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**AGREEMENT FOR SERVICES**

**622-PHD0607**

**ALCOHOL/DRUG TREATMENT SERVICES**

**SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000**

*and*

**SUBSTANCE ABUSE TREATMENT AND TESTING ACCOUNTABILITY ACT**

**PROGRESS HOUSE, INC.**

**THIS AGREEMENT** made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") through its Public Health Department, and Progress House, Inc., a California Nonprofit Public Benefit Corporation qualified as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, whose principal place of business is 2914 "B" Cold Springs Road, Placerville, CA 95667 (hereinafter referred to as "Contractor");

**WITNESSETH**

**WHEREAS**, the El Dorado County Public Health Department is the Lead Agency that holds responsibility for El Dorado County's implementation and ongoing oversight of the Substance Abuse and Crime Prevention Act of 2000 (SACPA), which resulted from California voters' passage of Proposition 36 on November 7, 2000, and which operates as the Proposition 36 Program (the Program); and

**WHEREAS**, the State Department of Alcohol and Drug Programs, through the Substance Abuse Treatment and Testing Accountability Act (SATTA), provides federal Substance Abuse Prevention and Treatment (SAPT) block grant funds for drug testing clients who participate in the Program; and

**WHEREAS**, County has determined that it is necessary to obtain a contractor to provide assessment, substance abuse treatment services, and drug testing for clients who qualify to participate in the Program; and

**WHEREAS**, Contractor has represented to County that it is specially trained, experienced, expert and competent to perform the special services required hereunder and County has determined to rely upon such representations; and

**WHEREAS**, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

**WHEREAS**, County has determined that the provision of such services provided by Contractor are in the public's best interest, are more economically and feasibly performed by outside independent Contractors as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000;

**NOW, THEREFORE,** County and Contractor mutually agree as follows:

## **ARTICLE I**

**Scope of Services:** Contractor agrees to adhere to all the requirements for public or private subcontractors in the *Department of Alcohol and Drug Programs Text of Permanent Regulations Effective January 17, 2002 and Emergency Amendments Effective July 1, 2002*, attached hereto as *Exhibit A* and made by reference a part hereof.

A. Contractor agrees to provide the following for Program participants:

1. Assessments: Initial assessments of clients referred to the Program shall be developed with the use of ASI assessment instruments, or collection of a similar data set, and the ASAM PPC-2 Patient Placement Criteria. The County may elect to perform initial assessments itself, or may refer clients to the Contractor for assessment.

Contractor completed assessments shall be forwarded to the County Referral Team within seven (7) days of the date on the assessment referral form, which is the date the client was referred to the provider for assessment. The County Referral Team shall determine the appropriate level and type of placement for each client, and refer clients to an appropriate provider for treatment.

2. Treatment Plans: An initial treatment plan shall be developed for each Program participant assigned to the Contractor within thirty (30) days of the date on the treatment referral form. The original of the completed treatment plan shall be forwarded to the El Dorado County Probation Department, and a copy to the Public Health Proposition 36 Coordinator, within thirty (30) days of the date on the treatment referral form. The treatment plan shall recommend an appropriate set of core services to be provided to the participant, and the appropriate service level, as detailed in Exhibit B. The Contractor must obtain County approval of the initial treatment plan before services may commence.

An updated treatment plan shall be completed by the Contractor, and submitted to the County Referral Team, seven (7) days before the client's successful completion of treatment. This updated treatment plan shall recommend an appropriate set of core services to be provided to the participant, and the appropriate service level, for the client's aftercare phase of treatment. The Contractor must obtain County approval of the updated treatment plan before aftercare services may commence.

3. Core Services: The treatment services that Contractor must make available to Program participants are described in Exhibit B, Definition of Services, Core Services.
4. Service Levels: The levels of service available to Program participants are detailed in Exhibit B, Definition of Services. Service levels the Contractor shall provide are:

Level I. Low intensity outpatient substance abuse education and treatment.

Level II. High intensity outpatient substance abuse education and treatment.

Level III. Residential substance abuse education and treatment.

Aftercare. Aftercare consists of 12-step meetings as recommended by the treatment provider and may include additional group and/or individual sessions upon request from the treatment provider and subsequent approval by the County Referral Team. All aftercare services must receive prior approval from the County Referral Team and shall not exceed six (6) months in duration.

5. Ancillary Services: These are supplementary services, available from existing community resources, that promote successful rehabilitation of Program participants. Contractor shall determine the need for ancillary services, document this need in the treatment plan, and request and receive approval from the County Referral Team before providing or arranging for participants to receive ancillary services. Ancillary services consist of literacy training, vocational training, family counseling, perinatal services, transitional housing, detoxification and other miscellaneous items that support participants' successful completion of treatment. Exhibit B, describes ancillary services in greater detail. Contractor must have the capability to provide or arrange for any ancillary service referenced in Exhibit B.

B. General Program requirements:

1. Contractor shall accept County-referred participants, without prejudice, in accordance with the requirements set forth in Exhibit B. Participant access to the assessed service level shall be granted within five (5) working days of Contractor's receipt of referral, for those service levels specified in Article I. A. 4 above. Participant shall be scheduled to attend the first group or educational treatment session for outpatient services within ten (10) business days of initial intake.

Exceptions will be made only in cases when a capacity limitation has been clearly documented by Contractor as existing prior to the referral. In these cases referrals will be redirected to any contracted provider with an available treatment slot at the assessed service level, or to an available treatment slot at a lower service level until such time as a treatment slot is available at the assessed service level.

Clients who are assessed as needing Level III services (residential), and who are placed on a waiting list for a residential treatment slot, must be placed in Level II (outpatient) treatment within 72 hours of the treatment referral date.

Inability of the Contractor to accept County-referred participants at any assessed and contracted service level, at a rate in excess of 40 percent per quarter, may result in contract review, renegotiation and/or cancellation.

2. The County Referral Team (Probation Officers and the Public Health Proposition 36 Coordination Panel) shall review and approve or modify all treatment plans, which are to identify any Contractor recommended ancillary services. All modifications to treatment plans by the Contractor shall be subject to preauthorization by the County Referral Team. Contractor failure to obtain preauthorization of treatment plan modifications shall result in denial of payment for services.
3. Drug treatment services may not exceed twelve (12) months, however, additional aftercare

services as a condition of probation may be required for up to six (6) months.

4. Contractor shall have established linkages to ancillary service resources and shall manage funds for ancillary services under its own contract by maximizing already-funded community resources and by establishing formal business relationships with ancillary service providers.
5. Computer software and internet access for data transmission is a contract requirement.
6. The services furnished by the Contractor shall address unique cultural needs of program participants and shall be physically accessible to Program participants.
7. Contractor shall set fees, determine participant's ability to pay, determine participant's eligibility for any other funding for services; e.g., Drug Medi-Cal, CalWORKs, Veteran's Assistance, Social Security, etc., collect fees from participants, and bill the County only for those costs not recovered. Such fees shall be reported in the County's Annual Financial Status Report.
8. Contractor shall provide County a copy of the Contractor's Sliding Fee Scale and a copy of Contractor's Client Financial Assessment Form to include certification of "inability to pay".
9. Contractor shall establish written procedures informing clients of their rights, including the right to file a complaint alleging discrimination, violation of civil rights, or any type of inappropriate or offensive treatment by Contractor staff. Contractor shall provide a copy of its complaint procedures to all clients upon their admission to treatment. These procedures shall describe the specific steps clients are to follow when filing complaints and the action that Contractor will take to resolve client complaints.
10. Contractor shall conduct drug testing of Program participants as specified in Exhibit B. The cost of drug testing is eligible for reimbursement under the Substance Abuse Treatment and Testing Accountability (SATTA) Program, which became effective on October 11, 2001.
11. SATTA drug testing shall be billed at a provisional rate that approximates actual cost, and shall be subject to end of year cost settlement as detailed in Article IX. The frequency and duration of drug testing shall be specified in the client's treatment plan and authorized by the County Referral Team.
12. Contractor shall operate in compliance with the County's Proposition 36 policies and procedures at all times.

C. Reporting Requirements:

1. Contractor is required to report participant progress to the County Referral Team and the El Dorado County Probation Department. A participant progress report must be submitted within twenty-one (21) days of an initial intake. Participant progress reports may be required as frequently as weekly, and shall be submitted at least quarterly.
2. Contractor is required to report to the County Referral Team when participants successfully complete drug treatment.



3. Treatment plans must be delivered to the County Referral Team within thirty (30) days of a participant's initial referral to Contractor.
4. Treatment plan modifications must be reported by the Contractor to the County Referral Team within five (5) work days of the date the Contractor determines that treatment plan modification is appropriate.
5. Noncompliant Program clients must be reported to the El Dorado County Probation Department (who will in turn report to the Courts) within ten (10) days of the date Contractor learns of the noncompliance. Noncompliance includes but is not limited to the following:
  - Serious violation of Program rules.
  - Repeated violation of Program rules, inhibiting functioning in Program.
  - Continued refusal to participate in Program.
  - A new, sustained drug offense.
  - Failure to comply with any conditions of the treatment plan.
6. Contractor must provide data regarding client counts and characteristics and capacity/waiting list per § 9535 (b) (2) by January 15<sup>th</sup> and July 15<sup>th</sup> respectively, for County's semi-annual report to the State. A form for this purpose will be furnished to the Contractor.
7. Contractor may be asked to supply additional data, as needed, for County to comply with State statistical reporting requirements.

D. Contractor shall also:

1. Assure the highest level of client participation through formalized program structure as evidenced by clinical documentation of (1) client attendance, (2) motivation to succeed in treatment, and (3) goal accomplishments.
2. Provide Drug Medi-Cal reimbursable services whenever possible to serve client needs and to maximize funding available.
3. Operate continuously throughout the term of this Agreement, with at least the minimum number and type of staff needed to provide required services and to meet federal, State, and County requirements.

## **ARTICLE II**

**Term:** This Agreement is effective July 1, 2007 through December 31, 2007.

**ARTICLE III**

**Compensation for Services:**

The total maximum obligation amounts provided by this Agreement are set forth below.

**SACPA Proposition 36 Treatment Services Obligation:**

FY 07/08 Funds \$55,000

**SATTA Drug Testing Funds Obligation:**

FFY 06/07 Funds (must be expended by December 31, 2007) \$5,000

FFY 07/08 Funds (available October 1, 2007 through December 31, 2007) \$5,300

**Total Maximum Compensation of This Agreement Not to Exceed: \$65,300**

State regulatory information on allowable costs and activities is contained in Section 9530 of Exhibit A, attached.

County shall reimburse Contractor within forty-five (45) days of receipt of original invoices that identify the date of service, period being billed, services performed, client who received services, compensation due for each service, and total compensation due for all services. Items to be charged to Startup Costs shall be identified as such. The aggregate of amounts invoiced in any funding category may not exceed the total maximum obligation in that funding category.

Invoices shall be submitted to County at the Public Health Department, AOD Programs Division, 415 Placerville Drive, Suite R, Placerville, CA 95667.

All invoices to County shall be supported at Contractor's facility by source documentation that substantiates the accuracy, appropriateness, and necessity of services billed. Such documentation may include, but is not limited to: ledgers, books, vouchers, journals, time sheets, payrolls, signed attendance rosters, appointment schedules, client data cards, client payment records, client charts documenting services rendered, client treatment plans, cost allocation schedules, invoices, bank statements, cancelled checks, receipts, and receiving records. County may require Contractor to submit back-up documentation that supports monthly invoices along with any or all invoices. Failure of Contractor to supply requested documentation in support of any invoice may result in denial of payment by County. County shall determine the format and content of monthly invoices and backup documentation, and may modify the format and/or content at any time by giving thirty (30) days advance notice to Contractor.

Treatment is to be billed by unit of service at provisional rates that approximate actual costs. Costs shall be reconciled annually in the Cost Report, as described in Article IX of this Agreement. The provisional rates payable under this Agreement are as follows:

Level I and Level II services:	
Assessment (1.5 hours)	\$99.00
Intake (per hour)	66.00

Treatment Planning (per hour)	66.00
Discharge Planning (per hour)	66.00
Individual Visit (per hour)	66.00
Family Counseling/Collateral Visit	66.00
Crisis Intervention (per hour)	66.00
Case Management (per hour)	66.00
Group Treatment Session (1.5 hours)	35.00
Group Health/Addiction Education	35.00
Educational Group (1.5 hours)	35.00

Level III (residential) services:

Assessment (1.5 hours)	\$99.00
Men's Residential Day (all inclusive)	60.00
Women's Residential Day (all inclusive)	78.00
Perinatal Residential Day (Client not eligible for Peri Medi-Cal)	93.00
Perinatal Residential Day (Client eligible for Peri Medi-Cal) Room & Board only	\$15.00

Transitional Housing- \*per day \$15.00

\*Authorizations for transitional housing will be granted for 30 days with extensions in 30 day increments available at the discretion of the County Referral Team.

Drug Testing (1 test) \$25.00

Ancillary services: The amount preauthorized by County Referral Team.

Contractor shall plan for even expenditure of funds provided by this Agreement throughout the term of the Agreement. That is, one twelfth of the total funding amount shall be budgeted for service delivery each month. To the maximum extent possible, Contractor shall deliver services each month that are commensurate with one twelfth of the total dollar amount available to pay for those services. To ensure that services are available continuously throughout the term of this Agreement, County reserves the right to defer payment of any amount included on a monthly invoice that exceeds one twelfth of the total amount available under this Agreement. Further, in the event Contractor expends the entire amount obligated by this Agreement before the end of the term of the Agreement, and the County has not previously deferred payment, the County offers no assurance that any additional amounts will be made available.

#### ARTICLE IV

**Changes to Agreement:** This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto. County shall retain the right to amend this Agreement at any time to reallocate funds to support treatment activities under other agreements, or to reduce funds in response to State SACPA and/or SATTAs funding reductions that are imposed upon the County.

## **ARTICLE V**

**Contractor to County:** It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Contractor shall act as Contractor only to County and shall not act as Contractor to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Contractor's responsibilities to County during term hereof.

## **ARTICLE VI**

**Assignment and Delegation:** Contractor is engaged by County for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

## **ARTICLE VII**

**Independent Contractor/Liability:** Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, associates, and subcontractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Contractor shall be responsible for performing the work under this Agreement in a safe, professional, skillful and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Contractor or its employees.

## **ARTICLE VIII**

**Fiscal Considerations:** The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services

performed prior to cancellation.

In the event the State or federal government reduces, delays, or eliminates funding needed to carry out activities under this Agreement, in the sole discretion of the County this Agreement may be modified or cancelled in its entirety. Notice of intent to modify or cancel the Agreement pursuant to this paragraph shall be in writing and shall be delivered to Contractor as stated in Article XIII. Such notice shall be sent to Contractor not later than three work days from the County's receipt of notification of the funding reduction, delay, or termination. Contract modification or cancellation pursuant to this paragraph shall become effective on the date the reduction, delay, or elimination of funds is imposed upon the County, or on a later date determined by the County and at the sole discretion of the County.

## **ARTICLE IX**

### **Cost Report:**

Contractor shall submit a Cost Report to County on or before September 15th in the year in which this Agreement is terminated. Contractor shall prepare the Cost Report in accordance with all federal, State, and County requirements and generally accepted accounting principles. Contractor shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice. Such costs and allocations shall be supported by source documentation maintained by Contractor, and available at any time to County upon reasonable notice.

Contractor shall document that costs are reasonable and allowable and directly or indirectly related to the services provided hereunder. The Cost Report shall be the final financial record of services rendered under this Agreement for subsequent audits, if any.

Final Settlement shall be based upon the actual and reimbursable costs for services hereunder, less applicable revenues, not to exceed County's Total Maximum Obligations as set forth in Article III of this Agreement. Contractor shall not claim expenditures to County which are not reimbursable pursuant to applicable federal, State and County laws, regulations and requirements. Any payment made by County to Contractor, which is subsequently determined to have been for a nonreimbursable expenditure or service, shall be repaid by Contractor to County in cash within forty-five (45) days of submission of the Cost Report or County may elect to reduce any amount owed Contractor by an amount not to exceed the reimbursement due County.

If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to this Agreement, less applicable revenues, are lower than the aggregate of monthly provisional payments to Contractor, Contractor shall remit the difference to County. Such reimbursement shall be made, in cash, with the submission of the Cost Report. If such reimbursement is not made by Contractor within forty-five (45) days after submission of the Cost Report, County may, in addition to any other remedies, reduce any amount owed Contractor by an amount not to exceed the reimbursement due County.

The following attestation shall be attached to the Cost Report:

" I, \_\_\_\_\_ (Agency Director or Board of Director Chairman) \_\_\_\_\_, hereby declare under penalty of perjury under the laws of the State of California that I have



executed the accompanying Cost Report and supporting documentation prepared by \_\_\_\_\_ for the cost report period beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my knowledge, cost reimbursed through this Agreement are reasonable and allowable and directly or indirectly related to the services provided and that this Cost Report is a true, correct, and complete statement from the books and records of \_\_\_\_\_ in accordance with applicable instructions, except as noted. Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_, California."

## **ARTICLE X**

### **Inspections and Audits:**

- A. ADMINISTRATOR, any authorized representative of County, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any of their authorized representatives, shall have access to any books, documents, and records, including but not limited to, medical and client records, of Contractor which such persons deem pertinent to this Agreement, for the purpose of conducting an audit, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records retention Article of this Agreement. Such persons may at all reasonable times, inspect or otherwise evaluate the services provided pursuant to this Agreement, and the premises in which they are provided or administered.
- B. Contractor shall actively participate and cooperate with any persons specified in Article X, subparagraph A, above in any evaluation or monitoring of services provided pursuant to this Agreement, and shall provide the above-mentioned persons adequate office space to conduct such evaluation or monitoring.
- C. Contractor shall obtain an annual financial statement audit in accordance with Government Auditing Standards (GAS). If Contractor's total federal expenditures, excluding Federal Medi-Cal/Medicaid, are \$300,000 or more, Contractor must obtain an audit in accordance with OMB Circular A-133.
- D. Contractor shall maintain client records, books, documents, records and other evidence, accounting procedures and practices sufficient to reflect properly 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, all of which will be deemed to constitute "records" for purposes of this section. Such records shall clearly reflect the cost and scope of the Services provided to each client.
- E. Contractor's facility, office (or such parts thereof as may be engaged in the performance of this Agreement) and its records shall be subject at all reasonable times to inspection and audit reproduction by County.
- F. Within fourteen (14) days after final audit is approved by Agency's Board of Directors, Contractor shall forward to Administrator a copy of any audit report. Such audit shall include, but not be limited to, management, financial, programmatic or any other type of audit of Contractor's operations, whether or not the cost of such operation or audit is reimbursed in whole or in part through this Agreement.

- G. Following any audit report, in the event of non-compliance with applicable laws and regulations governing funds provided through this Agreement or serious deficiencies in Contractor's internal control structure, County may terminate this Agreement as provided for in the Termination paragraph or direct Contractor to immediately implement appropriate corrective action. A plan of corrective action shall be submitted to Administrator in writing within fifteen (15) days after receiving notice from County.
- H. Contractor will have two (2) months to implement a corrective action plan and to submit to County a written report of corrective action taken. Failure to implement said corrective action plan shall be cause for termination of this Agreement.
- I. All Contractor's funding records related to this Agreement shall be subject to audit by County at any time during the term of this Agreement, and for a period that extends through any required records retention period, should it be requested by County's Auditor/Controller. In the event that Contractor has more than one funding contract with County, Contractor shall maintain an individual schedule of expenses for each County contract, such that can be reconciled to an audit of any individual contract. If Contractor receives in excess of \$500,000 in total funding from County in any one fiscal year, Contractor must have an independent/individual audit of each County contract.

## **ARTICLE XI**

### **Records Retention:**

- A. Financial and client records shall be retained by Contractor for five (5) years from the date of submission of the Cost Report that pertains to this Agreement.
- B. Records which relate to litigation or settlement of claims arising out of the performance of this Agreement, or cost and expenses of this Agreement as to which exception has been taken by County or State or federal governments, shall be retained by Contractor until disposition of such appeals, litigation, claims or exceptions is completed.

## **ARTICLE XII**

### **Default, Termination, and Cancellation:**

- A. Default: Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (time to cure), then such party shall be in default. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice and must specify the reason(s) for the extension and the date in which the extension of time to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so

elects in a subsequent written notice after the time to cure has expired.

- B. Bankruptcy: This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement in the event Contractor ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement in whole or in part seven (7) calendar days upon written notice by County for any reason. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination provided to Contractor, and for such other services, which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

**ARTICLE XIII**

**Notice to Parties:** All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid, Certified, Return Receipt Requested.

Notices to County shall be in duplicate and addressed as follows:

EL DORADO COUNTY PUBLIC HEALTH DEPARTMENT  
931 SPRING STREET  
PLACERVILLE, CA 95667  
ATTN: GAYLE ERBE-HAMLIN, DIRECTOR

or to such other location as the County directs.

Notices to Contractor shall be addressed as follows:

PROGRESS HOUSE, INC.  
2914 "B" COLD SPRINGS ROAD  
PLACERVILLE, CA 95667  
ATTN: TOM AVEY, EXECUTIVE DIRECTOR

or to such other location as the Contractor directs.

#### **ARTICLE XIV**

**Indemnity:** To the fullest extent of the law, Contractor shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the Contractor's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Contractor, subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of the County, its officers and employees, or as expressly provided by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

#### **ARTICLE XV**

**Insurance:** Contractor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- A. Full Worker's Compensation and Employers' Liability Insurance covering all employees of Contractor as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- C. Automobile Liability Insurance of not less than \$500,000 is required in the event motor vehicles are used by the Contractor in the performance of the Agreement.
- D. Professional liability (for example, malpractice insurance) is required with a limit of liability of not less than \$1,000,000 per occurrence.
- E. Contractor shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to the Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
- G. Contractor agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the Risk Management Division and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- H. The certificate of insurance must include the following provisions stating that:
1. The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to County, and;
  2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all liability policies except worker's compensation and professional liability insurance policies.
- I. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with the Risk Management Division, as essential for protection of the County.

## **ARTICLE XVI**

**Interest of Public Official:** No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.



## **ARTICLE XVII**

**Interest of Contractor:** Contractor covenants that Contractor presently has no personal interest or financial interest, and shall not acquire same in any manner or degree in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed by Contractor.

## **ARTICLE XVIII**

**Confidentiality:** Contractor shall conform to and monitor compliance with all State and federal statutes and regulations regarding confidentiality, including the confidentiality of information requirements of Part 2, Title 42, Code of Federal Regulations; Welfare and Institutions Code, Section 14100.2; Section 11977, Division 10.5 of the Health and Safety Code; and Title 22, California Code of Regulations, Section 51009.

Contractor shall ensure that no list of persons receiving services under this contract is published, disclosed, or used for any purpose except for the direct administration of this program or other uses authorized by law that are not in conflict with requirements for confidentiality contained in Title 42, Code of Federal Regulations, Part 2; Welfare and Institutions Code, Section 14100.2; Health and Safety Code, Section 11977; and Title 22, California Code of Regulations, Section 51009.

Prior to providing any services pursuant to this Agreement, all employees, subcontractors, and volunteer staff or interns of Contractor shall agree, in writing, with Contractor to maintain the confidentiality of any and all information and records which may be obtained in the course of providing such services.

## **ARTICLE XIX**

**HIPAA:** Under this Agreement, Contractor will provide services to County, and in conjunction with the provision of such services, certain Protected Health Information ("PHI") may be made available to Contractor for the purposes of carrying out its obligations. Contractor agrees to comply with all the terms and conditions of Exhibit C, HIPAA Business Associate Agreement, attached hereto and made by reference a part hereof, regarding the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the regulations promulgated thereunder.

## **ARTICLE XX**

### **Nondiscrimination In Employment**

- A. Contractor certifies compliance with California Government Code, Section 12990 and California Code of Regulations, Title II, Division 4, Chapter 5, in matters related to the development, implementation and maintenance of a nondiscrimination program. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age (over 40), sex or sexual orientation. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Contractor will ensure that qualified applicants have equal opportunity for employment, and that qualified employees have equal opportunity during employment. 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, career development opportunities, and selection for training, including apprenticeship.

- B. Contractor shall only employ individuals as substance abuse counselors who meet all applicable State requirements pertaining to certification and/or licensure, and who are qualified and competent to perform the tasks assigned to them. Contractor shall regularly evaluate the performance of all its treatment staff and implement immediate corrective action if any performance problems are identified. The County may request in writing that the Contractor investigate incidents of suspected poor performance by Contractor treatment staff, and the Contractor shall do so within the timeframes and under the terms contained in the County's written request.
- C. Contractor agrees to post, in conspicuous places, notices available to all employees and applicants for employment setting forth the provisions of the Equal Opportunity Act [42 USC 2000(e)] in conformance with Federal Executive Order No. 11246. Contractor agrees to comply with the provisions of the Rehabilitation Act of 1973 (29 USC 794).
- D. Contractor shall give written Notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other agreement.
- E. In the event of non-compliance with Subparagraph A or B of this Article or as otherwise provided by State and Federal law, this Agreement may be canceled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts involving State or federal funds.

## **ARTICLE XXI**

### **Nondiscrimination In Services, Benefits and Facilities**

- A. Contractor certifies under the laws of the State of California that the Contractor shall not unlawfully discriminate in the provision of services because of race, color, creed, national origin, sex, age, or physical or mental disability. Contractor shall make its program accessible to persons with disabilities. Contractor shall operate in accordance with State and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000(d)]; Age Discrimination Act of 1975 (42 USC 6101); Rehabilitation Act of 1973 (29 USC 794); Education Amendments of 1972 (20 USC 1681); Americans with Disabilities Act of 1990 (42 USC 12132); Title 45, Code of Federal Regulations, Part 84; provisions of the Fair Employment and Housing Act (Government Code Section 129000 et seq.); and regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.); Title 2, Division 2, Article 9.5 of the California Government Code, commencing with Section 11135; and Title 9, Division 4, Chapter 6 of the California Code of Regulations, commencing with Section 10800.
- B. For the purpose of this Agreement, discrimination on the basis of race, color, creed, national origin, sex, age, or physical or mental disability includes, but is not limited to, the following: denying a participant any service or access to service, or providing a benefit to a participant which is different, or is provided in a different manner or at a different time from that provided to

other participants under this contract; subjecting a participant to segregation or separate treatment in any matter related to the receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and/or treating a participant differently from others in determining whether the participant satisfied any admission, enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit.

- C. Complaint Process – Contractor shall furnish all clients with written notice of their right to file complaints alleging discrimination in the delivery of services. This notice shall inform clients that:
1. Complaints may be filed with the County Administrator or the U.S. Department of Health and Human Services, Office of Civil Rights.
  2. In those cases where the client’s complaint is filed initially with the Office of Civil Rights (Office), the Office may proceed to investigate the complaint, or the Office may request that the County Administrator conduct the investigation.
  3. Within the time limits procedurally imposed, the complainant shall be notified in writing as to the findings regarding the alleged discrimination and, if not satisfied with the decision, may file an appeal with the Office.
- D. Accessibility – If the Contractor employs more than fifteen (15) staff members, it must:
1. Maintain an internal complaint resolution procedure that includes due process standards and provides for the prompt and equitable resolution of complaints alleging any action or omission that transgresses federal or state accessibility laws or regulations.
  2. Designate at least one employee as the person responsible for: 1) implementing an internal accessibility program to ensure persons with disabilities have access to the Contractor’s facility; and 2) receiving and resolving complaints that allege violation of federal or state accessibility laws or regulations.
- E. Retaliation - Neither Contractor, nor its employees or agents shall intimidate, coerce or take adverse action against any person for the purpose of interfering with rights secured by federal or State laws, or because such person has filed a complaint, certified, assisted or otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to enforce rights secured by federal or State law.

## **ARTICLE XXII**

### **Debarment and Suspension Certification**

By signing this agreement, Contractor hereby certifies under penalty of perjury under the laws of the State of California that Contractor will comply with regulations implementing Executive Order 12549 Debarment and Suspension, 29 C.F.R. Part 98. Section 98.510. This section provides that Contractor, to the best of its knowledge and belief, and its principals:

- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- B. Have not within a three-year period preceding this 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) transaction or contract under a public transaction, violation of federal or State antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- C. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, State or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
- D. Have not within a three year period preceding this agreement had one or more public transactions (federal, State or local) terminated for cause of default.
- E. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Agreement.

#### **ARTICLE XXIII**

**California Residency (Form 590):** All independent Contractors providing services to the County must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7) percent of each payment made to the Contractor during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

#### **ARTICLE XXIV**

**Taxpayer Identification/ Form W-9:** All individuals/sole proprietors, corporations, partnerships, associations, organizations or public entities providing services to the County shall provide a fully executed Department of the Treasury Internal Revenue Service Form W-9, "Request for Taxpayer Identification Number and Certification".

#### **ARTICLE XXV**

**Venue:** Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. Contractor waives any removal rights it might have under Code of Civil Procedure Section 394.

#### **ARTICLE XXVI**

**Administrator:** The County Officer or employee with responsibility for administering this Agreement is Gayle Erbe-Hamlin, Director of Public Health, or successor.

#### **ARTICLE XXVII**

**Authorized Signatures:** The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

#### **ARTICLE XXVIII**

**Partial Invalidity:** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

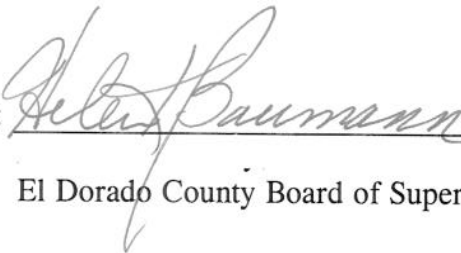
#### **ARTICLE XXIX**

**Entire Agreement:** This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.



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

**COUNTY OF EL DORADO**

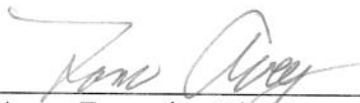
By:   
El Dorado County Board of Supervisors

Date: 8/21/07

ATTEST:  
Cindy Keck, Clerk

By:  Date: 8/21/07  
Deputy Clerk

**CONTRACTOR**

By:   
Tom Avey, Executive Director  
Progress House, Inc.  
A California 501(c)(3) corporation

Date: 06/04/08

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

Chapter 2.5 (commencing with Section 9500),  
Division 4, Title 9, California Code of Regulations

SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000 AND  
SUBSTANCE ABUSE TREATMENT AND TESTING ACCOUNTABILITY PROGRAM

Text of Permanent Regulations Effective January 17, 2002 and  
Emergency Amendments Effective July 1, 2002 implementing  
Senate Bill 223, Chapter 721, 2001 Statutes (with ~~strikeout~~ and underline)

Section	Title
9500	Application of Chapter.
9505	Definitions.
9510	Administration of the State Substance Abuse Treatment Trust Fund.
9515	County Plan.
9517	Establishment of County Trust Fund.
9520	Responsibilities of County Lead Agency.
9525	Distribution of SATTf Funds.
9526	Distribution of SATTa Funds.
9530	Allowable Costs and Activities for SATTf Funds.
9531	Allowable Costs and Activities for SATTa Funds.
9532	Client Fees.
9533	Drug Medi-Cal Services.
9535	County Records and Reporting Requirements.
9540	Departmental Audit of Expenditures and Audit Appeals.
9545	County Audit of Public or Private Contractors

**§ 9500. Application of Chapter.**

- (a) The regulations in this Chapter shall apply to all counties, county agencies, and public or private contractors ~~receiving~~:
- (1) Receiving substance abuse treatment trust fund (SATTf) funds, pursuant to Section 11999.4 of the Health and Safety Code, or
  - (2) Receiving Substance Abuse Treatment and Testing Accountability (SATTa) Program funds, pursuant to Section 11999.20 of the Health and Safety Code, or
  - (3) eClaiming reimbursement pursuant to the Substance Abuse and Crime Prevention Act of 2000 (hereinafter referred to as "SACPA" or "the Act") or SATTa.

- (b) All counties, county agencies, and public or private contractors receiving SATTf or SATTA funds or claiming reimbursement pursuant to the Act or SATTA shall comply with the provisions of this Chapter, and the Act, and SATTA.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Substance Abuse and Crime Prevention Act of 2000, and Sections 11999.4 and 11999.20, Health and Safety Code.

#### **§ 9505. Definitions.**

- (a) The definitions shown below shall apply to terminology used throughout this Chapter and in the Act. Terms used in only one section are defined where they are used.
- (1) "Allowable costs" means the costs specified in Section 9530.
  - (2) "Additional services supplemental to treatment" means vocational training, literacy training, and family counseling services.
  - (3) "Client" means defendant, probationer, parolee, and any other individuals eligible to receive services pursuant to the Act.
  - (4) "County trust fund" means a special trust fund established at the county level in accordance with Section 9517, for receipt and expenditure of SATTf funds pursuant to the Act.
  - (5) "Days" means calendar days unless noted otherwise.
  - (6) "Department" means Department of Alcohol and Drug Programs.
  - (7) "Department's administrative costs" means the Department's reasonable and necessary costs incurred in administration and implementation of the Act, as approved through the annual State budget process.
  - (8) "Drug treatment program" means a program which is:
    - (A) Licensed pursuant to Chapter 7.5 (commencing with Section 11834.01), Part 2, Division 10.5 of the Health and Safety Code; or Chapter 1 (commencing with Section 11876), Part 3, Article 3, Division 10.5 of the Health and Safety Code; or
    - (B) Certified as a substance abuse clinic or satellite clinic pursuant to Section 51200, Title 22, CCR, and which has submitted claims for Medi-Cal reimbursement pursuant to Section 51490.1, Title 22, CCR, within the last two calendar years; or
    - (C) Certified pursuant to Section 11831.5 or Section 11994 of the Health and Safety Code. In order to accommodate the needs of clients residing in California border counties, programs providing residential drug treatment services in states bordering California may be certified pursuant to Section 11831.5 or Section 11994 of

the Health and Safety Code so long as those programs are licensed to provide drug treatment services in the state in which they are located.

- (9) "Drug treatment services" means the services described in Section 1210(b) of the Penal Code provided by drug treatment programs.
- (10) "Equitable distribution formula" means the formula for distribution of SATTF funds specified in Section 9525.
- (11) "Fair and equitable distribution formula" means the formula for distribution of SATTA funds specified in Section 9526.
- ~~(12)~~(11) "Family counseling" means counseling with individuals, couples, or groups which examines interpersonal and family relationships. Such counseling shall be provided by an individual licensed or certified in accordance with Business and Professions Code Sections 2836 (Psychiatric Nurse Practitioner), 2838.1 (Clinical Nurse Specialist), 2903 (Clinical Psychologist), 4980 (Marriage and Family Therapist), and 4996 (Licensed Clinical Social Worker); or in accordance with Insurance Code Section 10176 (Mental Health Nurse); or by a psychiatrist certified by the American Board of Psychiatry and Neurology, Inc.; or by an intern providing services under the direct supervision of the holder of one of the aforementioned credentials.
- ~~(13)~~(12) "Literacy training" means instruction and information presented in an individual or group setting to increase literacy skills and reading comprehension.
- ~~(14)~~(13) "Other funds" means funds received from client fees or from any other source other than from the trust fund established in accordance with Section 11999.4 of the Health and Safety Code.
- ~~(15)~~(14) "Other services" means probation, court monitoring, and miscellaneous services provided pursuant to the Act.
- ~~(16)~~(15) "Parole authority" means the State Board of Prison Terms.
- ~~(17)~~(16) "Public or private contractors" means any entities receiving SATTF funds pursuant to the Act.
- (18) "Substance abuse testing" means laboratory testing to determine whether a client is using, or has used, alcohol and/or other drugs. Testing methods may include, but are not limited to, urine, blood, saliva, and breath alcohol testing.
- ~~(19)~~(17) "Substance abuse treatment trust fund funds (or SATTF funds)" means all funds received from the State trust fund established in accordance with Section 11999.4 of the Health and Safety Code.

(20) "Substance Abuse Treatment and Testing Accountability Program funds (or SATTA funds)" means all funds received pursuant to Health and Safety Code Section 11999.20.

(21)(18) "State trust fund" means a special trust fund established at the state level, pursuant to Section 11999.4 of the Health and Safety Code, for allocation and expenditure of State funds pursuant to the Act.

(22)(19) "Vocational training" means instruction and information presented in a group setting to increase opportunities for gainful employment.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Substance Abuse and Crime Prevention Act of 2000 and Sections 11999.4, 11999.5, 11999.6, 11999.7, 11999.8, 11999.9, 11999.10, 11999.11, 11999.12, 11999.13, 11999.20, and 11999.25 of the Health and Safety Code; and Sections 1210 and 3063.1 of the Penal Code.

#### **§ 9510. Administration of the State Substance Abuse Treatment Trust Fund.**

The Department shall administer a special fund known as the "Substance Abuse Treatment Trust Fund" (hereinafter referred to as the "state trust fund") pursuant to Section 11999.4 of the Health and Safety Code. These SATTF funds shall be used to:

- (a) Fund the Department's administrative costs associated with implementation of the Act;
- (b) Increase collaboration and coordination among county alcohol and drug program administrators, probation departments, courts, and impacted community parties, to demonstrate that substance abuse treatment has a positive effect on public safety; and
- (c) Fund provision of and placement in drug treatment services, vocational training, family counseling, and literacy training at the county level for adult offenders convicted of nonviolent drug possession offenses pursuant to Sections 1210(a) of the Penal Code or found to have committed a nonviolent drug possession offense pursuant to Section 3063.1 of the Penal Code and related administrative costs.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.4 through Section 11999.6, Health and Safety Code.

#### **§ 9515. County Plan.**

- (a) All counties in California shall request SATTF and SATTA funds pursuant to the Act.
- (b) In order to receive SATTF and SATTA funds for Fiscal Years 2001-2002 through 2005-2006, the county lead agency shall submit to the Department:



- (1) A copy of a county board of supervisors' resolution, minutes, order, motion, or ordinance that:
  - (A) Identifies a county lead agency responsible for administration of the funds, and
  - (B) States that the county agrees to comply with the provisions of the Act and the requirements of this Chapter.
  
- (2) A county plan, developed in collaboration with all county agencies and any other entities responsible for administering the Act, including but not limited to the office of the county alcohol and drug program administrator, the probation department, the parole authority, and the courts, with input from providers of drug treatment services in the community, representatives of drug treatment associations in the community, impacted community parties and federally recognized American Indian tribes. The county may submit the county plan electronically or on paper. The county plan shall include the information specified on County Reporting Requirements (Form ADP 10095, New 4/01) and the following:
  - (A) A brief narrative describing how the county services funded pursuant to the Act will be coordinated, including the collaborative process used to plan services and a list of entities participating in the development of the plan;
  - (B) A brief narrative describing how the county plans to provide and fund services pursuant to the Act;
  - (C) The responsible entity(ies) and the process used to determine clients' level of need for, placement in, and referral to drug treatment and additional services supplemental to treatment provided pursuant to the Act; and
  - (D) Plans for expenditure of excess SATTFF funds pursuant to Section 11999.13 of the Health and Safety Code.
  
- (3) To be eligible to receive SATTA funds awarded pursuant to Health and Safety Code Section 11999.20, counties shall include the following information in their county plans:
  - (A) A description of the process to be used for drug treatment services and substance abuse testing of probationers consistent with Penal Code Sections 1210.1 and 1210.5 and substance abuse testing of parolees consistent with Penal Code Sections 3063.1 and 3063.2;
  - (B) A description of the assessment process that will be used to determine the placement for treatment of eligible clients, including the need for additional services that may improve the effectiveness of treatment;

- (C) The criteria used by the county, utilizing the tools available through contract enforcement, to monitor and enforce the quality of drug treatment and other services provided;
- (D) How substance abuse testing will be used as a treatment tool;
- (E) The county's treatment goals for eligible parolees and probationers, as well as the process the county will use to track the provision of drug treatment and additional services supplemental to treatment as determined by individual assessment of eligible parolees and probationers;
- (F) Total planned SATTAs expenditures for substance abuse testing of SACPA clients and other purposes consistent with Title 42, U.S.C., Section 300x-21(b);
- (G) Projected number of SACPA clients tested using SATTAs funds; and
- (H) Projected number of tests administered to SACPA clients using SATTAs funds.

~~(3)~~(4) A copy of a county board of supervisors' resolution, minutes, order, motion, or ordinance approving the county plan, unless the county lead agency attaches to the plan a written delegation of approval authority from the county board of supervisors.

- (c) The county shall submit the documents required in (b) of this regulation to the Director, Department of Alcohol and Drug Programs, 1700 K Street, Sacramento, CA 95814, no later than June 1, 2001, for fiscal year 2001-2002, and by May 1 for subsequent fiscal years 2002-2003 through 2005-2006.
- (d) The Department shall review and approve the county's request for funds if it complies with the requirements of this regulation and the provisions of the Act. Within 15 working days of receipt of the documents required in (b) of this regulation, the Department shall notify the county in writing if its plan has been approved or is not in compliance with the requirements of this regulation and the provisions of the Act. Minimum time for approval of a county's request for funds is ten days, median is 15 days, and maximum is 20 days.
- (e) The county shall submit to the Department an update to its county plan whenever the county makes a singular or cumulative shift of ten percent (10%) or more between county entities or types of services or between services and administrative costs (e.g. between services and probation).

NOTE: Authority cited: Sections 11755 and 11999.20; and Statutes of 2001, Chapter 721, Section 10, Health and Safety Code. Reference: Sections 11999.6, 11999.7, 11999.11, and 11999.20, and 11999.25, Health and Safety Code.

### **§ 9517 Establishment of County Trust Fund.**

- (a) The county shall establish a trust fund at the county level and shall deposit into such county trust fund all SATTf funds and all other funds received pursuant to the Act, and any other funds designated by the county for expenditure related to the Act.
- (b) Separate sub-accounts shall be established in the county trust fund for SATTf funds and for other funds. Additional sub-accounts may be established at the county's discretion. SATTf funds shall not be commingled with any other funds.
- (c) All SATTf funds shall be maintained in an interest bearing account.
- (d) All interest accruing to each sub-account shall be utilized for expenditures permitted for funds in that sub-account.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11999.6 and 11999.7, Health and Safety Code.

### **§ 9520. Responsibilities of County Lead Agency.**

The county lead agency identified in the county board of supervisors' resolution, minutes, order, motion, or ordinance, as specified in Section 9515(b), shall:

- (a) Coordinate the development and ongoing implementation of a county plan for administration of the Act in accordance with Section 9515. Coordination meetings shall be held at least once every three months and shall include representatives of all county agencies and any other entities responsible for administering the Act, including but not limited to the office of the county alcohol and drug program administrator, the probation department, the parole authority, and the courts, with input from providers of drug treatment services in the community, representatives of drug treatment associations in the community, impacted community parties and federally recognized American Indian tribes.
- (b) Directly provide and/or contract for the provision of authorized services specified in the Act;
- (c) Administer the county trust fund established pursuant to Section 9517;
- (d) Coordinate provision of services with all county agencies and any other entities involved in the administration of the Act. Such coordination shall include:
  - (1) Coordinating and tracking client flow through the local service systems,
  - (2) Sustaining existing services and expanding capacity as needed, and
  - (3) Monitoring the provision of services;
- (e) Submit data and reports to the Department in accordance with the requirements of Section 9535;

- (f) Collect data as necessary for the evaluation of county programs in accordance with the requirements of Sections 11999.9 and 11999.10 of the Health and Safety Code; and
- (g) Participate in surveys and data collection activities developed for the purpose of the annual and long-term statewide evaluation conducted pursuant to Sections 11999.9 and 11999.10 of the Health and Safety Code. Data to be collected may include client assessment information about drug and alcohol use; health and mental health needs; criminal behavior and risk of criminal behavior; employment; family and social supports; and services provided. The county shall retain data for five years from the date of collection, beginning July 1, 2001.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11999.6, 11999.9, and 11999.10, Health and Safety Code.

#### **§ 9525. Distribution of SATTFF Funds**

- (a) The Department shall reserve up to one half of one percent (0.5%) of total funds available in the state trust fund for a long-term evaluation as specified in Section 11999.10 of the Health and Safety Code.
- (b) The Department may reserve, subject to annual approval by the State Department of Finance, up to five percent (5.0%) of total funds available to counties in the state trust fund pursuant to Section 11999.6 of the Health and Safety Code.
- (c) The Department shall deduct any amounts withheld pursuant to (a) and (b) of this regulation, as well as its administrative costs, from the funds available in the state trust fund to determine the amount of State funds available to counties.
- (d) Fifty percent (50%) of available SATTFF funds shall be distributed as follows:
  - (1) Each county shall receive a base allocation of \$2,500 for every \$1 million available after the adjustments in (c) above.
  - (2) The Department shall increase each county's base allocation by an amount to be determined as follows:
    - (A) The Department shall compute the total of statewide base allocations as described in (d)(1) for all counties receiving funds and subtract this total amount from the available funds.
    - (B) After calculating the amount in (d)(2)(A) and subtracting the total from (d), the Department shall distribute the remaining balance by a proportion for each county, which shall be determined by dividing the county's total population by the total statewide population as shown in annual statistics obtained from the California Department of Finance.

- (e) Twenty-five percent (25%) of available funds shall be distributed in accordance with the formula shown below:
  - (1) The Department shall divide total drug arrests in each county for the most recent calendar year for which data is available by the total number of drug arrests statewide for the same time period. The Department shall obtain drug arrest statistics from the California Department of Justice's Bureau of Criminal Statistics.
  - (2) The Department shall multiply the proportion determined for each county by the formula shown in (e)(1) by twenty-five percent (25%) of available funds.
- (f) Twenty-five percent (25%) of available funds shall be distributed as follows:
  - (1) The Department shall divide the number of individuals receiving drug treatment services in each county, using the most recent statistically valid daily caseload data available to the Department, by the total number of individuals receiving drug treatment services statewide on the same date. The Department shall determine how many individuals are receiving drug treatment statewide and in each county based on statistics obtained by the Department through its client data collection system.
  - (2) The Department shall multiply the proportion determined for each county by the formula shown in (f)(1) by twenty-five percent (25%) of available SATTf funds.
- (g) If any county fails to submit plans and reports required pursuant to this Chapter that were due on or before January 31 of the current fiscal year, the Department shall withhold in the state trust fund twenty-five percent (25%) of the SATTf funds available for distribution to that county for the next fiscal year. The Department shall distribute those funds to the county after it receives the outstanding plans and reports.
- (h) Except as specified in (g) of this regulation, the Department shall distribute funds to counties annually via warrant (check) issued by the State Controller. The funds shall be released upon approval of the county plan submitted in accordance with Section 9515, but no earlier than July 1 of each year.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.6, Health and Safety Code.

#### **§ 9526. Distribution of SATTa Funds**

- (a) SATTa funds for Fiscal Year 2001-2002, shall be distributed using the formula specified in Section 9525 (d), (e), (f), and (g), after deducting any amounts, which the Department is allowed to retain for administrative or other purposes.
- (b) If SATTa funds are available under Title 42, U.S.C., Section 300x-21(b), for fiscal years subsequent to Fiscal Year 2001-2002, they shall be distributed based upon



the amounts allocated for Fiscal Year 2001-2002. If the amount of funds available for a subsequent fiscal year is greater than the amount allocated for Fiscal Year 2001-2002, the increase shall be distributed using the formula specified in Section 9525(d), (e), (f), and (g).

- (c) The Department shall release SATTA funds pursuant to the county contracts required by Sections 11758.20 et seq. of the Health and Safety Code.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Sections 11999.6, 11999.20, and 11999.25, Health and Safety Code.

**§ 9530. Allowable Costs and Activities for SATTF Funds.**

- (a) The county and any public or private contractors shall use SATTF funds in accordance with the provisions of the Act and the requirements of this regulation.
- (b) SATTF funds shall be used to cover the costs of placing clients in and providing drug treatment services pursuant to the Act provided by drug treatment programs, as defined in Section 9505, and additional services supplemental to treatment, as defined in Section 9505. SATTF funds shall not be used to pay for drug testing, ~~although non-State funds may be used for that purpose.~~ SATTF funds may be used for other services, which may include probation department costs; court monitoring costs; and miscellaneous costs. As used in this regulation "miscellaneous costs" means any costs associated with implementation of the Act.
- (1) Miscellaneous costs may include the cost of housing only if:
- (A) The client is concurrently receiving drug treatment services as defined in Section 9505;
  - (B) The facility providing housing is affiliated with a drug treatment program as defined in Section 9505 and has a contract with the county lead agency to provide housing pursuant to the Act; and
  - (C) The combined cost of housing and drug treatment services provided to the client does not exceed the median cost of residential drug treatment services paid for by the same county pursuant to the Act.
- (2) Drug education may be provided as the sole service pursuant to the Act under the following conditions:
- (A) The county has determined through an assessment conducted in accordance with its county plan that the client requires only drug education; and
  - (B) The client is receiving drug education services from a drug treatment program as defined in Section 9505.

- (c) Prior to July 1, 2001, SATTf funds shall be used for activities needed to implement the Act. Such activities shall include, but shall not be limited to the following:
  - (1) Planning and coordinating county activities needed to begin providing drug treatment, literacy training, family counseling, vocational training, and other services in order to implement the Act by July 1, 2001; and
  - (2) Expanding existing drug treatment programs or developing new drug treatment programs.
- (d) Commencing July 1, 2001, SATTf funds may be used until expended for the purposes specified in (c) of this regulation or to provide services as identified in the county plan developed in accordance with Section 9515.
- (e) SATTf funds shall not be used for the purchase of land, purchase or construction of buildings, or additions to buildings. The Department shall not grant waivers to this prohibition.
  - (1) As used in this regulation, "additions to buildings" means structural changes that require the relocation of exterior walls, roofs, or floors, regardless of cost.
  - (2) Non-State costs of purchase or construction of buildings or additions to buildings may be recovered only through straight line depreciation over the class life of the property, as specified in the "Table of Class Lives and Recovery Periods" in federal IRS Publication 946, "How to Depreciate Property", which is available from any office of the IRS.
- (f) With the exception of specific requirements included in (g), (h), and (i) of this regulation, determination of allowable and allocable costs under the Act shall be made utilizing the guidelines contained in the Act and in cost principles published by the federal Office of Management and Budget (OMB). The county shall follow OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments". Public and private contractors shall follow OMB Circular A-122, "Cost Principles for Non-Profit Organizations". Both OMB circulars are available from the Executive Office of the President, Office of Management and Budget, Washington, D.C. 20503.
- (g) Purchase of equipment. As used in this regulation, "equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more, or the capitalization level established by the county auditor-controller, whichever is less.
  - (1) Any equipment purchased with SATTf funds shall be used for activities and services allowed in Section 11999.6 of the Health and Safety Code.
  - (2) Expenditures which are less than \$5,000 may be reimbursed as allowable costs in the year incurred.

- (3) Expenditures of \$5,000 or more may be recovered only through straight line depreciation over the class life of the property, as specified in the "Table of Class Lives and Recovery Periods" in federal Internal Revenue Service (IRS) Publication 946, "How to Depreciate Property", which is available from any office of the IRS.
  - (4) When replacing equipment, the equipment to be replaced shall be used as a trade-in, or the equipment shall be sold and the proceeds shall be used to offset the cost of the replacement property.
  - (5) Public or private contractors shall obtain written approval from the county prior to purchasing equipment.
- (h) Alteration and/or renovation
- (1) As used in this regulation, "alteration and/or renovation" means work required to change installed equipment or the interior arrangements or other physical characteristics of an existing facility so that it may be more effectively utilized for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement.
  - (2) Costs of alteration and/or renovation required to provide services necessary to implement the Act may be reimbursed as allowable costs in the year(s) incurred up to \$150,000 per project.
  - (3) If the total costs of an alteration and/or renovation project exceed \$150,000 over a three-year period, those costs shall be capitalized and depreciated unless the Department grants a waiver allowing for full reimbursement as described below:
    - (A) The Department shall grant a waiver if the county submits a written request for waiver accompanied by a description of the project and a county board of supervisors' resolution that approves the project.
    - (B) If the Department does not grant a waiver, the costs may be recovered only through straight line depreciation over the class life of the property, as specified in the "Table of Class Lives and Recovery Periods" in federal IRS Publication 946, "How to Depreciate Property", which is available from any office of the IRS.
  - (4) If a building is leased, alteration and/or renovation costs shall be allowable provided that the program is responsible under the lease for paying for the alteration and/or renovation, and the alteration and/or renovation meets the criteria contained in this regulation.
    - (A) If the total cost of the alteration and/or renovation project exceeds \$150,000 without Departmental waiver, the alteration and/or renovation shall be considered a leasehold improvement.

- (B) The cost of leasehold improvements shall be amortized and may be recovered over the term of the lease(s), but no earlier than June 30, 2006.
- (5) Any county contract for drug treatment services containing costs for alterations and/or renovations funded pursuant to the Act shall require such alterations and/or renovations to be used to provide services pursuant to the Act.
- (6) If a public or private contractor ceases to provide services pursuant to the Act prior to July 1, 2006, the county shall collect a prorated portion of funding used for alterations and/or renovations from the public or private contractor and shall return such funding to the county trust fund. The amount to be collected shall be prorated by dividing the number of months remaining until June 30, 2006, by the total number of months from approval of the project until June 30, 2006, and multiplying the resulting amount by the total cost of alterations and/or renovations funded pursuant to the Act.
- (7) Any alteration and/or renovation that is done shall ensure that the altered portions of the facility comply with ~~(m)~~ (l) of this regulation.
- ~~(j)~~ ~~Counties and public or private contractors shall not use SATTf funds for costs of drug testing.~~
- ~~(j)~~(i) Public or private contractors shall obtain written approval from the county lead agency, in accordance with county requirements, prior to commencement of alterations and/or renovation, construction, leasehold improvements, and equipment purchases, to the extent that SATTf funds will be used to pay for these costs, either in full or through depreciation or amortization. The county shall ensure that reimbursement is in accordance with the limitations and requirements contained in this regulation. Nothing in this regulation shall be construed to limit the county's discretion to be more restrictive in its policies regarding such expenditures.
- ~~(k)~~(i) The county shall monitor and document activities to ensure that:
  - (1) Use of SATTf funds:
    - (A) Complies with the provisions of the Act and this regulation, and
    - (B) Complies with county procedures for procuring property, obtaining consulting services, and awarding contracts; and
  - (2) SATTf funds are not used to supplant funds from any existing fund source or mechanism currently used to provide drug treatment services in the county.

(k) In providing services reimbursed with SATTf funds under this Chapter, the county shall comply with Article 9.5 (commencing with Section 11135), Chapter 1 of the Government Code.

(l) All programs and services funded pursuant to the Act shall be accessible to persons with disabilities as provided for in the Rehabilitation Act of 1973 as amended (Section 794, Title 29, United States Code) and implementing regulation Title 45, Code of Federal Regulations, Part 84, and the Americans with Disabilities Act of 1990 (Sections 12131 through 12134, Title 42, United States Code) and implementing regulation Title 28, Code of Federal Regulations, Part 35, and the provisions of Assembly Bill 2222 (Chapter 1049, Statutes of 2000). The county and any other entity that receives SATTf funds under the provisions of the Act shall not contract with any entity or expend funds for any program or service that is not in compliance with the disability laws and regulations cited in this subsection.

(m) The county and all entities providing services pursuant to the Act shall maintain confidentiality of client records and information in accordance with Title 42, Code of Federal Regulations, Part 2.

(n) The county shall include the requirements stated in this regulation in all agreements with public or private contractors receiving funds under this Chapter.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Section 11999.12, Health and Safety Code; and Section 1210(b), Penal Code.

#### **§ 9531. Allowable Costs and Activities for SATTa Funds.**

(a) Counties and public or private contractors may use SATTa funds for substance abuse testing. SATTa funds provided under Title 42, U.S.C, Section 300x-21(b) may be used for drug testing or other purposes consistent with Title 42, U.S.C., Section 300x-21(b).

(b) The county shall monitor and document activities pursuant to Section 9535 to ensure that the use of SATTa funds:

(1) Complies with the provisions of SATTa and this regulation and, to the extent applicable, Title 42, U.S.C., Section 300x-21(b).

(2) Complies with applicable county procedures for procuring property, obtaining consulting services, and awarding contracts.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Section 11999.20, Health and Safety Code.



**§ 9532. Client Fees.**

- (a) The county shall utilize any fee it collects from clients pursuant to the Act as the result of an assessment by a trial judge, toward the cost of placing clients into drug treatment
  - (1) For purposes of this regulation, the "cost of placing clients into drug treatment programs" means court or probation department costs incurred in ensuring that a client is enrolled in the selected drug treatment program and has a treatment plan in place, costs of drug treatment services, and other related costs for clients eligible pursuant to the Act.
  - (2) The county shall deposit all fees it collects from clients into the sub-account established for other funds pursuant to Section 9517(b).
  - (3) The county shall report such fees on the Annual Financial Status Report (Form ADP 10096, Rev. 10/01) .
- (b) Drug treatment programs in which clients are placed shall assess fees toward the cost of treatment based on their determination of a client's ability to pay in accordance with Section 11991.5 of the Health and Safety Code.
  - (1) Such fees shall be deducted from the drug treatment program's cost of providing services in accordance with Health and Safety Code Section 11987.9.
  - (2) Such fees shall be identified on the Annual Financial Status Report (Form ADP 10096, Rev. 10/01).
  - (3) The county shall pay the drug treatment program the remaining cost of providing services from the county trust fund, in accordance with either the actual cost of the service or the negotiated rate method, as specified in Section 11987.5 of the Health and Safety Code.
- (c) Fees may be assessed and collected by the court, the drug treatment program, or a third party (at the county's option), so long as all fees collected are separately identified for audit purposes and treated as placement fees, collected pursuant to (a) of this regulation, or treatment fees, collected pursuant to (b) of this regulation.
- (d) The county lead agency shall monitor to assure that assessment and collection of fees, however executed, are coordinated in a manner that avoids duplication and ensures that all fees are accounted for and used to offset the cost of services allowed in accordance with this Chapter.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11991.5, Health and Safety Code; and Sections 1210.1(a) and 3063.1(a), Penal Code.

### § 9533. Drug Medi-Cal Services

- (a) If a client referred to treatment under the Act is eligible for Medi-Cal and is referred to a clinic certified to participate in the Drug Medi-Cal Program pursuant to interagency agreement between the Department and the Department of Health Services and the provisions of Title 42, Code of Federal Regulations, Section 442.10 et seq., the clinic shall seek Medi-Cal reimbursement for medically necessary services rendered pursuant to Section 51341.1, Title 22, CCR, and Section 11758.46 of the Health and Safety Code.
- (1) The program shall follow Drug Medi-Cal admission procedures as specified in Section 51341.1, Title 22, CCR, including determination of medical necessity, prior to accepting the client as a Drug Medi-Cal client. If not admitted as a Drug Medi-Cal client, reimbursement shall be made from the county's trust fund established pursuant to Section 9517.
  - (2) The program shall not charge a Drug Medi-Cal client a fee for services provided other than a share of cost assessed pursuant to, Article 12 (commencing with Section 50651), Chapter 2, Division 3, Title 22, CCR.
  - (3) The program shall identify on Drug Medi-Cal claims that the client is receiving services pursuant to the Act.
- (b) Counties shall not use county trust funds to match Drug Medi-Cal federal financial participation.

NOTE: Authority cited: Section 11755, Health and Safety Code; Reference: Section 11758.42, Health and Safety Code; and Sections 14019.3 14019.4, Welfare and Institutions Code.

### § 9535. County Records and Reporting Requirements.

- (a) For SATTFF funds received for Fiscal Year 2000-01, within 30 days from the end of each quarter, the county shall submit to the Department a written financial status report describing how the county's funds were spent during the three-month period immediately preceding the report. The county shall submit the written reports on the Quarterly Financial Status Report, Substance Abuse and Crime Prevention Act (ADP10086, Rev. 4/01), which is hereby incorporated by reference. The quarterly financial status reports shall be due on April 30 for the period January 1 through March 31, 2001, and on July 31, 2001 for the period January 1 through June 30, 2001.
- (b) For SATTFF funds distributed ~~for fiscal years 2001-2002~~ through fiscal years 2005-2006, the county shall submit the following:
- (1) County SATTFF expenditures as specified on County Reporting Requirements (Form ADP 10095, New 4/01). The reports shall be submitted by January 31 for the period July 1 through December 31, and by July 31 for the period July 1 through June 30. Reports may be submitted electronically or on paper.

- (2) Client counts and characteristics and capacity/waiting list, as specified on County Reporting Requirements (Form ADP 10095, New 4/01). The reports shall be submitted semi-annually by January 31 and July 31. Reports may be submitted electronically or on paper.

(c) For SATTA funds, the county shall electronically submit:

- (1) Total actual SATTA expenditures for substance abuse testing of SACPA clients and other purposes consistent with Title 42, U.S.C., Section 300x-21(b);
- (2) Actual number of SACPA clients tested using SATTA funds; and
- (3) Actual number of tests administered to SACPA clients using SATTA funds.

(d) For both SATTf and SATTA funds, the county shall submit:

- ~~(3)~~(1) An annual county budget, to be submitted with the county contracts required pursuant to Sections 11758.20, 11785.40 et seq., and 11758.46 of the Health and Safety Code. The annual county budget shall include planned expenditures for drug treatment services, vocational training, literacy training, family counseling, court monitoring, supervision, assessment and placement, etc.
- ~~(4)~~(2) Annual cost reports pursuant to Section 11991.5 of the Health and Safety Code, showing actual expenditures, itemized by provider, for drug treatment services, vocational training, literacy training, family counseling, court monitoring, supervision, assessment and placement, etc.; The county shall submit annual cost reports by November 1 of each year.
- ~~(5)~~(3) Annual Financial Status Report, Substance Abuse and Crime Prevention Act of 2000 (ADP 10096, Rev. 10/01), which is hereby incorporated by reference. The county shall submit the form electronically or on paper by September 30 each year.

~~(e)~~(e) The county shall establish and maintain accounting and fiscal records that identify the source and expenditure of all SATTf and SATTA funds. The county shall maintain documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and award documents, etc., to support such records and shall make such records available to the Department for audit upon request.

~~(d)~~(f) The county shall maintain fiscal control and accounting procedures in accordance with generally accepted accounting principles. Such accounting procedures shall be sufficient to:

- (1) Permit the preparation of the reports required in this regulation, and
- (2) Track expenditure of SATTf and SATTA funds to ensure that such funds were used in accordance with the requirements of this Chapter and the Act.

- (e)(g) The county shall retain all records documenting use of SATTf and SATTA funds for a period of five years from the end of the fiscal year or until completion of the Department's annual audit and resolution of any resulting audit issues if the audit is not resolved within five years.
- (f)(h) The county shall include the record keeping and reporting requirements established in this regulation in every agreement for services to implement the Act and SATTA.

NOTE: Authority cited: Section 11755, Health and Safety Code; and Statutes of 2001, Chapter 721, Section 10. Reference: Sections 11991.6, and 11999.12, and 11999.20, Health and Safety Code.

#### **§ 9540. Departmental Audit of Expenditures and Audit Appeals.**

- (a) The Department shall audit county expenditure of SATTf funds annually to monitor compliance with the provisions of this Chapter and the Act.
- (b) The Department shall audit county expenditure of SATTf funds in accordance with generally accepted governmental auditing standards as described in "Government Auditing Standards (1994 Revision)" published for the United States General Accounting Office by the Comptroller General of the United States. "Government Auditing Standards (1994 Revision)" is available upon written request from the United States General Accounting Office, Washington, DC 10548.
- (c) Counties and public or private contractors shall make available all accounting and fiscal records pertaining to expenditure of SATTf funds upon written request from the Department for auditing purposes in accordance with this Chapter.
- (d) Counties may appeal audit findings in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code.
- (e) Counties shall repay to the Department amounts found by audit to have been spent in violation of this Chapter or the Act.
- (1) Amounts repaid to the Department shall be deposited into the Department's Substance Abuse Treatment Trust Fund.
  - (2) If an audit discloses errors in recording or reporting of revenues and/or costs that affect ongoing reconciliation of a county's trust fund balance, the county shall make appropriate adjustments to its trust fund records and/or its financial reports to bring both into agreement.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11991.6 and 11999.12, Health and Safety Code.

**§ 9545. County Audit of Public or Private Contractors.**

- (a) Counties shall annually audit any public or private contractors with whom they have agreements and who expend \$300,000 or more in funds to ensure compliance with the provisions of the Act, the requirements of this Chapter, and the county terms and conditions under which the SATTf funds were awarded. Counties may, at their discretion, conduct such audits, contract for the performance of such audits, or require the public or private contractors to obtain such audits.
- (b) The audit shall be conducted in accordance with generally accepted government auditing standards as described in "Government Auditing Standards (1994 Revision)", published for the United States General Accounting Office by the Comptroller General of the United States.
- (c) The annual audit shall be completed and the county shall submit a written audit report to the Department within 30 days of completion of the audit but, no later than nine months after the end of each state fiscal year ending June 30th.
- (d) The written audit report shall establish whether the contractor expended SATTf funds in accordance with the provisions of the Act, the requirements of this Chapter, and the county terms and conditions under which the funds were awarded.
- (e) When a county audit finds that a public or private contractor has misspent SATTf funds based on the requirements of Section 9530, the county shall demand repayment from the contractor in the amount of such audit findings and shall deposit the recovered funds into the county's trust fund established pursuant to Section 9517. Such recovery of funds shall be reported to the Department on the "Annual Financial Status Report, Substance Abuse and Crime Prevention Act of 2000" (Form 10096, Rev. 10/01), which is hereby incorporated by reference, and the specific amount recovered shall be identified in the "Comments/Remarks" line on the same report. The county shall maintain an audit trail to identify the specific audit periods for which recoveries are reported.
- (f) The county shall establish a process to resolve disputed findings resulting from its own audit of public or private contractors.
- (g) Notwithstanding subsection (a) of this regulation, any public or private contractor who is required to obtain a single audit pursuant to OMB Circular A-133 and who receives funding under the Act, shall ensure that the single audit addresses compliance with the requirements of the Act. The county may rely on the single audit as fulfilling its responsibilities in Section 9545(a).
- (h) *Audit work papers supporting the report shall be retained for a period of five years from the issuance of the audit report and the county shall make such work papers available to the Department upon request.*

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11991.6 and 11999.12, Health and Safety Code.

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**QUARTERLY FINANCIAL STATUS REPORT FOR 2000-2001  
SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000  
Department of Alcohol and Drug Programs**

1. Submit Completed Report to:  Department of Alcohol and Drug Programs Audit Services Branch 1700 K Street, 5 <sup>th</sup> Floor Sacramento, CA 95814	2. Funding Period (State Fiscal Year)  2000-2001																										
3. Name and address of County Lead Agency [as required by the California Code of Regulations (CCR), Title 9, Division 4, Chapter 2.5, Section 9515(b)]																											
4. Employer ID Number	5. Accounting Basis  <input type="checkbox"/> Cash <input type="checkbox"/> Accrual																										
6. Period Covered by this Report  <input type="checkbox"/> January 1 to March 31, 2001 <input type="checkbox"/> January 1 to June 30, 2001																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%; text-align: left;"><b>Transactions</b></th> <th style="width: 40%; text-align: left;"><b>Cumulative Amounts</b></th> </tr> </thead> <tbody> <tr> <td>7. Total Funds Available During Funding Period</td> <td></td> </tr> <tr> <td>8. Outlays (Expenditures) for Drug Treatment Services</td> <td></td> </tr> <tr> <td>9. Outlays (Expenditures) for Additional Services</td> <td></td> </tr> <tr> <td>10. Outlays (Expenditures) for Other Services</td> <td></td> </tr> <tr> <td>11. Total Outlays (Expenditures)</td> <td></td> </tr> <tr> <td>12. Other Income (Interest, Sale of Equipment, etc.)</td> <td></td> </tr> <tr> <td>13. Funds Received from Client Fees</td> <td></td> </tr> <tr> <td>14. Funds Received from Providers for Audit Exceptions</td> <td></td> </tr> <tr> <td>15. Funds Received from County/Local Agencies</td> <td></td> </tr> <tr> <td>16. Total Program Income</td> <td></td> </tr> <tr> <td>17. Net Outlays (Expenditures)</td> <td></td> </tr> <tr> <td>18. Excess Funds</td> <td></td> </tr> </tbody> </table>		<b>Transactions</b>	<b>Cumulative Amounts</b>	7. Total Funds Available During Funding Period		8. Outlays (Expenditures) for Drug Treatment Services		9. Outlays (Expenditures) for Additional Services		10. Outlays (Expenditures) for Other Services		11. Total Outlays (Expenditures)		12. Other Income (Interest, Sale of Equipment, etc.)		13. Funds Received from Client Fees		14. Funds Received from Providers for Audit Exceptions		15. Funds Received from County/Local Agencies		16. Total Program Income		17. Net Outlays (Expenditures)		18. Excess Funds	
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16. Total Program Income																											
17. Net Outlays (Expenditures)																											
18. Excess Funds																											
19. Comments/Remarks																											
20. Certification: I certify to the best of my knowledge and belief that this report is correct and complete, and that all outlays and obligations are for the purposes set forth in Division 10.8 of the Health and Safety code; Chapter 2.5, Division 4, Title 9, CCR; and in the award documents.																											
Name and Title	Telephone																										
Signature of Authorized Certifying Official	Date Report Submitted																										

**INSTRUCTIONS FOR QUARTERLY FINANCIAL STATUS REPORT  
FOR 2000-2001  
SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000  
Department of Alcohol and Drug Programs**

1. No entry is necessary as the Department's name is preprinted on the form.
2. No entry is necessary as the funding period (State Fiscal Year) is preprinted on the form.
3. Enter the name and address of the county lead agency.
4. Enter the employer identification number assigned by the U.S. Internal Revenue Service.
5. Check the box which describes the accounting basis on which the report was prepared.
6. Check the box for the period covered by the report.
7. Enter the total allocation received by the county of the \$60 million statewide amount.
8. Enter the total outlays (expenditures) for drug treatment services.
9. Enter the total outlays (expenditures) for additional services supplemental to treatment pursuant to the Act, i.e., family counseling, vocational training, and literacy training.
10. Enter the total outlays (expenditures) for other services, i.e., probation, court monitoring, and miscellaneous services pursuant to the Act.
11. Add amount reported on line 8, line 9, and line 10, and enter the sum.
12. Enter other income (interest, sale of equipment, etc.) for the period for which the report is being submitted.
13. Enter funds received from client fees that have not already been offset against service costs prior to making payment. This may include fees assessed by trial judges or the parole authority.
14. Enter funds received from providers as a result of county audit exceptions or audit findings identified by the state which necessitated the recovery. This does not include amounts recovered through offset of payments to service providers.
15. Enter any funds received from county/local agencies for purposes of the Act.
16. Add lines 12 through 15 and enter the total program income.
17. Subtract the amount on line 16 from the amount on line 11 and enter the result.
18. Subtract line 17 from line 7 and enter the result. THE AMOUNT REPORTED ON LINE 18 ON THE JUNE 30 REPORT REPRESENTS THE UNSPENT FUNDS WHICH, IF APPROVED BY THE DEPARTMENT, MAY BE RETAINED BY THE COUNTY AND EXPENDED IN ACCORDANCE WITH SECTION 11999.13 OF THE HEALTH AND SAFETY CODE. TO RETAIN AND EXPEND THESE FUNDS, A COUNTY SHALL AMEND ITS COUNTY PLAN.
19. and 20. Self-explanatory.

**ADP 10095 (New 4/01)**

Report Type	Header Information	Comments Detail Information
<b><i>I. COUNTY PLANNED EXPENDITURES</i></b>		
County Plan  Section <b>9515(b)(2)</b>	<ul style="list-style-type: none"> <li>* County Name</li> <li>* Lead Agency</li> <li>* Contact               <ul style="list-style-type: none"> <li>- Name</li> <li>- Title</li> <li>- Telephone</li> <li>- Email</li> </ul> </li> <li>* <b>Submission Type</b></li> <li>* Funding Period</li> <li>* Allocation for FY</li> <li>* Excess Funds Carried Over from Prior Year</li> <li>* Total for County</li> </ul>	Does NOT include provider detail.  <ul style="list-style-type: none"> <li>* County Entity Type               <ul style="list-style-type: none"> <li>- Drug Treatment</li> <li>- Other Service</li> <li>- Criminal Justice</li> </ul> </li> <li>* <b>Entity Name (AOD, Behavioral Health, Public Health, Mental Health, Education, Probation, Courts, and so forth)</b></li> <li style="padding-left: 40px;">* <b>Planned SACPA Dollars for Named Entity</b></li> <li>- Direct Services</li> <li>- Administrative Activities</li> <li>- Total for Named Entity</li> <li>- % Entity Comprises of County Total</li> <li>* Subtotals by Entity Type</li> <li>* Totals for County</li> <li>* Projected # of Clients by Referral Source</li> <li>* Total Projected # Clients</li> <li>* <b>Service Type</b> <ul style="list-style-type: none"> <li>- Drug Treatment Modalities</li> <li>- Literacy Training</li> <li>- Family Counseling</li> <li>- Vocational Training</li> <li>- Other Client Services</li> </ul> </li> <li style="padding-left: 40px;">* <b>Planned SACPA Dollars for Service Type</b></li> <li>- Direct Services</li> <li>- Administrative Activities</li> <li>- Total for Service Type</li> <li>- Percentage Service Type Comprises of County Total</li> <li>* Totals for County</li> <li>* Planned # Clients to be Served by Service Type</li> <li>* Existing Capacity by Service Type</li> <li>* Planned Additional Capacity by Service Type</li> <li>* Total Capacity by Service Type</li> <li>* Totals for County</li> <li>* <b>Case Management Activity Type</b> <ul style="list-style-type: none"> <li>- Referral/Assessment</li> <li>- Placement</li> <li>- Court Monitoring</li> <li>- Supervision</li> <li>- Miscellaneous</li> </ul> </li> <li style="padding-left: 40px;">* <b>Planned SACPA Dollars for Case Management Activity Type</b></li> <li>- Direct Services</li> <li>- Administrative Activities</li> <li>- Total for Case Management Activity Type</li> <li>- Percentage Case Management Activity Type Comprises of County Total</li> <li>* Totals for County</li> <li>* Total for Services and Case Management Activities</li> </ul>

Report Type	Header Information	Comments/Detail Information
<b>II. COUNTY EXPENDITURES</b>		
County Expenditure Report  Section 9535(b)(1)	* County Name * Lead Agency * Contact - Name - Title - Telephone - Email * Submission Type * Reporting Period	Does NOT include provider detail.  * County Entity Type - Drug Treatment - Other Service - Criminal Justice * Entity Name (AOD, Behavioral Health, Public Health, Mental Health, Education, Probation, Courts, and so forth) * SACPA Dollars Spent by Named Entity - Direct Services - Administrative Activities - Total for Named Entity - % Entity Comprises of County Total Spending * Subtotals by Entity Type * Totals for County * County Service Type - Drug Treatment Modalities - Literacy Training - Family Counseling - Vocational Training - Other Client Services * SACPA Dollars Spent by Service Type - Direct Services - Administrative Activities - Total for Service Type - Percentage Service Type Comprises of County Total * Totals for County * Case Management Activity Type - Referral/Assessment - Placement - Court Monitoring - Supervision - Miscellaneous * SACPA Dollars Spent by Case Management Activity Type - Direct Services - Administrative Activities - Total for Case Management Activity Type - Percentage Case Management Activity Type Comprises of County Total * Totals for County * Totals for Services and Case Management Activities
<b>III. CLIENT COUNTS AND CHARACTERISTICS</b>		
Other Services Client Counts and Characteristics  Section 9535(b)(2)	* County Name * Lead Agency * Contact - Name - Title - Telephone - Email * Submission Type * Reporting Period	Client counts and demographics similar to CADDs, but at a summary level.  By Service Type or Case Management Activity Type: - Literacy Training - Family Counseling - Vocational Training - Other Client Services - Referral/Assessment - Placement - Court Monitoring - Supervision - Miscellaneous Case Management

Report Type	Header Information	Comments/Detail Information
		By Client Characteristic: <ul style="list-style-type: none"> <li>- Gender</li> <li>- Children under 18</li> <li>- Age at Admission</li> <li>- Race</li> <li>- Ethnicity</li> <li>- Referral Source (Court Probation or Parole)</li> <li>- Living Arrangement at Admission</li> <li>- Pregnant at Admission</li> </ul>
<b><i>IV. CAPACITY/WAITING LIST</i></b>		
Other Services Waiting List Client Counts  <b>Section            9535(b)(2)</b>	* County Name * Lead Agency * Contact <ul style="list-style-type: none"> <li>- Name</li> <li>- Title</li> <li>- Telephone</li> <li>- Email</li> </ul> * Submission Type * Reporting Period	Client counts by service type similar to DATAR.  By Service Type: <ul style="list-style-type: none"> <li>- Literacy Training</li> <li>- Family Counseling</li> <li>- Vocational Training</li> <li>- Other Client Services</li> </ul> By Days on Wait: <ul style="list-style-type: none"> <li>- 0 days</li> <li>- 1-6 days</li> <li>- 7-13 days</li> <li>- 14-20 days</li> <li>- 21-30 days</li> <li>- 31-60 days</li> <li>- Over 60 days</li> </ul>



**ANNUAL FINANCIAL STATUS REPORT**  
**SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000**  
**Department of Alcohol and Drug Programs**

1. Submit Completed Report to: Department of Alcohol and Drug Programs Office of Criminal Justice Collaboration 1700 K Street, 5 <sup>th</sup> Floor Sacramento, CA 95814	2. Funding Period (State Fiscal Year)																																		
3. Name and address of County Lead Agency [as required by the California Code of Regulations (CCR), Title 9, Division 4, Chapter 2.5, Section 9515(b)]																																			
4. Employer ID Number	5. Accounting Basis <input type="checkbox"/> Cash <input type="checkbox"/> Accrual																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><b>Transactions</b></th> <th style="text-align: left;"><b>Amount</b></th> </tr> </thead> <tbody> <tr> <td>6. Total SATTTF Funds Allocated</td> <td></td> </tr> <tr> <td>7. Approved Excess Funds Carried Over from Prior Fiscal Year</td> <td></td> </tr> <tr> <td>8. Total SATTTF Funds Available During Funding Period</td> <td></td> </tr> <tr> <td>9. Expenditures for Drug Treatment Services</td> <td></td> </tr> <tr> <td>10. Expenditures for Additional Services</td> <td></td> </tr> <tr> <td>11. Expenditures for Other Services</td> <td></td> </tr> <tr> <td>12. Total Expenditures</td> <td></td> </tr> <tr> <td>13. Other Income (Interest, Sale of Equipment, etc.)</td> <td></td> </tr> <tr> <td>14. Client Fees Assessed by Trial Judges and Received by the County</td> <td></td> </tr> <tr> <td>15. Client Fees Assessed by Trial Judges and Collected by Treatment Programs</td> <td></td> </tr> <tr> <td>16. Client Fees Assessed and Collected by Treatment Programs for the Costs of Treatment.            Note: These funds are not totaled in Total Program Income.</td> <td></td> </tr> <tr> <td>17. Funds Received from Providers for Audit Exceptions</td> <td></td> </tr> <tr> <td>18. Funds Received from County/Local Agencies</td> <td></td> </tr> <tr> <td>19. Total Program Income (Add lines 13-15 and lines 17-18)</td> <td></td> </tr> <tr> <td>20. Net Expenditures (Line 19 minus Line 12)</td> <td></td> </tr> <tr> <td>21. Funds Available at End of Period (Line 8 minus Line 20)</td> <td></td> </tr> </tbody> </table>		<b>Transactions</b>	<b>Amount</b>	6. Total SATTTF Funds Allocated		7. Approved Excess Funds Carried Over from Prior Fiscal Year		8. Total SATTTF Funds Available During Funding Period		9. Expenditures for Drug Treatment Services		10. Expenditures for Additional Services		11. Expenditures for Other Services		12. Total Expenditures		13. Other Income (Interest, Sale of Equipment, etc.)		14. Client Fees Assessed by Trial Judges and Received by the County		15. Client Fees Assessed by Trial Judges and Collected by Treatment Programs		16. Client Fees Assessed and Collected by Treatment Programs for the Costs of Treatment. Note: These funds are not totaled in Total Program Income.		17. Funds Received from Providers for Audit Exceptions		18. Funds Received from County/Local Agencies		19. Total Program Income (Add lines 13-15 and lines 17-18)		20. Net Expenditures (Line 19 minus Line 12)		21. Funds Available at End of Period (Line 8 minus Line 20)	
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22. Comments/Remarks																																			
23. Certification: I certify to the best of my knowledge and belief that this report is correct and complete, and that all outlays and obligations are for the purposes set forth in Division 10.8 of the Health and Safety code; Chapter 2.5, Division 4, Title 9, CCR; and in the award documents.																																			
Name and Title (Please print)	Telephone Number																																		
Signature of Authorized Certifying Official	Date Report Submitted																																		

**INSTRUCTIONS FOR ANNUAL FINANCIAL STATUS REPORT**  
**SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000**  
**Department of Alcohol and Drug Programs**

1. No entry is necessary as the Department's name is preprinted on the form.
2. Enter the funding period (State Fiscal Year) to which the report applies.
3. Enter the name and address of the county lead agency.
4. Enter the employer identification number assigned by the U.S. Internal Revenue Service.
5. Check the box which describes the accounting basis on which the report was prepared.
6. Enter the total allocation received by the county from the state Substance Abuse Treatment Trust Fund. Do not include funds received pursuant to Chapter 721, Statutes of 2001 (SB 223).
7. Enter the total prior year excess funds carried over for use in this fiscal year.
8. Add lines 6 and 7 to determine the total funds available during the State Fiscal Year.
9. Enter the total expenditures for drug treatment services (net of client fees for treatment services, whether assessed by a trial judge or the treatment program).
10. Enter the total expenditures for additional services supplemental to treatment pursuant to the Act, i.e., family counseling, vocational training, and literacy training.
11. Enter the total expenditures for other services pursuant to the Act, i.e., probation, court monitoring, and miscellaneous services.
12. Add amount reported on lines 9 through 11, and enter the sum.
13. Enter other program income (interest, sale of equipment, etc.).
14. Enter client fees assessed by trial judges and received by the county, as described in 9 CCR 9532(a).
15. Enter client fees assessed by trial judges, but collected by treatment programs. (Counties must instruct providers to separately account for such fees.) Do not enter client fees offset by treatment programs against treatment costs (excluding drug testing) prior to reimbursement, in accordance with 9 CCR 9532(b) and H&S Code 11991.5. Regardless of where and by whom fees are assessed and collected, fees must be identified to either CCR Section 9532(a) or (b). 9 CCR Section 9532(a) fees pass through the county trust fund. 9 CCR Section 9532(b) fees do not.
16. Enter client fees assessed and collected by treatment programs toward the cost of treatment pursuant to 9 CCR Section 9532(b). These funds are not totaled in the Total Program Income on line 19.
17. Enter funds received from providers as a result of county audit exceptions or audit findings identified by the state which necessitated the recovery. This does not include amounts recovered through offset of payments to service providers.
18. Enter any funds received from county/local agencies for purposes of the Act.
19. Add lines 13-15 and 17-18 and enter the total program income.
20. Subtract the amount on line 19 from the amount on line 12 and enter the result.
21. Subtract line 20 from line 8 and enter the result. **THE AMOUNT REPORTED ON LINE 20 REPRESENTS THE UNSPENT FUNDS, WHICH IF APPROVED BY THE DEPARTMENT, MAY BE RETAINED BY THE COUNTY AND EXPENDED IN ACCORDANCE WITH SECTION 11999.13 OF THE HEALTH AND SAFETY CODE. TO RETAIN AND EXPEND THESE FUNDS, A COUNTY SHALL AMEND ITS COUNTY PLAN.**
22. and 23. Self-explanatory.

## EXHIBIT B DEFINITION OF SERVICES

### A. Core Services

The following core services shall be available to SACPA Program participants.

1. Assessment and reassessment to appropriate service levels using the Addiction Severity Index (ASI) assessment tool, the American Society of Addiction Medicine Patient Placement Criteria tool (ASAM), or a related county approved assessment tool.
2. Recovery and treatment planning
3. Individual outpatient sessions
4. Group outpatient sessions
5. Case management
6. Crisis intervention
7. Addiction education
8. Health education
9. Residential treatment
10. Drug testing
11. Discharge planning and referrals

*(Note: El Dorado County will provide SACPA services under Drug Medi-Cal to all eligible participants. For this reason, the lengths of groups and individual sessions must conform to Drug Medi-Cal standards regardless of the funding source.)*

### B. Service Levels

Core services, as defined above, shall be delivered through a treatment program that offers differing service levels appropriate to individual client needs. Following is a description of the required service levels.

1. Level I: *Low intensity outpatient education and treatment services* are those services or activities provided to adults who are willing to cooperate in their own treatment but need motivating and monitoring to sustain the recovery process. Level I services are appropriate for participants who are able to maintain abstinence or control their substance use and to pursue recovery goals with minimal support. Participants placed in this service level are in a supportive recovery environment or have the necessary coping skills to deal with a non-supportive recovery environment. Services at this level shall exist for a minimum of 3 months with, 1-3 months of additional services available upon request from the treatment provider and subsequent approval by the County Referral Team.

Level I services shall include: one intake appointment, once weekly attendance at an outpatient group session and referral to ancillary services as needed. All ancillary services must be prior authorized by the County Referral Team to be eligible for payment.

- 1.1 Level I: *Dual diagnosis services* means outpatient group sessions for participants with co-occurring substance abuse and mental health diagnoses. For participants who can benefit

from this specialized service, and with approval from the County Referral Team, dual diagnosis group sessions may be substituted for Level I core outpatient group sessions, but may not be offered in addition to core outpatient group sessions.

2. Level II: *High intensity outpatient education and treatment services* are those services provided to adults whose resistance to treatment is high enough to require a structured program, but not so high as to render outpatient treatment ineffective. This level of service may also be indicated for individuals whose addiction symptoms intensify while participating in low intensity outpatient services. Services at this level shall exist for a minimum of 6 months, with 1-3 months of additional services available upon request from the treatment provider and subsequent approval by the County Referral Team

Level II services shall include: one intake appointment; once weekly attendance at group education for the first 6 weeks, for a maximum of 6 classes; once weekly attendance at an outpatient counseling group for the first 6 weeks, then twice weekly attendance at outpatient group counseling and referral to ancillary services as needed. All ancillary services must be prior authorized by the County Referral Team to be eligible for payment.

- 2.1 Level II: *Dual diagnosis services* means outpatient group sessions for participants with co-occurring substance abuse and mental health diagnoses. For participants who can benefit from this specialized service, and with approval from the County Referral Team, dual diagnosis group sessions may be substituted for Level II core outpatient group sessions, but may not be offered in addition to core outpatient group sessions.

**\*Clients receiving Level 1 or Level 2 services shall be held to the following participation protocol:**

- a. Client is permitted three absences throughout the course of Level 1 treatment services. If client exceeds three absences, treatment provider must send a drop form to Probation and the Project Coordinator.
  - b. Client is permitted eight absences throughout the course of Level 2 treatment services. If client exceeds eight absences, treatment provider must send a drop form to Probation and the Project Coordinator.
  - c. Clients receiving Level 1 or Level 2 treatment services who fail to show for three consecutive classes are to be dropped from the current program. Treatment provider must send a drop form to Probation and the Project Coordinator
3. Level III: *residential treatment* means delivery of services to adult males, females, and/or women with children in an inpatient setting for a maximum of 30 days. Participants placed at this level must have a demonstrated need for a highly structured living environment to achieve and maintain control of addiction symptoms. Residential treatment extending beyond 30 days may only be provided with prior approval from the County Referral Team. Such approval will only be granted if clear justification exists, has been documented in writing, and submitted to the County Referral Team for consideration. Perinatal residential services are limited to clients who meet the Drug Medi-Cal perinatal definition, or who have children age 12 or under with them at the residential facility.

Residential treatment shall include a minimum of 20 hours per week of group education on health and/or addiction topics; 5 hours per week of process group; 1 one-hour individual session at least once every other week, 5 hours per week of recreational activities, and 1 hour per week of family therapy for those clients with intact family systems. Residents shall be included in day-to-day housekeeping activities of the facility and privileges shall be earned for successful completion of program goals. Women's group and individual therapy programs shall be focused upon the unique needs of women in recovery.

4. Individual treatment sessions must be used for "crisis" services only with services focusing on alleviating crisis problems. When possible, such services must be preauthorized by the County Referral Team.
5. Aftercare consists of 12 step meetings as recommended by the treatment provider for a maximum of 6 months. Aftercare services must receive prior approval from the County Referral Team and shall not exceed 6 months in duration.
6. Participants are eligible for 12 months of treatment funding under Proposition 36 and as a result, can be re-referred based on treatment funding eligibility for modified periods of treatment services upon the request of any of the participating agencies of the El Dorado County Proposition 36 program, with subsequent approval from the County Referral Team.

### **C. Ancillary Services**

Ancillary services supplement core treatment services, and must receive prior authorization from the County Referral Team to be eligible for payment. Allowable ancillary services are described below.

1. *Family counseling* means counseling with individual couples or groups which examines interpersonal and family relationships. Such counseling shall be provided by an existing community resource staffed with therapists licensed in accordance with sections 4980 through 4981 of the Business and Professions Code. Upon authorization for services, the identified participant and/or or family member(s) are eligible for 3 counseling sessions. The County Referral Team may authorize extensions up to a 15-session limit.
2. *Vocational training* means instruction and information presented in a group setting to increase opportunities for gainful employment. Such instruction shall be provided by an existing, already funded community resource such as the Job One program.
3. *Literacy training* means instruction and information presented in an individual or group setting to increase literacy skills and reading comprehension. Such instruction shall be provided by an existing, already funded community resource such as the Literacy Council.
4. *Perinatal Services (other than residential)* means supportive services in an agency setting or home visitation for pregnant or parenting women to support their recovery with



specific interventions designed for the needs of women developing new life skills while in recovery. Interventions shall be provided by an existing community resource. Upon authorization for services, the identified participant is eligible for 3 service sessions with extensions possible up to a 15-session limit.

5. *Transitional Housing* means a supervised clean and sober living environment that provides no treatment program component. A clean and sober living environment shall meet the requirements of the California Association of Recovery Homes voluntary certification process. Transitional housing is only available to clients who are actively participating in Level II or Aftercare services, and must be pre-authorized by the County Referral Team. If approved, transitional housing may be provided for thirty days with extensions in 30 day increments available at the discretion of the County Referral Team. Clients residing in transitional housing must:

- 5.1 Be actively seeking permanent housing.
- 5.2 If not a high school graduate or in possession of a GED, be working toward a high school diploma or GED.
- 5.3 If unemployed, begin an intensive job search within 72 hours of entering transitional housing.
- 5.4 Furnish proof of the above three activities to Probation upon request.

The transitional housing supervisor is responsible for informing clients of their obligation to participate in these activities, and the importance of providing Probation with acceptable verification substantiating compliance.

6. *Detoxification* may be offered as an ancillary service through a local treatment center.

#### **D. Drug Testing**

Drug tests shall be conducted randomly throughout the term of treatment by permanent or part-time salaried staff members only. A random call-in protocol for testing schedules shall be in place and offered to clients. Drug testing plans must be documented in clients' individual treatment plans. Drug testing results must also be documented in the client's individual treatment plan, and reported on progress reports and quarterly reports. Positive drug tests shall be reported to Probation and the Project Coordinator within 24 hours after receiving confirmation of a positive test result. Additionally, the failure of a participant to call-in according to testing schedules shall be reported to Probation and the Project Coordinator within 72 hours of the failed call-in date. Drug testing shall be used as a treatment tool in the following ways:

- Drug testing results measure the client's success in remaining drug-free,
- Drug testing results help to determine the appropriateness of the recommended treatment plan,
- Drug testing results are not to be used as a treatment penalty,
- Drug testing results are used to identify modifications that could make treatment plans more effective, and
- Drug testing results are used as a clinical tool to assess clients' relapse potential.

At service levels I, II, III, and in the aftercare phase, clients are subject to drug testing as follows:

- Level I – Low intensity outpatient education and treatment services:
  - Minimum of once per month, up to 8 times during course of treatment, unless otherwise directed by the County Referral Team.
  - Type of testing → urinalysis and five panel screens.
- Level II – High intensity outpatient education and treatment services:
  - Minimum of once per month, up to 12 times during course of treatment, unless otherwise directed by the County Referral Team.
  - Type of testing → urinalysis and five panel screens.
- Level III – Residential treatment services:
  - Minimum of two times per month, up to 4 times per month during course of treatment, unless otherwise directed by the County Referral Team.
  - Type of testing → urinalysis and five panel screens.
- Aftercare
  - Maximum of once per month, unless otherwise directed by the County Referral Team. Increases in frequency only with preauthorization from the County Referral Team.
  - Type of testing → urinalysis and five panel screens.

The above testing frequencies may be modified with preauthorization from, or at the direction of, the County Referral Team.

## Exhibit C

### HIPAA Business Associate Agreement

This HIPAA Business Associate Agreement is made part of the base contract ("Underlying Agreement") to which it is attached, as of the date of commencement of the term of the Underlying Agreement (the "Effective Date").

#### RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which Contractor provides services to County, and in conjunction with the provision of such services, certain Protected Health Information ("PHI") and Electronic Protected Health Information ("EPHI") may be made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act, Pub. L. No. 104-161 of 1996 ("HIPAA"), more specifically the regulations found at Title 45, CFR, Parts 160 - 164 (the "Privacy and Security Rule"), as may be amended from time to time, which are applicable to the protection of any disclosure of PHI pursuant to the Underlying Agreement; and

WHEREAS, County is a Covered Entity, as defined in the Privacy Rule; and

WHEREAS, Contractor, when a recipient of PHI from County, is a Business Associate as defined in the Privacy Rule; and

WHEREAS, "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.202(g); and

WHEREAS, the parties agree that any disclosure or use of PHI or EPHI be in compliance with the Privacy and Security Rule or other applicable law;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Definitions. Unless otherwise provided in this Business Associate Agreement, capitalized terms shall have the same meanings as set forth in the Privacy Rule, as may be amended from time to time.
2. Scope of Use and Disclosure by Contractor of County Disclosed PHI
  - A. Contractor shall be permitted to use PHI disclosed to it by the County:
    - (1) on behalf of the County, or to provide services to the County for the purposes contained herein, if such use or disclosure would not violate the Privacy Rule if done by the County, or the minimum necessary policies and procedures of the County
    - (2) as necessary to perform any and all of its obligations under the Underlying Agreement.
  - B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Business Associate Agreement or Required by Law, Contractor may:
    - (1) use the PHI in its possession for its proper management and administration and to fulfill any legal obligations.
    - (2) disclose the PHI in its possession to a third party for the purpose of

Contractor's proper management and administration or to fulfill any legal responsibilities of Contractor. Contractor may disclose PHI as necessary for Contractor's operations only if:

- (a) The disclosure is Required by Law; or
  - (b) Contractor obtains written assurances from any person or organization to which Contractor will disclose such PHI that the person or organization will:
    - (i) hold such PHI in confidence and use or further disclose it only for the purpose of which Contractor disclosed it to the third party, or as Required by Law; and,
    - (ii) the third party will notify Contractor of any instances of which it becomes aware in which the confidentiality of the information has been breached.
  - (3) aggregate the PHI and/or aggregate the PHI with that of other data for the purpose of providing County with data analyses related to the Underlying Agreement, or any other purpose, financial or otherwise, as requested by County.
  - (4) not disclose PHI disclosed to Contractor by County not authorized by the Underlying Agreement or this Business Associate Agreement without patient authorization or de-identification of the PHI as authorized in writing by County.
  - (5) de-identify any and all PHI of County received by Contractor under this Business Associate Agreement provided that the de-identification conforms to the requirements of the Privacy Rule, 45 CFR and does not preclude timely payment and/or claims processing and receipt.
- C. Contractor agrees that it will neither use nor disclose PHI it receives from County, or from another business associate of County, except as permitted or required by this Business Associate Agreement, or as Required by Law, or as otherwise permitted by law.

3. Obligations of Contractor. In connection with its use of PHI disclosed by County to Contractor, Contractor agrees to:
- A. Use or disclose PHI only as permitted or required by this Business Associate Agreement or as Required by Law.
  - B. Use reasonable and appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Business Associate Agreement.
  - C. To the extent practicable, mitigate any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of this Business Associate Agreement.
  - D. Report to County any use or disclosure of PHI not provided for by this Business Associate Agreement of which Contractor becomes aware.
  - E. Require sub-contractors or agents to whom Contractor provides PHI to agree to the same restrictions and conditions that apply to Contractor pursuant to this Business Associate Agreement.

- F. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use or disclosure of PHI created or received for or from the County.
- G. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the County and to follow generally accepted system security principles as required in final rule 45 CFR Parts 160-164.
- H. Contractor will report any security incident of which it becomes aware to the County. Security incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations. This does not include trivial incidents that occur on a daily basis, such as scans or "pings".
- I. Obtain and maintain knowledge of the applicable laws and regulations related to HIPAA, as may be amended from time to time.
- J. May use PHI to report violations of law to appropriate Federal and State Authorities, consistent with § 164.502(j) (1).

4. PHI Access, Amendment and Disclosure Accounting. Contractor agrees to:
- A. Provide access, at the request of County, within five (5) days, to PHI in a Designated Record Set, to the County, or to an Individual as directed by the County.
  - B. To make any amendment(s) to PHI in a Designated Record Set that the County directs or agrees to at the request of County or an Individual within sixty (60) days of the request of County.
  - C. To assist the County in meeting its disclosure accounting under HIPAA:
    - (1) Contractor agrees to document such disclosures of PHI and information related to such disclosures as would be required for the County to respond to a request by an Individual for an accounting of disclosures of PHI.
    - (2) Contractor agrees to provide to County or an Individual, within sixty (60) days, information collected in accordance with this section to permit the County to respond to a request by an Individual for an accounting of disclosures of PHI.
    - (3) Contractor shall have available for the County the information required by this section for the six (6) years preceding the County's request for information (except the Contractor need have no information for disclosures occurring before April 14, 2003).
  - D. Make available to the County, or to the Secretary of Health and Human Services, Contractor's internal practices, books and records relating to the use of and disclosure of PHI for purposes of determining Contractor's compliance with the Privacy Rule, subject to any applicable legal restrictions.
  - E. Within thirty (30) days of receiving a written request from County, make available any and all information necessary for County to make an accounting of disclosures of County PHI by Contractor.
  - F. Within sixty (60) days of receiving a written request from County,



incorporate any amendments or corrections to the PHI in accordance with the Privacy Rule in the event that the PHI in Contractor's possession constitutes a Designated Record Set.

- G. Not make any disclosure of PHI that County would be prohibited from making.

5. Obligations of County.

- A. County agrees that it will make its best efforts to promptly notify Contractor in writing of any restrictions on the use and disclosure of PHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Business Associate Agreement.
- B. County agrees that it will make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any Individual to use or disclose PHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Business Associate Agreement.
- C. County agrees that it make it's best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use of disclosure of PHI.
- D. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by County, except as may be expressly permitted by the Privacy Rule.
- E. County will obtain any authorizations necessary for the use or disclosure of PHI, so that Contractor can perform its obligations under this Business Associate Agreement and/or the Underlying Agreement.

6. Term and Termination.

- A. Term – this Business Associate Agreement shall commence upon the Effective Date and terminate upon the termination of the Underlying Agreement, as provided therein when all PHI provided by the County to Contractor, or created or received by Contractor on behalf of the County, is destroyed or returned to the County, or, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- B. Termination for Cause. Upon the County's knowledge of a material breach by the Contractor, the County shall either:
  - (1) Provide an opportunity for the Contractor to cure the breach or end the violation and terminate this Agreement *together with the Underlying Agreement* if the Contractor does not cure the breach or end the violation within the time specified by the County.
  - (2) Immediately terminate this Agreement *together with the Underlying Agreement* if the Contractor has breached a material term of this Agreement and cure is not possible; or
  - (3) If neither termination nor cures are feasible, the County shall report the violation to the Secretary.

C. Effect of Termination.

- (1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, the Contractor shall return or destroy all PHI received from the County, created or received by the Contractor on behalf of the County. This provision shall apply to PHI that is in the possession of subcontractors or agents of the Contractor. Contractor shall retain no copies of the PHI.
- (2) In the event that the Contractor determines that returning or destroying the PHI is infeasible, Contractor shall provide to the County notification of the conditions that make return or destruction infeasible. Upon {negotiated terms} that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such PHI.

7. HIPAA Business Associate Indemnity

Contractor shall indemnify and hold harmless all Agencies, Districts, Special Districts and Departments of the County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Business Associate Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever including fines, penalties or any other costs and resulting from any reason whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Business Associate Agreement. Contractor shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards all Agencies, Districts, Special Districts and Departments of the County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be

satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

The specified insurance limits required in the Underlying Agreement of this Business Associate Agreement shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless the County herein from third party claims arising from the issues of this Business Associate Agreement.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Contractor from indemnifying the County to the fullest extent allowed by law.

In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Business Associate Agreement, this indemnification shall only apply to the subject issues included within this Business Associate Agreement.

8. Amendment – the parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for County to comply with the Privacy Rule, 45 CFR, and HIPAA generally.
9. Survival – the respective rights and obligations of this Business Associate Agreement shall survive the termination or expiration of this Business Associate Agreement.
10. Regulatory References – a reference in this Business Associate Agreement to a section in the Privacy Rule means the section as in effect or as amended.
11. Conflicts – any ambiguity in this Business Associate Agreement and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, 45 CFR, and HIPAA generally.