

# ORIGINAL

## AGREEMENT FOR SERVICES #242-S1410 AMENDMENT II

Alcohol and Drug Treatment Services

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This Amendment II to that Agreement for Services #242-S1410, is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and Community Recovery Resources, a California Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 180 Sierra College Drive, Grass Valley, CA 95945 (Mailing: PO Box 6028, Auburn, CA 95604), and whose Agent for Service of Process is Warren A. Daniels, 180 Sierra College Drive, Grass Valley, CA 95945 (hereinafter referred to as "Contractor").

### RECITALS

**WHEREAS**, Contractor has been engaged by County to provide alcohol and drug treatment services for the Health and Human Services Agency (HHS) in accordance with Agreement for Services #242-S1410 dated December 2, 2013 and Amendment I to that Agreement dated June 10, 2014; incorporated herein and made by reference a part hereof; and

**WHEREAS**, the parties hereto have mutually agreed to amend **Article I – Scope of Services, Article II - Term, Article III – Compensation for Services, Article VII – Subrecipient Terms and Conditions, and Article XXXVIII – Confidentiality and Information Security Provisions;** and

**WHEREAS**, the parties hereto have mutually agreed to add **Article XLVI – Cultural Competence, Article XLVII – Employee Qualifications, Article XLVIII – Participation in Training, Article XLIX – Restriction on Distribution of Sterile Needles, Article L – Union Organizing, Article LI – Confidentiality, Article LII – Catalog of Federal Domestic Assistance, Article LIII – Federal Equal Opportunity Requirements, Article LIV – Inspections and Audits, Article LV – Audit by California State Auditor, and Article LVI – Licenses** and; renumber **Article XLVI – Entire Agreement** to accommodate the insertion of the ten aforementioned Articles.

**WHEREAS**, Office of Management and Budget (OMB) Circular A-133 is now known as OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" or "Super Circular;" and

**NOW THEREFORE**, the parties do hereby agree that Agreement for Services #242-S1410 shall be amended a second time as follows:

**Articles I, II, III, VII and XXXVIII** are amended in their entirety to read as follows:

## **ARTICLE I**

### **Scope of Services:**

- A. County shall be responsible for the assessment of each Client identified as eligible for services pursuant to this Agreement. County shall assign a Program Coordinator from the County Alcohol and Drug Program (ADP) who shall complete and submit a "Treatment Authorization Form," attached hereto as Exhibit A and incorporated by reference herein, authorizing services for each Client. The Treatment Authorization Form shall be modified as necessary and as agreed to by Contractor and Contract Administrator. In addition, County shall be responsible for:
  1. Annual site audit;
  2. Monitoring of invoices and services to verify adherence to funding requirements; and
  3. Monitoring of program to verify adherence to terms and conditions of the Agreement.
- B. Upon County notification, and as arranged by and upon notification from the Court, or as the Court directs County, or upon subpoena, Contractor shall attend client-related Court meetings (Court Meeting) and Courts sessions (Court Appearances).
  1. Court Meetings: As arranged by and upon notification from the Court, or as the Court directs County, Contractor shall attend client-related Court Meetings. Contractor shall be paid for their attendance at Court Meetings using the Regular Drug Medi-Cal (DMC) Outpatient drug Free Individual face-to-face visit unit of service session rate as their hourly rate for time actually spent at the Court Meeting. Contractor is required to sign in with the HHSA Alcohol and Drug Programs designated staff at said meeting. Failure to sign in with the HHSA Alcohol and Drug Programs designated staff may delay payment. If the Court's Meeting is cancelled by the Court less than 24 hours in advance of its scheduled calendar time and is not rescheduled for the same month, Contractor may invoice for the scheduled length of that month's cancelled Court Meeting, not to exceed two (2) hours. Travel expenses incurred by the Contractor as a result of the provision of these services including, but not limited to travel time, meals, lodging, mileage, etc., are not included in this Agreement and shall not be paid by County.
  2. Court Appearances are mandatory court case appearances as directed by the Court. Contractor shall be paid for their attendance at Court Appearances using the Drug Medi-Cal DMC Outpatient Drug Free Individual Counseling face-to-face visit Unit of Service Rate as their hourly rate and pro-rated for time actually spent at the Court Appearance. Contractor may not invoice County if Court Appearance is cancelled. Travel time shall not be included in the reimbursement for this service.
- C. Treatment Authorizations: Contractor shall be responsible for provision of services in accordance with the Treatment Authorization Form for each Client that may include but are not limited to:
  1. Case Management: This function shall be performed to integrate and coordinate all

necessary services and to help ensure successful treatment and recovery. Case management may include evaluating payment resources, determining the nature of services to be provided, planning the delivery of treatment services, identifying appropriate treatment resources, referring Client(s) to other resources as appropriate, monitoring Client progress, documenting treatment, participating in case conferences, and other similar types of activities. The cost of said case management shall be included within Contractor's rate for service and shall not be billed separately.

2. Detoxification Services: The provision of detoxification services, if so indicated on HHSA Treatment Authorization Form. Contractor shall provide a treatment program to include medically supervised detoxification services, individual and group counseling, stress reduction, drug/alcohol information, nutrition, access to Alcoholics Anonymous or Narcotics Anonymous meetings, exercise, and other community and referred resource services.
3. Drug Testing: Client(s) admitted to residential treatment shall be tested for drug usage. The cost of said drug testing shall be included within Contractor's rate for service and shall not be billed separately. Contractor may bill for drug testing for clients admitted to outpatient treatment services if so indicated on HHSA Treatment Authorization Form.
4. Intake: Demographic, financial, health, family, living situation, and other pertinent information shall be collected as necessary to establish Client records and to support reporting requirements. Intake also includes dissemination of required information to Client(s) including but not limited to Contractor confidentiality policies, complaint procedures, and admission procedures. The cost of said intake shall be included within Contractor's rate for service and shall not be billed separately.
5. Outpatient Treatment: The provision of outpatient treatment services, if so indicated on HHSA Treatment Authorization Form. Services include but are not limited to Individual counseling, Group counseling sessions, and drug testing. Said services must be provided by a Certified Alcohol and Drug Specialist.
6. Residential Services: The provision of residential treatment beds if so indicated on HHSA Treatment Authorization Form. Client(s) admitted to residential treatment shall receive counseling services. The cost of said counseling services shall be included within Contractor's rate for service and shall not be billed separately.
7. Therapeutic Individual/Group/Family Counseling for Co-Occurring Disorder Clients: For clients not admitted to residential treatment, the provision of therapeutic individual/group/family counseling, if so indicated on HHSA Treatment Authorization Form. Compensation for said service shall be as set forth in the Article titled, "Compensation for Services."
8. Transitional Living Services: If so indicated on HHSA Treatment Authorization Form, provide cooperative living arrangements with a requirement to be free from alcohol and other drugs (sometimes referred to as a "sober living environment"), a sober living home, transitional housing, or alcohol and drug free housing.
9. Treatment Plans: An individualized treatment plan shall be developed for each Client using information obtained in the intake and evaluation process. The treatment plan must be completed within thirty (30) days of the date the Client is admitted to treatment. The treatment plan shall identify problems to be addressed, goals to be reached, action steps, target dates, type, and frequency of services to be provided, and the assigned counselor. Treatment plans must be maintained in Client records and kept current as the treatment

progresses. The cost of said treatment plans shall be included within Contractor's rate for service and shall not be billed separately.

## **ARTICLE II**

**Term:** This Agreement shall become effective when fully executed by all parties hereto and shall cover the period of December 2, 2013 through June 30, 2018, unless terminated earlier pursuant to the provisions contained herein this Agreement under the Article(s) titled "Default, Termination, and Cancellation" or "Fiscal Considerations."

## **ARTICLE III**

### **Compensation for Services:**

A. **Rates:** Categories of treatment services defined under the Article titled "Scope of Services" billed to County shall use either the "County Standardized Rate" structure or the "County Negotiated Rate" structure. The "County Standardized Rate" structure shall use the most current California Drug Medi-Cal (DMC) Alcohol and Drug Services Program "Regular DMC" and "Perinatal DMC" rates (collectively DMC rates) as its benchmark and as set forth in the chart listed below.

The following rates shall be effective upon final execution of this Amendment II to that Agreement #242-S1410.

Notwithstanding the foregoing, Federal Block Grants Management Guidelines require Contractor to ensure that Federal Block Grant funds are the "payment of last resort" for Alcohol and Other Drug Treatment Services subsidized under this Agreement. For that reason, Contractor shall comply with the following guidelines with regard to charges for services, including the establishment of a sliding scale fee schedule, attached hereto as Exhibit C and incorporated by reference herein, the sole purpose of which is for use in billing clients for Alcohol and Other Drug Counseling Treatment Services.

In addition, Contractor must demonstrate that Contractor cannot collect at the "County Standardized Rate" from an insurance carrier or other benefit program, including but not limited to (1) the Social Security Act, including Title 19 CCR and Title 22 CCR programs, (2) any State compensation program, and (3) any other public assistance program for medical expenses, any grant program, or any other benefit program. Thereafter, Contractor may bill County for Alcohol and Other Drug Counseling Treatment Services using the County Standardized Rate Structure under paragraph A herein any amount equal to the difference between the "County Standardized Rate" and the amount received by Contractor from a separate funding source.

Contractor shall be responsible to manage funding to ensure services are provided to eligible clients throughout the entire term of this Agreement. Contractor shall not exceed the amount of funding listed in the Article titled, "Compensation for Services" and under the Section with the heading "Funding for Service Categories."

All rates as noted in the County Standardized Rate table herein are inclusive of preparation and

documentation time.

SERVICE	COUNTY STANDARDIZED RATE STRUCTURE
<p><b>Client Progress Reports.</b> Upon Program Coordinator’s request and/or no later than (30) days after the end of each second service month, Contractor shall provide the Program Coordinator, at no charge to the County, with a brief written progress report outlining the primary issues being addressed with each Client, their progress, and ongoing treatment goals.</p>	<p>No Charge</p>
<p><b>Court Appearances.</b> Upon subpoena by County, Contractor shall attend court sessions. County shall only pay Contractor for court appearances when County subpoenas Contractor. Contractor shall be paid for court appearances at the DMC rate for Regular DMC individual counseling session for time actually spent at the subpoenaed court session. Contractor shall provide documentation of attendance at Court appearances as backup to invoices. Travel time shall not be included in the reimbursement for these services.</p>	<p>Current Drug Medi-Cal Reimbursement Rate for (Regular DMC) Outpatient Drug Free Individual Counseling Unit of Service (UOS) Rate</p>
<p><b>Court Meetings.</b> Upon notification from Court or as Court directs County, and at a rate equivalent to the individual counseling session for the time Contractor appeared in person at Court Meeting, and pro-rated for time actually spent at the pertinent court session. If Court’s meeting is cancelled by the Court less than 24 hours in advance of scheduled calendar time and is not rescheduled for the same month, Contractor may invoice for the scheduled length of cancelled Court meeting, not to exceed two (2) hours. Contractor shall provide documentation of attendance at Court meetings as backup to invoices. Travel expenses including but not limited to travel time, meals, lodging, and mileage shall not be paid by County.</p>	<p>Current Drug Medi-Cal Reimbursement Rate for (Regular DMC) Outpatient Drug Free Individual Counseling UOS Rate.</p>
<p><b>Court Documents Preparation.</b> Upon written request by County at a rate equivalent to the individual counseling session rate and up to a maximum limit of two (2)-session rates charged per report.</p>	<p>Current Drug Medi-Cal Reimbursement Rate for (Regular DMC) Outpatient Drug Free Individual Counseling UOS Rate</p>
<p><b>Family Therapy Session.</b> 90 minutes per session upon written request by County and wherein one (1) or more therapists or counselors treat no more than twelve (12) family members at the same time.</p>	<p>Current Drug Medi-Cal Reimbursement Rate for (Regular DMC or Perinatal DMC) Outpatient Drug Free Group Counseling UOS Rate per client</p>
<p><b>Group Counseling Session.</b> 90 minutes per session and per group therapy participant upon written request by County and wherein one (1) or more therapists or</p>	<p>Current Drug Medi-Cal Reimbursement Rate for (Regular DMC or Perinatal DMC) Outpatient Drug Free Group Counseling</p>

SERVICE	COUNTY STANDARDIZED RATE STRUCTURE
counselors treat no less than two (2) and no more than twelve (12) group therapy participants at the same time.	UOS Rate
<b>Individual Counseling Session.</b> 50-60 minutes per session and per individual upon written request by County. Individual counseling shall be limited to intake, crisis intervention, collateral treatment services, and discharge planning.	Current Drug Medi-Cal Reimbursement Rate for (Regular DMC or Perinatal DMC) Outpatient Drug Free Individual Counseling UOS Rate
<b>Intensive Outpatient Treatment.</b> Nine (9) or more hours of service per week for adults and six (6) or more hours of service per week for adolescents to treat multidimensional instability.	Current Drug Medi-Cal Reimbursement Rate for (Regular DMC or Perinatal DMC) Outpatient Drug Free Intensive Outpatient Treatment UOS Rate
<b>Multidisciplinary Team Meeting.</b> Upon written request by County and for time actually spent in the meeting. Contractor shall include support documentation in the form of time study attached to any invoice for Multidisciplinary Team Meeting Participation. The definition of multidisciplinary team meetings as it applies to this Agreement excludes any community-based teams in which County considers Contractor or Contractor's staff or assigns to be regular standing members.	Current Drug Medi-Cal Reimbursement Rate for (Regular DMC) for Outpatient Drug Free Individual Counseling UOS Rate

Substance Abuse Testing Services Rates: Contractor shall only bill County for Substance Abuse Testing provided in this Agreement using the below rates. Client(s) admitted to residential treatment or transitional living treatment shall receive drug testing services. The cost of said drug testing services shall be included within Contractor's rate for residential or transitional living treatment services and shall not be billed separately.

SUBSTANCE ABUSE TESTS	RATES
<b>Substance Abuse Tests:</b> Includes urinalysis collection and written analysis of findings. Multiple Units of Service shall be allowed upon approval of appropriate HHSA staff. Substance Abuse tests includes 4 panel urinalysis and 80 hour EtG.	Urinalysis: \$20.00 per test EtG: \$20.00 per test

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Residential Services Rates: Contractor may only bill County for residential services provided under this Agreement using the below negotiated rates. The following rates shall be effective upon final execution of this Amendment II to that Agreement #242-S1410.

<b>Residential Services</b>		<b>County Negotiated Rate</b>
<b>Residential</b>	Men's Residential Services	\$85.00 per bed day
	Non-parenting Women's Residential Services	\$85.00 per bed day
	Parenting Women's Residential Services*	\$85.00 per bed day
	Perinatal Women's Residential Services**	\$97.72 per bed day***
	Children with Parenting or Perinatal Women's Residential Services (Grass Valley location only)	\$20.00 per day for first child; \$10.00 per day – additional children
	Detoxification Services	\$85.00 per bed day
<b>Transitional Living</b>	Men's Transitional Living Services	\$19.73 per day (\$600 per month)
	Women's Transitional Living Services, includes Perinatal Women	\$19.73 per day (\$600 per month)
	Children with Parenting or Perinatal Women in Transitional Living Services	\$25.00 per month, per child

\**Parenting Woman:* A female who is in one or more of the following categories: 1) Has custody of a dependent child age 0-17 years; 2) Is attempting to regain legal custody of a child age 0-17 years; 3) Has voluntarily placed a child age 0-17 years with a caregiver and is attempting to parent.

\*\**Perinatal Drug Medi-Cal:* Drug Medi-Cal substance abuse services that are provided to pregnant or postpartum women. The Drug Medi-Cal defined postpartum period is sixty (60) days from the date pregnancy terminated plus the days remaining until the end of the month in which the pregnancy terminated.

\*\*\**Current Drug Medi-Cal Rate:* DCM for Perinatal Residential, the County standardized rate structure.

For the purposes of this Agreement:

- DMC rates are for reimbursement reference purposes only and any descriptive information contained within the DMC rate schedule shall not apply to this Agreement unless otherwise specifically addressed. California-approved Drug Medi-Cal (DMC) reimbursement rates are located on the California Department of Health Care Services (DHCS) website at the following website address: <http://www.dhcs.ca.gov/>.<sup>1</sup>
- DMC rates shall be subject to an annual adjustment in order to match the most current State-approved DMC rate schedule. Any adjustments to the DMC rate

<sup>1</sup> The California ADP Bulletin contains information on the most current DMC rates, which can be found at the CA Dept. of Health Care Services (<http://www.dhcs.ca.gov/formsandpubs/Pages/ADPBulletinsLtrs.aspx>). This link will open the "Alcohol and Drug Bulletins and Letters" page. Click on the link titled "Proposed Drug Medi-Cal Rates for Fiscal Year \_\_\_\_" (most current fiscal year) or click on the Exhibit link to open the DMC rate chart.

schedule by the State shall become effective the first day of the month that follows California's announcement that its governor has signed the Budget Bill for that particular Fiscal Year, thereby enacting the State's Budget Act.<sup>2</sup>

B. Funding Types: Contractor shall maintain familiarity with Federal and State laws, rules, and regulations in accordance with services provided under this Agreement so that it can correctly charge services described in the Scope of Work to funding types that allow payment for those services:

1. AB 109 Treatment Services: Funding for services provided herein is provided by the 2011 El Dorado Public Safety Realignment Implementation Plan, and is subject to all laws and regulations promulgated under California Assembly Bill (AB) 109, AB 116, AB 117, ABXI 16 and ABXI 17, Statutes of 2011. Contractor shall only use AB 109 funds, and shall not use any other funding sources, to provide services to AB 109 eligible clients. Services may only be provided if County refers client to Contractor via a Treatment Authorization Form.
2. Drug Court Treatment Services: These services are funded with Local Realignment Revenue and shall only be provided if County refers client to Contractor via a Treatment Authorization Form.
3. Alcohol and Other Drug Counseling and Treatment Services (AOD Counseling Services): These services are provided to clients who may be referred to Contractor by County and shall only be provided if County refers client to Contractor via a Treatment Authorization Form. There are two funding components to AOD Counseling Services: 1) Drug Medi-Cal and 2) Federal Block Grant Funds.
  - a. 2012 Realignment Drug Medi-Cal (DMC): Drug Medi-Cal is a treatment program as defined in Title 22, California Code of Regulations. Contractor shall bill County in accordance with Title 22 CCR service definitions and utilizing the "County Standardized Rate Structure" in paragraph A of the Article titled "Compensation for Services." Effective July 1, 2011 Local Realignment Revenues are used to fund DMC services to Drug Medi-Cal clients, including Minor Consent Services.
    - i. Federal Financial Participation (FFP) or Federal match on DMC: This funding is the Federal share of the Drug Medi-Cal (Medicaid) Program. The match, which varies by year, is usually at or near fifty percent (50%).
  - b. Services under the Alcohol and Other Drug Counseling and Treatment Services category that are not funded by Drug Medi-Cal shall be funded by the Federal Block Grant – Substance Abuse Prevention and Treatment (SAPT): These are Federal funds which are to be used for specific services as follows:
    - i. SAPT Discretionary: These are Federal block grant funds, which are to be used in a discretionary manner for substance abuse treatment, prevention, and recovery services.
    - ii. SAPT Federal Block Grant Perinatal Set Aside: These funds are for substance abuse services designated for pregnant/postpartum women.
    - iii. SAPT Federal Block Grant Adolescent and Youth Treatment Programs: These funds are for substance abuse services to youth age 12 through 17 years (inclusive), as described in ADP's Youth Treatment Guidelines (2002).

C. Client Fees: Contractor may charge a fee to clients for whom services are provided pursuant to

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<sup>2</sup> The most current information on the status of the enactment of the California budget act may usually be found at the following website: <http://senweb03.senate.ca.gov/focus/budget/default.aspx>.



this Agreement, assessing ability to pay based on individual expenses in relation to income, assets, estates, and responsible relatives. Client fees shall be based upon the person's ability to pay for services, but shall not exceed the actual cost of service provided. No person shall be denied services because of inability to pay. Determination of fees shall be established in accordance with a fee scale developed by Contractor, approved by the Contract Administrator, and attached hereto as Exhibit C.

- D. Client Financial Assessment: Contractor shall certify all clients whose alcohol and drug treatment services are subsidized under this Agreement as unable to pay the amount charged to this Agreement. The certification of each client who is unable to pay shall be documented in writing on a Client Financial Assessment Form, which is developed by Contractor and approved by Contract Administrator. This completed document shall be maintained by the Contractor in the client's file.
- E. Funding for Service Categories: All funding service categories for treatment services defined under the Article titled "Scope of Services" billed to County shall be submitted on separate invoices. Each invoice will clearly identify the Funding Category for the service provided. Failure to identify the Funding for Service Category on a separate invoice shall result in a delay in processing payment.

Unspent funding may be carried forward from fiscal year to fiscal year for the term of this Agreement unless otherwise re-allocated by County in accordance with the Article titled "Changes to Agreement.

- F. Invoices: Contractor shall submit an original invoice referencing this Agreement #242-S1410 that shall contain all of the following data:
  - 1. All services provided shall be billed at no more than the units of measure defined in the "County Standardized Rate Structure" or "County Negotiated Rate" under the Article titled "Compensation for Services" paragraph A above.
  - 2. 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 charges documenting services rendered; client treatment plans; cost allocation schedules; invoices; bank statements; cancelled checks; receipts; and receiving records. County may require Contractor to submit backup 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.
    - a. All Contractor costs must be allowable pursuant to applicable federal and state laws, regulations, policies and procedures, as set forth herein.
  - 4. County shall not pay for any invoices that have not been approved in writing by the Contract Administrator or designee, incomplete services, "no show" cancellations, telephone calls or for the preparation of progress reports. Contractor shall ensure that only billing information is included on the invoice. Information related to Client(s) diagnosis, prognosis or treatment is not permitted on the invoice. Invoices with "white-out" types of corrections shall not be accepted.

5. Contractor shall submit monthly invoices along with written Treatment Authorization Form to HHSA no later than fifteen (15) days following the end of a “service month. For billing purposes, a “service month” shall be defined as a calendar month during which Contractor provides Client services in accordance with “Scope of Services. Failure to submit invoices by the 15<sup>th</sup> of the month following the end of a service month, failure to attach signed written authorization(s), or failure to submit all reports required hereunder shall result in a significant delay in reimbursement. Receipt by HHSA of invoices and associated paperwork submitted by Contractor for payment shall not be deemed evidence of allowable costs under this Agreement. Upon request by County, Contractor may be required to submit additional or new information, which may delay reimbursement.
6. Invoice / remittance to be sent as follows:

<b>Invoices</b>	<b>Remittance</b>
County of El Dorado Health and Human Services Agency 3057 Briw Road Placerville, CA 95667 Attn: Fiscal Unit	Community Recovery Resources 180 Sierra College Drive, Grass Valley, CA 95945

7. Supplemental Invoices: For the purpose of this Agreement, supplemental invoices shall be defined as invoices submitted for additional services rendered during a month for which a prior invoice has already been submitted to County. Supplemental invoices should include the standard invoice format with description of services rendered and a detailed explanation why the invoice was not submitted in the approved timeframe. Written Treatment Authorization Forms shall be submitted with invoices.
    - a. For the period July 1<sup>st</sup> through April 30<sup>th</sup> of this Agreement: Supplemental invoices for additional services as defined in the Article titled “Scope of Services” received after the second Monday in May, shall be neither accepted nor paid by the County.
    - b. For the period May 1<sup>st</sup> through June 30<sup>th</sup> of this Agreement: Any supplemental invoices for additional services as defined in the Article titled “Scope of Services” received after the second Monday in July shall be neither accepted nor paid by the County.
- C. Payment: County shall pay Contractor monthly in arrears. Monthly payments are standardized payments only, and subject to final settlement in accordance with the Article titled “Cost Report” of this Agreement.
1. County shall pay Contractor for the actual costs of providing service, less any revenues actually received from client fees, insurance, and/or other third party payers, provided that:
  2. Drug Medi-Cal services shall be billed to County by unit of service at an amount not exceeding the rates specified in the Article titled “Compensation for Services,” paragraph A, “County Standardized Rate Structure.” The total payments shall not exceed HHSA’s Total Maximum Obligation, by funding type, as set forth herein.
    - a. All Contractor costs must be allowable pursuant to applicable state and federal laws, regulations, policies and procedures, as set forth herein.
    - b. Costs shall be reconciled annually in the cost report, as detailed in the Article titled “Cost Report” of this Agreement. The cost report settlement is the process that determines whether standardized rates were an accurate representation of actual costs.
    - c. Settlement based on Cost Report findings shall pertain to Drug Medi-Cal only.

3. Payment Withholding: Administrator may withhold or delay any payment if Contractor fails to comply with any provisions of this Agreement. In addition, as a means to ensure continuous operation of Contractor's facility, County may defer payments as described in the Article titled "Continuous Operation" of this Agreement.
- F. Not-to-Exceed: Compensation for services provided pursuant to this Agreement shall not exceed \$425,000.00 for the term of this Agreement.

## ARTICLE VII

**Sub-recipient Terms and Conditions:** Contractor agrees to comply with all applicable provisions of the State of California Standard Agreement between County and the California Department of Health Care Services for "Net Negotiated Agreement" and "Substance Use Disorder Agreement" available at [www.edcgov.us](http://www.edcgov.us), Health and Human Services Agency Contractor Resources, "Negotiated Net Amount"<sup>3</sup> Agreement and "Substance Use Disorder"<sup>4</sup> Agreement. Noncompliance with the aforementioned terms and conditions may result in termination of this Agreement by giving written notice as detailed in the Article titled, "Default, Termination, and Cancellation."

By signing this Agreement, Contractor acknowledges that, as a sub recipient of federal and state funding, Contractor is obligated to adhere to all terms and conditions defined in the Agreements between County and California Department of Health Care Services, including the "Negotiated Net Amount Agreement" and "Substance Use Disorder Agreement" in effect at the time services are provided, available at [www.edcgov.us](http://www.edcgov.us), Health and Human Services Agency Contractor Resources, including but not limited to:

- A. Accessibility: Contractor agrees that County shall, on a cycle of at least every three (3) years, assess, monitor, and document Contractor's compliance with Section 504 of the Rehabilitation Act of 1973 (as amended) and Americans with Disabilities Act of 1990 to ensure that recipients/beneficiaries and intended recipients/beneficiaries of services are provided services without regard to physical or mental disability. Contractor shall also monitor to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, color, creed, national origin, sex, or age.
- B. Annual Audit: Pursuant to the Single Audit Act and the Office of Management and Budget (OMB) Circular A-133, any entity that receives a total of \$500,000 or more per year in federal funds for the purposes of carrying out federal programs must complete an annual audit. The funding threshold is aggregate funds from all sources. Contractor shall mail a certified copy of said completed annual audit to County HHSA at the address listed in Agreement's "Notice to Parties" article within thirty (30) days of Contractor's receipt of same. All adverse audit findings must be documented and included with completed annual audit. Certified evidence of correction(s) of adverse audit findings shall be provided to County at the HHSA address listed in agreement's "Notice to Parties" article. A complete and current copy of OMB A-133 is available at <http://www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html>

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<sup>3</sup><http://www.edcgov.us/HHSAForContractors/>

<sup>4</sup><http://www.edcgov.us/HHSAForContractors/>

- C. Code of Conduct: Contractor shall establish a written Code of Conduct for employees, volunteers, interns and the Board of Directors which shall include but not be limited to, standards related to the use of drugs and/or alcohol, staff relationships with clients, prohibition of sexual conduct with clients, and conflict of interest. Prior to providing any services pursuant to this Agreement, all employees, volunteers and interns shall agree, in writing, to maintain the standards set forth in the Code of Conduct. A copy of the Code of Conduct shall be provided to each client and shall be posted in writing in a prominent place in Contractor's facility(ies).
- D. Compliance with All Federal, State and Local Laws and Regulations: Contractor shall comply with, and accept as binding, all applicable governmental laws, regulations, policies, and standards as they exist now or may be hereafter amended or changed. These laws, regulations, policies, and standards shall include, but not be limited to, the following:
1. Age Discrimination Act of 1975 (45 CFR Part 90), as amended (42 UC Sections 6101 - 6107), which prohibits discrimination based on age.
  2. Age Discrimination in Employment Act (29 CFR Part 1625).
  3. Americans with Disabilities Act (ADA) of 1990 (42USC12101 et. seq.)
  4. California Code of Regulations, Title 22.
  5. California Code of Regulations, Title 9, Division 4.
  6. California Government Code Sections 11135-11139.5, and all regulations, requirements, and directives pertinent to its operations.
  7. California Health and Safety Code, Divisions 10.5 and 10.6, and Section 11758.12(d).
  8. California Labor Code Section 6404.5
  9. California State Department of Alcohol and Drug Programs Certification Standards (July 1999).
  10. California State Department of Alcohol and Drug Programs Perinatal Services Network Guidelines (2014).
  11. Clean Air Act and amendments, the Clean Water Act and amendments, and the Federal Water Pollution Control Act.
  12. Code of Federal Regulations (CFR), Title 21, Title 41, Title 42 and Title 45.
  13. Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination based on alcohol abuse or alcoholism.
  14. Contract Work Hours and Safety Standards Act.
  15. Copeland "Anti-Kickback" Act.
  16. Davis-Bacon Act.
  17. Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination based on drug abuse.
  18. Drug-Free Work Place Act of 1990 (Government Code Section 8350 et seq.).
  19. Drug-Free Work Place Act of 1990 (Government Code Section 8355 et seq.)
  20. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding nondiscrimination in employment under federal contracts and construction contracts greater than \$10,000 funded by federal financial assistance.
  21. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.

22. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.)
  23. OMB Circular A-133.
  24. Public Law 103-227, also known as the Pro-Children Act of 2001.
  25. Public Law 106-310, which addresses nondiscrimination and institutional safeguards for religious providers, and which is implemented through Title 42, CFR, Part 54.
  26. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), which prohibits discrimination based on handicap.
  27. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135.
  28. Title 31.
  29. Title 9, Division 4, Chapter 6 of the CCR, commencing with Section 10800.
  30. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting discrimination against the disabled in employment.
  31. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting discrimination against the disabled by public entities.
  32. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.
  33. Title VI of the Civil Rights Act of 1964, as amended, prohibiting discrimination based on race, color, or national origin in federally funded programs.
  34. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of housing.
  35. Trafficking Victims Protection Act of 2000.
  36. No state or federal funds shall be used by the Contractor or its Subcontractors for sectarian worship, instruction, or proselytization. No State funds shall be used by the Contractor or its Subcontractors to provide direct, immediate, or substantial support to any religious activity.
  37. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for County to withhold payments under this Agreement or terminate all, or any type of funding provided hereunder.
  38. This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the federal or state governments.
- E. Licenses: Contractor, its officers, agents, employees, and subcontractors shall maintain all necessary licenses, permits, approvals, certificates, waivers, and exemptions throughout the term of this Agreement, necessary for the provision of services hereunder and required by the laws or regulations of the United States, the State of California, County, or other applicable governmental agencies. Contractor shall notify Contract Administrator immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of the appeal, such permits, licenses, approvals, certificates, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.
- F. Mandated Reporter: California law requires that certain persons are mandated to report suspected child abuse, suspected dependent adult abuse, and suspected domestic violence. Contractor acknowledges and agrees to comply with the following State-required mandated reporter regulations as they apply to the services being rendered by Contractor:
1. California Penal Code § 11160-11163, which covers suspected domestic violence.

2. California Penal Code Article 2.5 (commencing with § 11164) of Chapter 2 of Title 1 of Part 4, also known as the Child Abuse and Neglect Reporting Act.
3. Welfare and Institutions Code § 15630, which covers suspected dependent adult abuse.

Failure to comply with these reporting requirements may lead to a fine of up to \$1,000 and/or up to six months in jail. A person who makes a report in accordance with these mandates shall not incur civil or criminal liability as a result of any report required or authorized by the above regulations.

G. No Unlawful Use or Unlawful Use Messages Regarding Drugs: Contractor agrees that information produced through these funds, and which pertains to drug- and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program pursuant to Health and Safety Code § 11999. By signing this Agreement, Contractor agrees that it shall enforce these requirements.

## ARTICLE XXXVIII

**Confidentiality and Information Security Provisions:** Contractor shall comply with applicable laws and regulations, including but not limited to CFR 45, parts 160-164, regarding the confidentiality and security of Personally Identifiable Information (PII).

Personally identifiable information means any information that identifies, relates to, describes, or is capable of being associated with, a particular individual, including but not limited to, his or her name, signature, social security number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, or any other financial information.

### A. Permitted Uses and Disclosures of PII by Contractor

1. Permitted Uses and Disclosures: Contractor shall develop and maintain an information privacy and security program that includes the implementation of administrative, technical, and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities. The information privacy and security programs must reasonably and appropriately protect the confidentiality, integrity, and availability of the PII that it creates, receives, maintains, or transmits; and prevent the use or disclosure of PII other than as provided for in this Agreement. Except as otherwise provided in this Agreement, Contractor may use or disclose PII to perform functions, activities or services identified in this Agreement provided that such use or disclosure would not violate federal or state laws or regulations.
2. Specific Uses and Disclosures provisions: Except as otherwise indicated in the agreement, Contractor shall:
  - a) Use and disclose PII for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor, provided that such use and disclosures are permitted by law; and
  - b) Take all reasonable steps to destroy, or arrange for the destruction of a customer's records within its custody or control containing personal information, which is no longer to be retained by Contractor by (1) shredding, (2) erasing, or (3) otherwise modifying the personal information in those records to make it unreadable or indecipherable through any means.

## B. Responsibilities of Contractor

1. Contractor agrees to safeguards:
  - a) To prevent use or disclosure of PII other than as provided for by this Agreement. Contractor shall provide County with information concerning such safeguards as County may reasonably request from time to time; and
  - b) Contractor shall restrict logical and physical access to confidential, personal (e.g., PII) or sensitive data to authorized users only; and
  - c) Contractor shall implement a system to identify appropriate authenticated and authorized persons. If passwords are used in user authentication (e.g., username/password combination), Contractor shall implement strong password controls on all compatible computing systems that are consistent with the National Institute of Standards and Technology (NIST) Special Publication 800-86 and SANS Institute Password Protection Policy.
2. Contractor shall implement the following security controls on each server, workstation, or portable (e.g. laptop computer) computing device that processes or stores confidential, personal, or sensitive data:
  - a) Network based firewall and/or personal firewall; and
  - b) Continuously updated anti-virus software; and
  - c) Patch-management process including installation of all operating system/software vendor security patches.
3. Mitigation of Harmful Effects: To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PII by Contractor or its subcontractors in violation of the requirements of this Agreement.
4. Agents and Subcontractors of Contractor: To ensure that any agent, including a subcontractor to which Contractor provides PII received from County, or created or received by Contractor, for the purposes of this Agreement shall comply with the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.
5. Notification of Electronic Breach or Improper Disclosure: During the term of this Agreement, Contractor shall notify County immediately upon discovery of any breach of PII and/or data, where the information and/or data are reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to County Privacy Officer, within twenty-four (24) hours of discovery, at (530) 621-5852. Contractor shall take prompt corrective action to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor shall investigate such breach and provide a written report of the investigation to the County Privacy Officer, postmarked within ten (10) working days of the discovery of the breach.

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Articles XLVI, XLVII, XLVIII, XLIX, L, LI, LII, LIII, LIV, LV are hereby added as follows:

#### ARTICLE XLVI

**Cultural Competence:** To ensure equal access to quality care by diverse populations, every treatment provider receiving funds from this contract shall:

- A. Promote and support the attitudes, behaviors, knowledge, and skills necessary for staff to work respectfully and effectively with clients and each other in a culturally diverse work environment.
- B. Have a comprehensive management strategy to address culturally and linguistically appropriate services, including strategic goals, plans, policies, procedures, and designated staff responsible for implementation.
- C. Develop and implement a strategy to recruit, retain, and promote qualified, diverse and culturally competent administrative, clinical, and support staff that are trained and qualified to address the needs of the racial and ethnic communities being served.
- D. Require and arrange for ongoing education and training for administrative, clinical, and support staff in culturally and linguistically competent service delivery.
- E. Provide all clients with limited English proficiency access to bilingual staff or interpretation services.
- F. Provide oral and written notices, including translated signage at key points of contact, to clients in their primary language informing them of their right to receive no-cost interpreter services.
- G. Translate and make available signage and commonly used written client educational material and other materials for members of the predominant language groups in the service area.
- H. Ensure that interpreters and bilingual staff can demonstrate bilingual proficiency and receive training that includes the skills and ethics of interpreting, and knowledge in both languages of the terms and concepts relevant to clinical or non-clinical encounters. Family or friends are not considered adequate substitutes because they usually lack these abilities.
- I. Ensure that the clients' primary spoken language and self-identified race and ethnicity are included in the CalOMS AVATAR system, the provider's management information system, as well as any client records used by provider staff.
- J. Implement the Limited English Proficiency (LEP) Policy Guidance for recipients of funds from the Federal Health and Human Services Agency at <http://www.lep.gov>. Additional information and resources for serving persons with LEP can be accessed at <http://www.lep.gov>.
- K. Contractor shall provide services pursuant to this Agreement, to the extent feasible, in a culturally competent manner by recruiting, hiring, and maintaining trained, experienced staff that are able to deliver services with sensitivity toward and respect for clients from diverse backgrounds. Contractor staff shall complete a minimum of one (1) cultural-sensitivity training per year.

#### ARTICLE XLVII

**Employee Qualifications:** 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. Any individual providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients or residents in an ADP licensed or



certified program is required to be certified as defined in Title 9, CCR, Division 4, Chapter 8. Contractor shall regularly evaluate the performance of its entire 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 HHSA's written request. Contractor shall report findings of said investigation to Contract Administrator, along with plan for corrective action.

#### **ARTICLE XLVIII**

**Participation in Training:** Contractor shall attend relevant substance abuse training programs and/or conferences as requested by HHSA.

#### **ARTICLE XLIX**

**Restriction on Distribution of Sterile Needles:** No funds made available through this Agreement shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

#### **ARTICLE L**

**Union Organizing:** Contractor, by signing this Agreement, hereby acknowledges the applicability of California Government Code Sections 16645 through 16649 to this Agreement.

- A. Contractor shall not assist, promote, or deter union organizing by employees performing work on a State service contract, including a public works contract.
- B. No state funds received under this Agreement shall be used to assist, promote, or deter union organizing.
- C. Contractor shall not use any state property for any business conducted under this Agreement to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote, or deter union organizing unless the state property is equally available to the public for holding meetings.
- D. If the Contractor incurs costs, or makes expenditures to assist, promote, or deter union organizing, Contractor shall maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and the Contractor shall provide those records to the Attorney General upon request.

#### **ARTICLE LI**

**Confidentiality:** Contractor agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all confidential information that it creates, receives, maintains, or transmits in accordance with laws and regulations as outlined below.

Contractor shall provide HHSA with information concerning such safeguards upon request. Contractor shall comply with applicable laws and regulations, including but not limited to The

Code of Federal Regulations, Title CFR 45, parts 160-164, regarding the confidentiality and security of Personally Identifiable Information (PII), as well as the following:

- A. Civil Code Section 1798.80 through 1798.82 - Customer Records (breach of security)
- B. Civil Code Section 1798.85 - Confidentiality of Social Security Numbers
- C. Civil Code Sections 56 through 56.37 - Confidentiality of Medical Information Act
- D. HSC Sections 11812 and 11845.5
- E. HSC Sections 123110 through 123149.5 - Patient Access to Health Records
- F. Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules
- G. Title 22, California Code of Regulations (hereinafter referred to as Title 22), Section 51009, which is specific to Medi-Cal
- H. Title 42, CFR Part 2
- I. Title 45, CFR Parts 160, 162, and 164 - the Health Insurance

**HIPAA Compliance:** All data, together with any knowledge otherwise acquired by Contractor during the performance of services provided pursuant to this Agreement, shall be treated by Contractor and Contractor’s staff as confidential information. Contractor shall not allow access to, disclose, or use, directly or indirectly, at any time any such confidential information. If Contractor receives any individually identifiable health information ("Protected Health Information" or "PHI" and Electronic Protected Health Information or “EPHI”), Contractor shall maintain the security and confidentiality of such PHI or EPHI as required by applicable laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations promulgated thereunder.

**ARTICLE LII**

**Catalog of Federal Domestic Assistance:** Pursuant to the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, all recipients and sub-recipients of federal funds must be provided with the Catalog of Federal Domestic Assistance (CFDA) number at the time the contract is awarded. The following are CFDA numbers and program titles for programs administered by the County on behalf of DHCS that may apply to this contract:

CFDA Number	Program Title
93.959	Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant for Prevention and Treatment of Substance Abuse (SABG)
93.778	Medi-Cal Assistance Program Title XIX

**ARTICLE LIII**

**Federal Equal Opportunity Requirements:** Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color,

religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran of the Vietnam era. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and career development opportunities and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government Federal Rehabilitation Act of 1972 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran of the Vietnam era.

Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Federal Government or State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR Part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.

Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' as supplemented by regulation at 41 CFR Part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1972, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of Contractor's noncompliance with the requirements herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with the procedures authorized in Federal

Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR Part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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, must comply with the provisions contained in this Agreement.

#### **ARTICLE LIV**

**Inspections and Audits:** Because the compensation paid to Contractor pursuant to this Agreement is comprised of funding as outlined in the Article titled, "Compensation for Services," Contractor shall comply with the following requirements:

- A. This Agreement and any subcontracts shall be subject to the examination and audit by the California Bureau of State Audits for a period of three (3) years from the date that final payment is made pursuant to the Agreement (Government Code Section 10527).
- B. Contractor agree that the State, the Comptroller General of the United States, and any authorized representatives have the right to review, obtain, and copy all records pertaining to the performance of this Agreement. Contractor agrees to provide the State with all relevant information requested.
- C. All expenditures of state and federal funds, if any, furnished to the Contractor pursuant to this Agreement are subject to audit by the County and state. Such audits shall consider and build upon external independent audits performed pursuant to the audit requirements of the OMB Supercircular. Objectives of the audits may include, but are not limited to, the following:
  1. To determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting.
  2. To validate data reported by the Contractor for prospective contract negotiations.
  3. To provide technical assistance in addressing current year activities and providing recommendations on internal controls, accounting procedures, financial records, and compliance with laws and regulations.
  4. To determine the cost of services, net of related patient and participant fees, third-party payments, and other related revenues and funds.
  5. To determine that expenditures are made in accordance with applicable state and federal laws and regulations, and contract requirements.
  6. To determine the facts in relation to analysis of data, complaints, or allegations that may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve the Agreement objectives.

Contractor shall comply with all terms and conditions of this Agreement and all pertinent state and federal statutes and regulations. Contractor shall permit the Contract Administrator, state, Department of Health Care Services (DHCS), United States Department of Health and Human Services (DHHS), Comptroller General of the United States, or other authorized state

or federal agencies and representatives, to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract. Contractor shall allow the State, DHCS, DHHS, the Comptroller General of the United States, and other authorized state or federal agencies and representatives to review and copy any all books and records maintained by the Contractor related to these services at any time during normal business hours. Unannounced visits may be made at the discretion of the state. Employees who might reasonably have information related to such records may be interviewed.

The refusal of the Contractor to permit access to and inspection of electronic or print books and records, physical facilities, and interviews with employees, as described in this part constitutes an express and immediate material breach of this Agreement and shall be sufficient basis to terminate the Agreement for cause or default.

D. Control Requirements:

1. Performance of this Agreement is subject to all applicable federal and state laws, regulations, and standards. In accepting the allocation outlined in the Article titled, "Compensation for Services," Contractor shall establish written procedures consistent with the following requirements, monitor for compliance with written procedures, and be held accountable for audit exceptions taken by the State against the County and Contractor for any failure to comply with these requirements:
  - a) Government Code Section 16367.8.
  - b) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130, if applicable.
  - c) HSC, Division 10.5, commencing with Section 11760.
  - d) State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures).
  - e) The single Audit Act Amendments of 1966 (title 31, USC Sections 7501-7507) and the OMB Supercircular, if applicable. Contractor shall be familiar with the above laws, regulations, and guidance.
  - f) Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances, if applicable.
  - g) Title 42, CFR, Sections 8.1 through 8.34, if applicable.
  - h) Title 42, United States Code (USC), Sections 300x-21 through 300x-34, 300x-57, and 330x-65 and 66, if applicable.
  - i) Title 45, CFR Sections 96.30 through 96.33 and Sections 96.120 through 96.137, if applicable.
  - j) Title 9, CCR (herein referred to as Title 9), Division 4, commencing with Section 9000.
- 2) The provisions herein are not intended to abrogate any provisions of law or regulation, or any standards existing or enacted during the term of this Agreement.
- 3) This Agreement is subject to any additional restrictions, limitations or conditions enacted by federal or state government that affect the provisions, terms, or funding of this Agreement in any manner.
- 4) Contract 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 and audit, evaluation, or examination, or making transcripts during the periods of retention set forth in 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.

- 5) Contractor shall actively participate and cooperate with any persons specified in the Article titled, "Inspections and Audits" 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.
- 6) Contractor shall obtain an annual financial statement audit in accordance with Government Auditing Standards. If Contractor's total federal expenditures, excluding federal Medi-Cal/Medicaid, are \$500,000 or more, Contractor must obtain and audit in accordance with OMB Supercircular, or as may be amended during the term of this Agreement.
- 7) 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 shall be deemed to constitute "records" for the purposes of this section. Such records shall clearly reflect the cost and scope of the services provided to each client.
- 8) 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 time to inspection and audit reproduction by County.
- 9) Within fourteen (14) days after final audit is approved by Contractor's Board of Director, Contractor shall forward to Contract 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.
- 10) 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 here in 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.
- 11) Contractor shall 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.
- 12) County shall respond to all audits of Contractor with reconciliation to County records. If County concurs with State findings, final payment of Contractor's assessed disallowances shall be subject to provisions of the Article titled "Cost Report" of this Agreement.
- 13) 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 agreement with County, Contractor shall maintain an individual schedule of expenses for each

County agreement, such that can be reconciled to an audit of any individual agreement. 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 or each County agreement.

- 14) Contractor shall include in any contract with an audit firm, a clause to permit access by the State to the working papers of the external independent auditor, and require that copies of the working papers shall be made available for the State at its request.

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

#### **ARTICLE LV**

**Audit by California State Auditor:** Contractor acknowledges that if total compensation under this agreement is greater than \$10,000.00, this Agreement is subject to examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code §8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years, or for any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under the Agreement.

#### **ARTICLE LVI**

**Licenses:** Contractor hereby represents and warrants that Contractor and any of its subcontractors employed under this Agreement has all the applicable licenses, permits, and certifications that are legally required for Contractor and its subcontractors to practice its profession or provide the services or work contemplated under this Agreement in the State of California. Contractor and its subcontractors shall obtain or maintain said applicable licenses, permits, or certificates in good standing throughout the term of this Agreement.

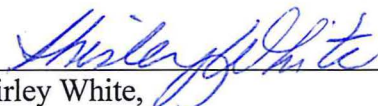
**Former Article XLVI is hereby renumbered as Article LVII and shall read as follows:**

#### **ARTICLE LVII**

**Entire Agreement:** This Agreement for Services #242-S1410 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.

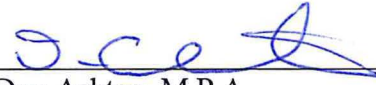
Except as herein amended, all other parts and sections of that Agreement #242-S1410 shall remain unchanged and in full force and effect.

**Requesting Contract Administrator Concurrence:**

By:   
Shirley White,  
Program Manager  
Health and Human Services Agency

Dated: 8/20/15

**Requesting Department Head Concurrence:**

By:   
Don Ashton, M.P.A.,  
Director  
Health and Human Services Agency

Dated: 8/20/15


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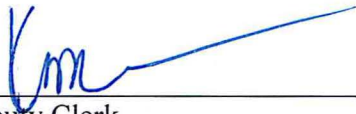
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to that Agreement for Services #242-S1410 on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: 9/29/15

By:   
Brian Veerkamp, Chair  
Board of Supervisors  
"County"


ATTEST:  
Jim Mitrison,  
Clerk of the Board of Supervisors

By:   
Deputy Clerk


Dated: 9/29/15

-- CONTRACTOR --

COMMUNITY RECOVERY RESOURCES  
A CALIFORNIA CORPORATION

By:   
Warren Daniels,  
CEO  
"Contractor"

Dated: 8/20/15

By:   
Corporate Secretary

Dated: 8/26/15