

ORIGINAL

AGREEMENT FOR SERVICES

#683-PHD1107

with

PROGRESS HOUSE, INC.

regarding

ALCOHOL/DRUG TREATMENT SERVICES

**SUBSTANCE ABUSE OFFENDER TREATMENT PROGRAM
(OTP)**

Health and Safety Code Division 10.10, Chapter 75, Statutes of 2006 (Assembly Bill 1808)

Amendment II

THIS AMENDMENT to that AGREEMENT, made and entered into on January 7, 2008 by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") 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, County has determined that it is necessary to obtain a Contractor to provide alcohol and drug treatment services for clients who qualify to participate in the Program for the County Public Health Department; 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

DEPARTMENT HEAD CONCURRENCE

By: Gayle Erbe Hamlin
Gayle Erbe Hamlin, Director
Public Health Department

Date: 7/19/08

CONTRACTOR

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

Date: 07/14/2008

COUNTY OF EL DORADO

By: Rusty Dupray
Rusty Dupray, Chairman
El Dorado County Board of Supervisors

Date: 8/19/08

ATTEST:
Cindy Keck, Clerk

By: Marcie Probst Land Date: 8/19/08
Deputy Clerk

Reference
Copy

~~Original Contract~~

~~Amendment I~~

~~Amendment II~~

Provisional rate
letter ^{10-0884.F.4} 8/1/08



PUBLIC HEALTH DEPARTMENT

Healthy People Living in Healthy Communities Throughout El Dorado County

Neda West, Acting Director / Dr. Jason Eberhart-Phillips, Health Officer
931 Spring Street, Placerville, CA 95667 (530) 621-6156 / Fax (530) 626-4713

August 1, 2008

Tom Avey
Progress House, Inc.
2914 "B" Cold Springs Road
Placerville, CA 95667

Re: Notice of Change to Provisional Amount OTP funding.
Agreement # 683-PHD1107

Dear Mr. Avey:

The above-noted Agreement for Services for FY 2007-08 provides for compensation in the amounts as noted below:

<u>Provisional Amount</u>	<u>Not-to-exceed Amount</u>
\$63,000.00	\$99,000.00

Please note, as specified in **Amendment I, Article III, Compensation for Services:**

"The Total Provisional Amount of this Agreement is the maximum amount to which Contractor is entitled by County without a written formal request by Contractor to County to increase that amount, which must be approved and authorized in writing by the Administrator, identified herein under Article XXV, up to but not to exceed the Total Not to Exceed Amount of this Agreement. The Total Not to Exceed Amount of this Agreement is the maximum amount the Administrator is authorized by County to make available to Contractor for services provided under this Agreement. The Administrator may increase or decrease the Total Provisional Amount of this Agreement, and may revise the component amounts of the Total Provisional Amount of this Agreement, as detailed in the grant and/or fund obligations above, up to but not to exceed the Total Not to Exceed Amount of this Agreement, by written notice to Contractor. County shall not be obligated to pay Contractor for any amount above the established Total Provisional Amount of this Agreement as shown herein above or as adjusted, approved, and authorized by the Administrator."

Based upon analysis of OTP Funds expenditures for FY 2007-08, El Dorado County has determined it necessary to increase the OTP allocation in the Provisional Amount for the above-noted agreement by \$17,319.08 to \$80,319.08.

Sincerely,

Neda West, Acting Director, Public Health Department

cc: Gretchen Bailey, Fiscal Administration Manager
Shirley White, Alcohol & Drug Program Division Manager

Reference
Copy

Original Contract

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Amendment II

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**SUBSTANCE ABUSE OFFENDER TREATMENT PROGRAM
(OTP)**

Health and Safety Code Division 10.10, Chapter 75, Statutes of 2006 (Assembly Bill 1808)

Amendment I

THIS AMENDMENT to that AGREEMENT, made and entered into on January 7, 2008 by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") 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, County has determined that it is necessary to obtain a Contractor to provide alcohol and drug treatment services for clients who qualify to participate in the Program for the County Public Health Department; 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 provisions 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 III Compensation for Services shall be amended to read as follows:

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

Offender Treatment Program Services Obligation:

FY 07/08 Funds	\$63,000.00
Funds for Prior Services	7,000.00

Total Provisional Amount of this Agreement: **70,000.00**

Total Not to Exceed Amount of this Agreement: **\$99,000.00**

The Total Provisional Amount of this Agreement is the maximum amount to which Contractor is entitled by County without a written formal request by Contractor to County to increase that amount, which must be approved and authorized in writing by the Administrator, identified herein under Article XXV, up to but not to exceed the Total Not to Exceed Amount of this Agreement. The Total Not to Exceed Amount of this Agreement is the maximum amount the Administrator is authorized by County to make available to Contractor for services provided under this Agreement. The Administrator may increase or decrease the Total Provisional Amount of this Agreement, and may revise the component amounts of the Total Provisional Amount of this Agreement, as detailed in the grant and/or fund obligations above, up to but not to exceed the Total Not to Exceed Amount of this Agreement, by written notice to Contractor. County shall not be obligated to pay Contractor for any amount above the established Total Provisional Amount of this Agreement as shown herein above or as adjusted, approved, and authorized by the Administrator.

Specified services are to be billed by unit of service at fixed rates. Costs shall be reconciled annually in the Cost Report, as described in Article IX of this Agreement. The fixed rates payable under this Agreement are as follows:

Attendance at Case Mgt. Conference (1/2 hour)	\$13.33
Attendance at Prop 36 Drug Court Session (1 hour)	\$26.67

*Ancillary services, including other non-standard alcohol and drug treatment services:
The amount preauthorized by County Referral Team.

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. 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, Finance Division, 941 Spring Street, Suite 4, 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, Exhibits A and B, 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 County-approved standardized rates, presented and detailed under Exhibit D.

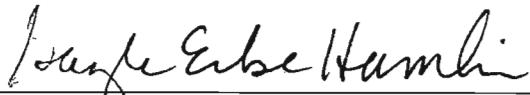
Contractor shall plan for even expenditure of funds provided by this Agreement throughout the term of the Agreement. That is, one twelfth of the total funding amount shall be budgeted for service delivery each month. To the maximum extent possible, Contractor shall deliver services each month that are 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.

County has accepted services performed by Contractor meeting the description under Article I, Scope of Services, prior to the effective date of this Agreement. County agrees to compensate Contractor in the amount of \$7,000.00 for such prior services. The total amount herein agreed to be paid by County, including the amount for services performed during the term described under Article II, and the additional agreed payment of \$7,000.00 for prior accepted services, shall not exceed ~~\$50,000.00~~ \$99,000.00



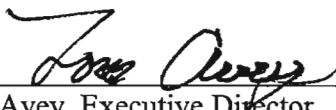
The parties do hereby agree that all other provisions of the Agreement are to remain in full force and effect and that this amended Agreement remains subject to early termination by County as set forth in the original document.

DEPARTMENT HEAD CONCURRENCE

By: 
Gayle Erbe-Hamlin, Director
Public Health Department

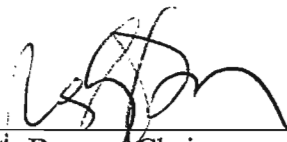
Date: 4/28/08

CONTRACTOR

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

Date: 04/23/2008

COUNTY OF EL DORADO

By: 
Rusty Dupray, Chairman
El Dorado County Board of Supervisors

Date: 5/20/08

ATTEST:
Cindy Keck, Clerk

By:  Date: 5/20/08
Deputy Clerk

Reference
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Original Contract
Amendment I
Amendment II

AGREEMENT FOR SERVICES

#683-PHD1107

with

PROGRESS HOUSE, INC.

regarding

ALCOHOL/DRUG TREATMENT SERVICES

SUBSTANCE ABUSE OFFENDER TREATMENT PROGRAM (OTP)

Health and Safety Code Division 10.10, Chapter 75, Statutes of 2006 (Assembly Bill 1808)

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 Offender Treatment Program ("OTP"), which was established in Fiscal Year (FY) 2006-07 per Health and Safety Code Division 10.10, Chapter 75, Statutes of 2006 (Assembly Bill 1808); and

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

WHEREAS, Contractor performed alcohol and other drug treatment services prior to the term of this Agreement, #683-PHD1107, and has tendered its performance to County; and

WHEREAS, the prior services performed by Contractor are within the scope of services to be performed under this Agreement, #683-PHD1107; and

WHEREAS, Contractor has represented to County that such prior services conform to all the conditions and requirements of this Agreement, #683-PHD1107; and

WHEREAS, County agrees to accept prior services performed by Contractor on the condition that such services conform to all the conditions and requirements of this Agreement, #683-PHD1107; and

WHEREAS, the prior services performed are fully funded by the State of California under OTP; 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:

A. Alcohol and Drug Treatment Services:

Wherein OTP funds can only be used to enhance drug treatment programs for Substance Abuse and Crime Prevention Act participants, Contractor agrees to provide the following services in exchange for compensation from such funds:

1. Residential Services: Progress House, Inc. agrees to designate one male (Coloma facility) and one female (Camino facility) residential bed for the Substance Abuse Offender Treatment Program each month of the contracted fiscal year.
2. One additional group session per week for Substance Abuse and Crime Prevention Act (SACPA) clients participating in the Level 1 outpatient treatment program.
3. One additional group session per week for SACPA clients participating in the Level 2 outpatient treatment program.
4. Up to 1 individual session each month for SACPA clients participating in the Level 1 outpatient treatment program.
5. Up to 2 individual sessions each month for SACPA clients participating in the Level 2 outpatient treatment program.
6. Recovery support sessions: Recovery support refers to an individual counseling session for SACPA participants designed to address threats or perceived threats to a participant's recovery. These services shall be provided on an as needed basis and must be approved by the SACPA County Referral Team before they can be offered.
7. Treatment plans, progress reports, non-compliance reports, treatment discharges, and other requested reports must be submitted in accordance with the existing SACPA (#622-

PHD0607) contract between Progress House, Inc. and the Public Health Department.

8. 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 SACPA 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.

B. Contractor agrees to comply with the following general program requirements:

1. OTP funds must be used to serve offenders who qualify for services under the Substance Abuse and Crime Prevention Act of 2000 (SACPA). The goal of the OTP is to improve SACPA offender accountability; increase show rates, retention, and completion outcomes; and expand treatment services.
2. Given that the OTP can only include SACPA participants, all treatment services must meet the same contractual provisions agreed to by your agency in the Substance Abuse and Crime Prevention Act Agreement for Services, #622-PHD0607.
3. 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.
4. Contractor shall attend case management conferences and, upon request, shall attend court sessions, which take place twice monthly. County will furnish Contractor with the schedule of SACPA Drug Court sessions and provide reasonable advance notice of case management conference times and locations.
5. Computer software and internet access for data transmission is a contract requirement.
6. The services furnished by the Contractor shall be culturally relevant and 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.

C. Contractor agrees to comply with the following reporting requirements:

1. All services for participants in the OTP program must be tracked and reported in backup documentation as a component of monthly invoicing.
2. 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 upon final signature and shall continue through June 30, 2008. Furthermore, Contractor shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting, as set forth in the provisions of this Agreement.

ARTICLE III

Compensation for Services:

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

Offender Treatment Program Services Obligation:

FY 07/08 Funds	\$33,000.00
Funds for Prior Services	\$7,000.00

Total Provisional Amount of this Agreement: **\$40,000.00**

Total Not to Exceed Amount of this Agreement: **\$50,000.00**

The Total Provisional Amount of this Agreement is the maximum amount to which Contractor is entitled by County without a written formal request by Contractor to County to increase that amount, which must be approved and authorized in writing by the Administrator, identified herein under Article XXV, up to but not to exceed the Total Not to Exceed Amount of this Agreement. The Total Not to Exceed Amount of this Agreement is the maximum amount the Administrator is authorized by County to make available to Contractor for services provided under this Agreement. The

Administrator may increase or decrease the Total Provisional Amount of this Agreement, and may revise the component amounts of the Total Provisional Amount of this Agreement, as detailed in the grant and/or fund obligations above, up to but not to exceed the Total Not to Exceed Amount of this Agreement, by written notice to Contractor. County shall not be obligated to pay Contractor for any amount above the established Total Provisional Amount of this Agreement as shown herein above or as adjusted, approved, and authorized by the Administrator.

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. 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, Finance Division, 941 Spring Street, Suite 4, 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, Exhibits A and B, 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 County-approved standardized rates, presented and detailed under Exhibit D.

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.

County has accepted services performed by Contractor meeting the description under Article I, Scope of Services, prior to the effective date of this Agreement. County agrees to compensate Contractor in the amount of \$7,000.00 for such prior services. The total amount herein agreed to be paid by County, including the amount for services performed during the term described under Article II, and the additional agreed payment of \$7,000.00 for prior accepted services, shall not exceed \$50,000.00.

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 OTP or SACPA 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 October 1 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 the Total Not to Exceed Amount of this Agreement 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.

If the Cost Report indicates the actual and reimbursable cost of services provided pursuant to this Agreement, less applicable revenues, are higher than the aggregate of monthly provisional payments to Contractor, then County shall pay Contractor the difference within forty-five (45) days after verification of amount owed, provided such payment does not exceed the Total Maximum Obligation of this contract.

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 Article XII. A 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 \$1,000,000 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; California Welfare and Institutions Code, Section 14100.2; Sections 11812(c) and 11845.5, California 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; California Welfare and Institutions Code, Section 14100.2; California Health and Safety Code, Sections 11812(c) and 11845.5; 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

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 XXIII

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 XXIV

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 XXV

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

ARTICLE XXVI

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 XXVII

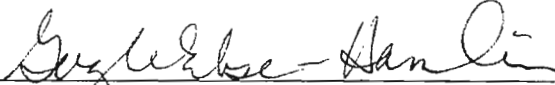
Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XXVIII

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.

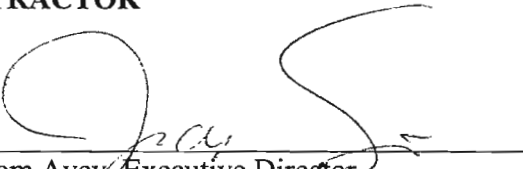
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

DEPARTMENT HEAD CONCURRENCE

By: 
Gayle Erbe-Hamlin, Director
Public Health Department

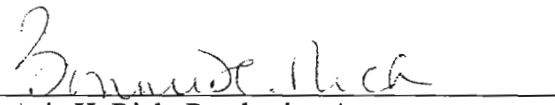
Date: 11/29/07

CONTRACTOR

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

Date: 11-27-07

COUNTY OF EL DORADO

By: 
Bonnie H. Rich, Purchasing Agent
El Dorado County Chief Administrative Office

Date: 1/7/08

**SACPA / PROPOSITION 36
INVOICE**

Exhibit A

MAIL TO: El Dorado County Public Health Dept
Alcohol & Drug Program Division
415 Placerville Drive, Suite R
Placerville, CA 95667

Provider Name _____

Period Covered _____

Prepared by _____

(404 148)

SERVICE MODALITY	UOS	Contract Balance Forward	CURRENT CHARGE	LESS CLIENT PAYMENT	NET AMOUNT	Contract Ending Balance	NOTES:
	OTP						
Male Residential (day)	-						
Female Residential (day)	-						
Perinatal Residential (day)	-						
Residential Room & Board Portion	-						
Perinatal DMC Client (day)	-						
Grp - Hlth / Addict Edu / Trt Session (1.5 hrs)	-						
Individual Visit (1 hr)	-						
Recovery Support Session (1hr)	-						
Attendance at Case Mgt. Conference (1hr)	-						
Attendance at Prop 36 Drug Cr. Session (1hr)	-						
Case Management (1 hr)	-						
Ancillary Services (must have prior approval of County Referral Team)							
Family Counseling / Collateral Visit	-						Ancillary Instructions: Enter Ancillary Services on the Invoice Backup Form Please follow backup form sheet 11/01/01
Vocational Training	-						
Literacy Training	-						
Transitional Housing (daily rate)	-						
Other (describe-provide additional backup)	-						
TOTALS							Executive Director _____ Date _____

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 (“E PHI”) 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 E PHI 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 will make its 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 Notice and a 10-day opportunity for the Contractor to cure the breach or end the violation and terminate this 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 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.

EXHIBIT D
Standardized Rate Structure
El Dorado County Departments of Human Services and Public Health
Substance Abuse and other Therapeutic Counseling and Treatment Services

Services will be billable based on the specific types of services defined in each agreement. All rates may not apply within each individual agreement depending on type of service needed and/or availability and criteria of funding source.

Outpatient Services

Group Session (1.5 hrs)

- \$31.56
- A face-to-face session in which one or more therapists or counselors treat no less than three and no more than twelve clients at the same time, focusing on the needs of the individuals served.

Individual Counseling Session (50 minutes)

- \$74.79
- A face-to-face session between a client and a therapist or counselor.

Perinatal Group Session (1.5 hrs)

- \$63.62
- A face-to-face session in which one or more therapists or counselors treat no less than three and no more than twelve clients at the same time, focusing on the needs of the individuals served. Client must be pregnant and substance using; or parenting and substance using, with a child or children ages birth through 17 years. This includes a woman who is attempting to regain legal custody of her child(ren).
- Reimbursable only thru Perinatal Set-Aside and Perinatal Drug Medi-Cal funding

Perinatal Individual Session (50 minutes)

- \$106.08
- A face-to-face session between a client and a therapist or counselor. Client must be pregnant and substance using; or parenting and substance using, with a child or children ages birth through 17 years. This includes a woman who is attempting to regain legal custody of her child(ren).
- Reimbursable only thru Perinatal set-aside and Perinatal Drug Medi-Cal funding.

Day Care Rehabilitative

- \$67.55
- Substance abuse counseling and rehabilitation services lasting three or more hours, but less than 24 hours, per day, for three or more days per week.

Individual Assessment (50-60 minutes)

- \$74.79
- The evaluation or analysis of the cause or nature of mental, emotional, psychological, behavioral, and substance abuse disorders; the diagnosis of drug abuse disorders; and the assessment of treatment needs to provide medically necessary treatment services.

Intake (50 minutes)

- \$74.79
- The process of admitting a client into substance abuse treatment. Should include medical coverage evaluation, sliding fee scale determination, and other client demographic information.

Treatment Planning (50 minutes)

- \$74.79
- Collaborative session between program staff and client to identify problems, goals, action steps, and target dates as components of an individual's prescribed course of substance abuse treatment.

Discharge (50 minutes)

- \$74.79
- Face-to-face final collaborative session between program staff and client to reinforce newly developed recovery skills and develop a plan to maintain those skills upon conclusion of treatment.

Crisis Intervention (50 minutes)

- \$74.79
- Face-to-face contact between a program staff person and a client in crisis. Services provided must focus on alleviating the crisis problem. Crisis means an unforeseen event or circumstance which presents an imminent threat of relapse, or actual relapse, to the client.

Case Management (50 minutes)

- \$74.79
- Activities involved in the integrating and coordinating of all necessary services to ensure successful treatment and recovery. This involves managing multiple clients and is limited to 4 episodes per month. Not billable per client.

Transitional Housing (per day)

- \$17.50
- A clean and sober living environment meeting the requirements of the California Association of Recovery Homes voluntary certification process. Clients in transitional housing shall be encouraged to actively seek

permanent housing, work toward a high school diploma or GED if they do not possess one, and, if unemployed, begin an intensive job search within 72 hours of entering transitional housing.

Inpatient Services

Residential Treatment (per bed day)

- Not to exceed \$92.00. The actual rate will be negotiated between the purchaser and the vendor.
- The delivery of services to males and females in an inpatient setting. Program should consist of group education and counseling, drug screening, individual counseling, treatment planning and introduction to support programs such as AA/NA.

Residential Perinatal Treatment (per bed day)

- \$96.81
- The delivery of services to females who are pregnant or who have children age 17 or under, including women who are attempting to regain legal custody of their child(ren). Program should consist of group education and counseling, drug screening, individual counseling, treatment planning and introduction to support programs such as AA/NA.

Residential Perinatal Drug Medi-Cal (room and board per bed day)

- \$17.00
- Eligible clients must meet Title 22 Drug Medi-Cal requirements and program must be Drug Medi-Cal certified. Program should consist of group education and counseling, drug screening, individual counseling, treatment planning and introduction to support programs such as AA/NA.