mile. If a contractor uses his/her or a company car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the State. Gasoline and routine automobile repair expenses are not reimbursable.
- 5. The contractor is required to furnish details surrounding each period of travel. Travel expense reimbursement detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.
- 6. Contractors are to consult with the program funding the contract to obtain specific invoicing procedures.

Per Diem Reimbursement Guide

| Length of travel period | And this condition exists... | Meal allowed with receipt |
|--|--|---------------------------|
| Less than 24 hours | ▶ Trip begins at or before 6:00 a.m. and ends at or after 9:00 a.m. | Breakfast |
| | ▶ Trip ends at least one hour after the regularly scheduled workday ends or begins at or before 4:00 p.m. and ends after 7:00 p.m. | Dinner |
| <i>Lunch or incidentals cannot be claimed on one-day trips.</i> | | |
| 24 hours or more | ▶ Trip begins at or before 6:00 a.m. | Breakfast |
| | ▶ Trip begins at or before 11:00 a.m. | Lunch |
| | ▶ Trip begins at or before 5:00 p.m. | dinner |
| More than 24 hours | ▶ Trip ends at or after 8:00 a.m. | Breakfast |
| | ▶ Trip ends at or after 2:00 p.m. | Lunch |
| | ▶ Trip ends at or after 7:00 p.m. | Dinner |
| <p>The following meals may not be claimed for reimbursement: meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and/or continental breakfasts such as rolls, juice, and coffee are not considered to be a meal.</p> <p>No meal expense may be claimed for reimbursement more than once in any given 24-hour period.</p> | | |

Exhibit B
Implementation Plan

| Implementation Plan | |
|-------------------------------------|--|
| Purpose Statement | <p>In response to the public health priority of reducing opiate use and related disorders among youth populations and addressing the limited availability of youth-specific integrated services models that aim to address youth opiate related needs, the proposed project will implement Project Wellness, a Behavioral Health Integration Navigation Approach that promotes service partnerships and the use of evidence based practices within multiple systems that serve youth in Shasta County.</p> <p>Collaboration: Working together to achieve meaningful results. Adaptability: Embracing change. Respect: Honoring and serving others. Excellence: Providing high quality service to our customers and community.</p> |
| Values | <p>Goals and Objectives</p> <p>Goal: The goal of the Project is for Shasta County Health and Human Services Agency, Children’s Branch to develop service integration partnerships with the justice system and school system to address the following:</p> <p>Objective: Prevent and reduce opioid related issues in Shasta County among youth.</p> |
| Total Number of Youth Served | <p>Unduplicated: Conservatively 50 annually, dependent upon youth identified</p> <p>Per month: Conservatively up to 5 youth, dependent upon youth identified</p> <p>By type of service: MAT and/or psychosocial behavioral interventions</p> |

Detailed Implementation Plan

Goal: To effectively prevent and reduce opioid related issues in Shasta County among youth.

| Objectives | Action Steps | Timeframe (Date to initiate and complete) | Progress Measures |
|--|--|--|--|
| <p>1.1: Increase access and awareness for youth and their families on treatment options for those youth experiencing opioid risk within Shasta County.</p> | <p>Recruit and hire Case Manager/Navigator to work with treatment providers and identified sites.</p> | <p>August to October - 3 months</p> | <p>Quarterly Report from Case Manager/Navigator</p> |
| | <p>Create referral/brochure/flyer outlining treatment options in Shasta County for youth.</p> | <p>August to October – 3 months</p> | |
| | <p>Case Manager/Navigator meet with youth receiving treatment to complete GPRA incentive survey/data collection.</p> | <p>October to July – 10 months</p> | |
| | <p>Provide training/education to middle school, high school, jail, and juvenile hall sites on available treatment resources, MAT services, and psychosocial interventions.</p> | <p>October to January – 3 months (ongoing as needed)</p> | |
| <p>1.2: Increase the system capacity of local treatment providers to offer and administer MAT and psychosocial services to youth.</p> | <p>Expand contract with local provider for MAT services; Contract with local treatment provider for psychosocial interventions.</p> | <p>August to October – 3 months</p> | <p>Quarterly Report from Case Manager/Navigator and Treatment Provider/MAT Physician</p> |
| | <p>Treatment provider and/or Navigator will coordinate with local schools and the juvenile hall to identify school-based and juvenile hall based youth that could be served by this program. Treatment provider and/or</p> | <p>October to July – 10 months</p> | |

| | | |
|--|------------------------------------|--|
| <p>Navigator will assess the youth for level of service appropriate for the youth, including psychosocial and/or MAT services.</p> | <p>October to July – 10 months</p> | |
| <p>Treatment provider/MAT physician work with Case Manager/Navigator to coordinate youth treatment to include MAT and psychosocial services for those youths identified and assessed in the various sites.</p> | <p>October to July – 10 months</p> | |
| <p>Case Manager/Navigator meet with youth served 3 times and provide GPRA incentives.</p> | <p>October to July – 10 months</p> | |
| <p>Treatment provider work with medical, educational, criminal justice and treatment staff to coordinate treatment efforts.</p> | <p>October to July – 10 months</p> | |

Goal: Provide community resources/information on MAT and treatment options.

| Objectives | Action Steps | Timeframe (Date to initiate and complete) | Progress Measures |
|--|---|--|---|
| <p>1.1 Provide community awareness/marketing plan to address treatment options available for youth opioid addiction.</p> | <p>Work with HHS Community Relations to create small scale ad and social media campaign targeting youth and their families.</p> | <p>August to December – 5 months (ongoing as needed)</p> | <p>Analysis of Data Collection on number of ads, placement of ads, social media likes in relationship to Quarterly Report from Navigator and Treatment Provider on referrals.</p> |
| <p>1.2 Coordinate meetings with Case Manager, Treatment Providers, medical, school, and criminal justice partners on identified community needs.</p> | <p>Convene at minimum quarterly meetings to learn of community need, treatment options, areas of focus, etc.</p> | <p>September to July – 11 months</p> | <p>Standardized agenda review of areas to target marketing, referral sources, treatment needs.</p> |

Exhibit C
Budget

| | | | | | | |
|---|--|---|-------------|--|-------------|---------------------|
| Organization: | | Shasta County Health & Human Services Agency | | | | |
| Proposed Start Date: <u>1-Aug-19</u> | | Proposed End Date: 31-Aug-20 | | | | |
| | | Period 1 (Start Date to Sept 30, 2019) | | Period 2 (Oct 1, 2019 - Aug 31, 2020) | | Total Budget |
| I. Personnel | | | | | | |
| Salaries (Job Title, and Name if Identified in Staffing) | | FTE | Cost | FTE | Cost | |
| Analyst | | 0.05 | 422 | 0.05 | \$ 2,110.00 | \$ 2,532.00 |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| Subtotal Salaries | | | \$ 422.00 | | \$ 2,110.00 | \$ 2,532.00 |
| Payroll Taxes & Benefits rate/cost | | | \$ - | | \$ - | \$ - |
| Subtotal Personnel | | | \$ 422.00 | | \$ 2,110.00 | \$ 2,532.00 |
| II. Subcontractor Partners (list/add lines) | | Period 1 Budget | | Period 2 Budget | | Total Budget |
| MAT Physician/Treatment Provider | | | | \$ 55,940.00 | | \$ 55,940.00 |
| Navigator/Case Manager | | | | \$ 50,000.00 | | \$ 50,000.00 |
| | | | | | | |
| Subtotal Subcontractors | | \$ - | | \$ 105,940.00 | | \$ 105,940.00 |
| III. Consultant Fees (list/add lines) | | Period 1 Budget | | Period 2 Budget | | Total Budget |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| Subtotal Consultant Fees | | \$ - | | \$ - | | \$ - |
| IV. Other Direct Expenses | | Period 1 Budget | | Period 2 Budget | | Total Budget |
| Outreach | | 5,000.00 | | 20,000.00 | | \$ 25,000.00 |
| Rent | | | | | | \$ - |
| GPRA Incentives | | | | 4,500.00 | | \$ 4,500.00 |
| Travel (Local) | | | | | | \$ - |
| Travel (Learning Collaborative) | | 3,000.00 | | 12,000.00 | | \$ 15,000.00 |
| Miscellaneous (List, add lines as needed) | | | | | | |
| Office Supplies | | | | 1,600.00 | | \$ 1,600.00 |
| | | | | | | \$ - |
| Subtotal Other Direct Expenses | | 8,000.00 | | 38,100.00 | | \$ 46,100.00 |
| V. Indirect Expenses 8% rate/cost | | \$ 400.00 | | \$ 2,088.00 | | \$ 2,488.00 |
| Total Request | | \$ 8,822.00 | | \$ 148,238.00 | | \$157,060.00 |

Exhibit D
Subcontractors

| Subcontractor Name | Services Provided |
|--|--|
| Empire Hotel EHARC, Inc dba Empire Recovery Center | Opioid outreach about MAT; OUD treatment |
| | |
| | |
| | |
| | |
| | |
| | |