

**CONTRACT BETWEEN COUNTY OF NEVADA AND
NORTH VALLEY BEHAVIORAL HEALTH LLC
FOR FISCAL YEARS 2024/25 THROUGH 2025/26**

This Agreement is made and entered into as of this 1st day of July, 2024, by and between the COUNTY OF NEVADA, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and NORTH VALLEY BEHAVIORAL HEALTH, LLC, a limited liability company doing business in two locations as (1) NORTH VALLEY BEHAVIORAL HEALTH, and (2) STABLER LANE BEHAVIORAL HEALTH, hereinafter referred to as "CONTRACTOR."

WITNESSETH

WHEREAS, COUNTY desires to enter into an Agreement whereby CONTRACTOR will provide mental health services in accordance with the requirements of Title 9, California Administrative Code; and

WHEREAS, the California Welfare and Institutions Code (Section 5600 et seq.) provides a set of definitions, standards, procedures and regulations by and pursuant to which COUNTY and CONTRACTOR may lawfully contract for such services; and

WHEREAS, CONTRACTOR provides acute psychiatric services in two 16-bed licensed Psychiatric Health Facilities (PHF's), located at 1535 Plumas Court and 1253 Stabler Lane, Yuba City, CA.

WHEREAS, said PHF's are Medi-Cal certified; and

WHEREAS, the Nevada County Mental Health Plan desires services of an acute inpatient PHF; and

WHEREAS, CONTRACTOR is willing to furnish such services as a Provider upon the terms hereafter set forth.

IT IS HEREBY AGREED AS FOLLOWS:

1. SERVICES TO BE PROVIDED

FEE FOR SERVICE ACCESS:

CONTRACTOR will provide COUNTY access to bed space on a first come, first serve "Fee for Service" basis. COUNTY agrees to pay the all-inclusive "fee for service" daily rate from the day of admission to the day of discharge. County can obtain placement at either of Contractor's Psychiatric Health Facilities in Yuba City (North Valley Behavioral Health and Stabler Lane Behavioral Health).

COUNTY is eligible to receive Medi-Cal reimbursement from the State of California, Department of Mental Health for these bed days. COUNTY may place either male or female patients at CONTRACTOR's psychiatric health facilities (PHF's).

The County Mental Health Managed Care Plan will determine the appropriateness of placement based on clinical medical necessity criteria. CONTRACTOR will make every reasonable effort to arrange its occupied bed days to permit COUNTY to place a patient at any time in accordance with agreed upon admission criteria.

2. CONTRACT TERMS

This Contract is for a term commencing on July 1, 2024, and ending on June 30, 2026, unless earlier terminated as provided under paragraph 19 of this agreement.

In the event this Agreement is terminated prior to the ending date above, CONTRACTOR shall be paid based on a prorated amount of COUNTY's pre-purchased bed days up to the date of termination.

In the event of client neglect or abuse, COUNTY reserves the right to terminate this Agreement effective immediately.

In the event there is a change in State law or regulation regarding the funding mechanism for any of the services provided by CONTRACTOR, the terms of this Agreement shall be immediately subject to renegotiation, up to and including termination of this Agreement.

In the event that any COUNTY department wishes to terminate this Agreement, all applicable COUNTY departments herewith associated shall be notified immediately.

In the event of renegotiation of the Agreement, CONTRACTOR shall be paid based on a pro-rated amount of the pre-purchased bed days up to the date of an executed revised contract.

3. PAYMENT

FEE FOR SERVICE ACCESS to North Valley Behavioral Health located in Yuba City: COUNTY agrees to pay at the all-inclusive rate of One Thousand one hundred and twenty-nine dollars (\$1,129.00) per day for indigent and Medi-Cal patients. The daily rate for Administrative Days is also One Thousand one hundred and twenty-nine dollars (\$1,129.00). CONTRACTOR shall submit monthly to COUNTY, an invoice and supporting documentation as required by County.

Daily Reimbursement Rate

Daily Reimbursement rate is all inclusive.

Bed Hold

County may authorize a bed hold when mutually agreed upon between COUNTY and CONTRACTOR

COUNTY shall pay CONTRACTOR monthly at the established provisional rate within (30) days following the submission of the invoice and all supporting documentation as required by COUNTY.

NOTICE OF NEW RATES, if they are deemed necessary by the Contractor during the term

of this agreement, shall be given by CONTRACTOR to COUNTY, 30 days in advance and shall occur no more frequently than annually.

CONTRACT MAXIMUM:

THE MAXIMUM OBLIGATION OF THIS AGREEMENT SHALL NOT EXCEED ONE MILLION DOLLARS (\$1,000,000) PER FISCAL YEAR FOR A TOTAL CONTRACT MAXIMUM OF TWO MILLION DOLLARS (\$2,000,000) FOR THE CONTRACT TERM OF JULY 1, 2024 THROUGH JUNE 30, 2025.

CONTRACTOR shall be liable for DMH audit exceptions due to inadequate documentation as per medical necessity documentation requirements and not actual medical necessity and shall reimburse COUNTY for any recoupments ordered by the State within sixty (60) days of the date of the State's or COUNTY's notice of recoupment order. If CONTRACTOR fails to reimburse the COUNTY within the time period, the COUNTY may offset the unpaid amount against any sums due from COUNTY to CONTRACTOR pursuant to this Agreement or any other agreement or obligation.

COUNTY shall be liable for DMH audit exceptions should the patient not meet medical necessity criteria for continued stay but the county requests additional days. This may occur in instances when transportation or placement, etc. is not available for the patient and the Contractor's clinical team determines the patient is ready for discharge.

Within ninety (90) days after the close of the fiscal year, CONTRACTOR shall provide COUNTY with an annual Cost Report in the appropriate format for submission to the State of California, Department of Mental Health for Medi-Cal reimbursement. This Cost Report will establish the final basis upon which CONTRACTOR will be paid for services provided during the term of this Agreement.

4. **INDEPENDENT CONTRACTOR STATUS**

CONTRACTOR understands and agrees that the services performed hereunder by its officers, agents, employees or contracting persons or entities are performed in an independent capacity and not in the capacity of officers, agents or employees of COUNTY. All personnel, supplies, equipment, furniture, quarters and operating expenses of any kind required for the performance of this Contract shall be provided by CONTRACTOR in performance of contracted services. CONTRACTOR is not entitled to participate in worker's compensation benefits, pension plan, retirement plan, insurance, bonus or similar benefits COUNTY provides its employees.

5. **HOLD HARMLESS & INDEMNIFICATION**

COUNTY has relied upon the professional ability and training of CONTRACTOR as a material inducement to enter into this Agreement. CONTRACTOR hereby warrants that all work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of CONTRACTOR'S work by COUNTY shall not operate as a waiver or release.

CONTRACTOR shall indemnify, hold harmless, defend and release COUNTY, its agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including CONTRACTOR, arising out of or in connection with the activities necessary to perform the services and complete the tasks provided for in this Agreement, but excluding liabilities due to the sole negligence or willful misconduct of COUNTY. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the CONTRACTOR or its agents under Worker's Compensation Acts, disability benefit acts or other employee benefit acts.

CONTRACTOR may not subcontract all or part of this Agreement except for temporary arrangements entered into for coverage during temporary absences due to illness or vacation. Prior approval of the Plan is not required in temporary absences.

COUNTY shall indemnify, hold harmless, defend and release Contractor, its agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that maybe asserted by any person or entity, including COUNTY, arising out of or in connection with the activities necessary to perform the services and complete the tasks provided for in this Agreement, but excluding liabilities due to the sole negligence or willful misconduct of CONTRACTOR. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the COUNTY or its agents under Worker's Compensation Acts, disability benefit acts or other employee benefit acts.

6. HIPAA COMPLIANCE

CONTRACTOR agrees to comply with the applicable regulations for the Health Insurance Portability and Accountability Act ("HIPAA") and The Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH) per 45CFR 160.103 as an independent covered entity and shall hold the County harmless from any sanctions received by the CONTRACTOR, to the extent permitted by law, for breach of these regulations. CONTRACTOR also agrees: patients to whom services are rendered are third-party beneficiaries of this section; to prohibit any unauthorized disclosures or use of protected information; to put in place appropriate safeguards ensuring only permitted uses and disclosures; to immediately report to COUNTY reports of any unauthorized uses or disclosures; ensure that sub-contractors of CONTRACTOR agree to the provisions of this section; to consent to patient access to their own health information; to make protected information available to the Federal Department of Health and Human Services as well as all internal compliance policies and procedures; to provide for the return of protected information to COUNTY or destruction of protected information upon contract termination unless it must be retained to comply with another provision of law; and to ensure appropriate correction or amendment of records. A failure by CONTRACTOR to adhere to these provisions shall result in contract termination. Contractor shall provide its Notice of Privacy Practices, most recent HIPPA Security Risk Assessment documentation and other HIPPA related policies and procedures to County upon request.

7. INSURANCE

CONTRACTOR, at its expense, shall secure and maintain at all times during the entire

period of performance of this Agreement, insurance as set forth below with insurance companies acceptable to the COUNTY for COUNTY'S protection, its elected or appointed officials, employees, CONTRACTOR and subcontractor from any and all claims which may arise from operations under this Agreement, whether operations be by CONTRACTOR or by a subcontractor or by anyone directly or indirectly employed by either of them.

CONTRACTOR shall provide to COUNTY certificates of insurance with all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) properly executed by an officer of the issuing insurance company evidencing coverage as specified below.

In the event of breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, COUNTY, at its option, may, notwithstanding any other provisions of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend further work pursuant to this Agreement.

CONTRACTOR shall not commence work, nor shall they allow their employees or subcontractors or anyone to commence work contemplated through this Agreement until all insurance required hereunder has been submitted to and accepted by COUNTY. Failure to submit proof of insurance as required herein may result in awarding said Agreement to another bidder.

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude COUNTY from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law. If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the COUNTY requires and shall be entitled to the broader coverage and/or the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

CONTRACTOR agrees to indemnify and hold harmless COUNTY, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorneys' fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, arising out of or in any way connected with the performance of this Agreement by CONTRACTOR.

CONTRACTOR affirms that they are aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self insurance in accordance with the provisions of the Code and CONTRACTOR further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement.

CONTRACTOR shall procure and maintain professional liability (Errors and Omissions) coverage for malpractice with limits no less than One Million Dollars (\$1,000,000). CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing malpractice insurance coverage for CONTRACTOR and its employee(s).

CONTRACTOR shall procure and maintain coverage for Workers' Compensation as

required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease. CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing Worker's Compensation and Employer's Liability Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of CONTRACTOR'S and subcontractors' employees.

CONTRACTOR shall procure and maintain Commercial General Liability (CGL) coverage at least as broad as Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than Two Million Dollars (\$2,000,000). If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

CONTRACTOR shall procure and maintain Automobile Liability coverage at least as broad as Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9(non-owned), with limits no less than One MILLION Dollars (\$1,000,000) ----(NOTE: One Million is the nation wide industry standard for this) each occurrence. If CONTRACTOR shall not transport individuals in connection with work performed in this agreement then the limit of coverage shall be no less than ONE MILLION Dollars (\$1,000,000) each occurrence.

The COUNTY, its officers, officials, employees, and volunteers are to be covered as additional insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. Additional Insured Status under the CGL coverage can be evidenced by policy provisions or an amendatory endorsement to the CONTRACTOR's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

For any claims related to this contract, the CONTRACTOR's insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 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 excess of the CONTRACTOR's insurance and shall not contribute with it. Primary Coverage can be evidenced by policy provisions or an amendatory endorsement to the CONTRACTOR's insurance (at least as broad as ISO CG 20 01 04 13).

CONTRACTOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.

COUNTY hereby grants to CONTRACTOR a waiver of any right to subrogation which any insurer of said COUNTY may acquire against the CONTRACTOR by virtue of the payment of any loss under such insurance. COUNTY agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of

whether or not the CONTRACTOR has received a waiver of subrogation endorsement from the insurer.

Each certificate of insurance specified above (with the exception of Workers' Compensation Insurance) shall be accompanied by an endorsement, properly executed by an officer of the issuing insurance company stating:

- a. Restatement of limits of policy
- b. Contain a non-severability of interest statement.
- c. Stipulation that failure to comply with the reporting procedures of policy shall not affect coverage provided to COUNTY.
- d. Stipulation that the County will be notified by first class mail in the event that the remaining amount of coverage of the policy falls below the minimum requirements of the County.
- e. Stipulation that the County will be notified by first class mail a minimum of thirty (30) days before the policy is canceled, altered, or not renewed.

8. COMPLIANCE WITH LAWS AND ORDINANCES

All services to be performed by CONTRACTOR pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county and municipal laws, ordinances, regulations and titles, including but not limited to the Deficit Reduction Act (DRA) of 2005, the Federal and State False Claims Acts. Any change in status, licensure, or ability to perform activities within the Scope of Work must be reported to the COUNTY immediately.

Upon discharge of a Nevada County resident from NVBH, chart notes will be reviewed by the TCBHS Medical Director. This Quality Assurance activity is mandated by the Department of Health Care Services and complies with the Policy and Procedure #2201 of TCBHS. Upon the review of the chart notes, inpatient days where demonstrated medical necessity does not exist and there is no administrative reason present for payment, these days of non-demonstrated medical necessity will be disallowed.

Contractor shall have a process in place to verify that Providers of Medi-Cal services are not on the Office of Inspector General (OIG) Exclusion List and Medi-Cal List of Suspended or Ineligible Providers. (NOTE: Federal health care programs under CFR, title 42, section 1128 or section 1128A of the Social Security Act or CFR, Title 42, section 438.214.) Contractors will monitor their staff monthly, using the OIG Exclusion List and Medi-Cal List of Suspended or Ineligible Providers, and will provide the County with their monthly reports on a quarterly basis.

9. DIRECTION, SUPERVISION, MONITORING, REVIEW AND TRAINING

Pursuant to WIC Section 5608, services hereunder shall be provided by CONTRACTOR under the general supervision of the County Director of Mental Health, or her authorized designee, hereinafter referred to as "DIRECTOR." DIRECTOR shall have the right to supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the services and the criteria for determining the persons to be served. CONTRACTOR agrees to extend to DIRECTOR and to the State Department of Mental Health, the United

States Department of Health and Human Services, the Comptroller General of the United States and other authorized state agencies or their duly authorized representatives, the right to review, monitor and evaluate CONTRACTOR'S facilities, programs, books, records or procedures at any reasonable time.

10. ASSIGNMENTS

CONTRACTOR may not assign any of its rights or delegate any of its duties under this Agreement, without the prior written consent of COUNTY. This limitation, however, does not apply to CONTRACTOR'S delegation of duties to its employees and independent contractors in the ordinary course of CONTRACTOR'S business, when CONTRACTOR retains direct supervision over the work of such employees and primary responsibility under this Agreement for the work of any independent contractors.

11. PERSONNEL

- a. CONTRACTOR shall furnish such qualified professional personnel as prescribed by Title 9 of the California Administrative Code for the type of services described in Program Description attached.
- b. CONTRACTOR'S personnel shall have the appropriate State licensure for their given profession. CONTRACTOR shall provide copies of current licensure for all clinical staff to COUNTY within thirty (30) days of execution of this Agreement or date of employment/renewal.
- c. CONTRACTOR shall comply with all applicable federal, state laws, rules and regulations including but not limited to non-discrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, sexual preference, age, medical condition or handicap, (including compliance with the Federal Rehabilitation Act of 1973, Section 504).

12. AVAILABILITY OF SERVICES

Services under this Agreement shall be rendered without discrimination on the basis of race, color, religion, handicap, sex, age, marital status, sexual preference, national origin or ancestry.

13. LICENSING REQUIREMENTS

CONTRACTOR shall comply with all necessary county or state licensing requirements and must obtain appropriate licenses and display same in a location that is reasonably conspicuous. CONTRACTOR shall abide by the Short-Doyle Act (Welfare and Institutions Code, Division 5, Part II, Section 5600 et seq.), Title 9, and Title 22 of the California Administrative Code, the State Cost Reporting/Data Collection Manual (CR/DC) and State Department of Mental Health Policy Letters.

CONTRACTOR shall furnish COUNTY within thirty (30) days of execution of this

Agreement:

- a. A Program Schedule
- b. Treatment Staff Roster (including license number or evidence of credentialing).

14. AGREEMENT PREPARATION

It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

15. CONFIDENTIALITY

All information and records obtained in the course of providing services under this Agreement shall be confidential pursuant to Section 5328 of the Welfare and Institutions Code in accordance with applicable state and federal law.

16. CLINICAL RECORDS

CONTRACTOR shall maintain adequate records. Patient records must comply with all appropriate state and federal requirements. Individual records shall contain intake information, interviews and progress notes. Program records shall contain details adequate for the evaluation of the service.

CONTRACTOR shall provide COUNTY with required records for billing purposes, utilization review, and other purposes as may be required under terms of this Agreement in a timely manner.

CONTRACTOR is hereby informed that COUNTY payment may be delayed for lack of appropriate records and/or contents of those records required from CONTRACTOR in order to bill under Medi-Cal guidelines.

17. CONCURRENT REVIEW

Per the DHCS Behavioral Health Information Notices (BHIN) BHIN 22-017 (and if applicable per previous guidance in BHIN 19-026), MHPs are required to conduct concurrent review and authorization for all psychiatric inpatient hospital services and psychiatric health facility services. These BHINs outline policy changes implemented to ensure an MHPs' compliance with the Parity in Mental Health and Substance Use Disorder Services Final Rule (Parity Rule; Title 42 of the CFR, part 438.910).

Given these policy changes, Nevada County has contracted with CalMHSA, who currently subcontracts with Acentra Health, to conduct concurrent review and authorization of inpatient psychiatric hospital services on behalf of multiple California County MHPs.

CONTRACTOR agrees to use the web-based utilization review platform to submit initial notification of placement, requests for authorization, and concurrent review documentation.

Treatment Authorization Requests from psychiatric inpatient hospitals should also be submitted through the web-based platform.

1. Within twenty-four (24) hours of admission, CONTRACTOR shall notify the COUNTY of admission via the web-based utilization review platform and shall provide all pertinent information available to determine fiscal responsibility of the person and to request initial authorization. If, upon admission, a beneficiary is in a psychiatric emergency medical condition, as defined in Health & Safety Code section 1317.1(k), the time period for the hospital to request authorization shall begin when the beneficiary's condition is stabilized, as defined in Health & Safety Code section 1317.1(j). For emergency care, no prior authorization is required, following the reasonable person standard to determine that the presenting complaint might be an emergency.
2. Within twenty-four (24) hours of completion of the Psychiatric History/Initial Psychiatric Evaluation, CONTRACTOR shall submit the information to the county via the web-based utilization platform.
3. Prior to the end of each period for each Client for whom Admitting County authorizes continued acute or administrative stay, CONTRACTOR shall utilize the web-based platform to submit to Admitting County all available psychiatry notes, nursing notes, treatment/service/care plan and social worker notes for services provided during the expiring authorization period. Admitting County requests information from CONTRACTOR that is reasonably necessary to decide whether to grant, modify or deny the request for continued acute or administrative stay, including relevant client and clinical information as needed to complete concurrent review procedures and for discharge planning and aftercare support.
4. CONTRACTOR'S failure to provide concurrent review documentation may result in Admitting County's withholding authorization or payment for the period of hospitalization.
5. COUNTY may revise this Concurrent Review section upon receipt of new guidance from the State and/or agreement between COUNTY and CONTRACTOR. Such changes shall be memorialized via a letter signed by CONTRACTOR and acknowledged via letter by COUNTY, and shall not require a contract amendment, unless specifically requested by Admitting County or required by State or federal law, regulation, or other requirement.

18. QUALITY ASSURANCE

CONTRACTOR shall notify COUNTY of any and all special incidents involving a County placement within 24 hours of the incident. All special incidents are reviewed by the County Mental Health Department's Quality Improvement Committee and any recommendations will be forwarded both to the County Mental Health Director and the CONTRACTOR'S Chief Executive Officer.

CONTRACTOR shall furnish COUNTY with a copy of its Quality Assurance Policies and Procedures and its Client Complaint/Grievance Procedure within thirty (30) days of

execution of this Agreement.

19. FINANCIAL RECORDS

CONTRACTOR shall maintain financial records that clearly reflect the cost of services. Appropriate service and financial records must be maintained and retained for four (4) years following the close of the fiscal year to which the records pertain.

20. TERMINATION

Either party may terminate this Agreement without cause, upon sixty (60) days written notice served upon the other party.

Without limiting the termination rights set forth above:

- a. COUNTY declares its intent to terminate this Agreement should any state or federal agency withhold or terminate funding which COUNTY had anticipated using for payment for CONTRACTOR'S services.
- b. COUNTY declares its interest in providing the mental health services described in this contract and therefore agrees to act in good faith and provide written notification to CONTRACTOR in advance of terminating this Agreement with the intent of allowing CONTRACTOR to rectify any problems that would serve to prompt COUNTY'S termination of this Agreement.

If CONTRACTOR should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, COUNTY may terminate this Agreement by giving CONTRACTOR written notice of such termination, stating the reason for such termination. In such event, CONTRACTOR shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by CONTRACTOR bear to the total services otherwise required to be performed for such total fee; provided, however, that there shall be deducted from such amount the amount of damage, if any, sustained by COUNTY by virtue of the breach of the Agreement by the CONTRACTOR.

CONTRACTOR agrees to permit COUNTY, and any state agency authorized by COUNTY'S Mental Health Director, to inspect, review and copy all records, notes and writing of any kind in connection with the services provided by CONTRACTOR under this Agreement. All such inspections and copying shall occur during normal business hours.

21. NOTICES. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS.

All notices, bills and payment shall be made in writing and may be given by personal delivery or mail. Notices, bills and payments sent by mail should be addressed as follows:

THE COUNTY
NEVADA COUNTY
BEHAVIORAL HEALTH
c/o Cari Yardley,

THE CONTRACTOR
NORTH VALLEY BEHAVIORAL HEALTH,
LLC
c/o Arne Hyson, CEO

500 Crown Point Circle, Suite 120
Grass Valley, CA 95945

1535 Plumas Court
Yuba City, CA 95991

And when addressed, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the name and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

22. CHANGE ORDERS

Amendments or changes to this Agreement may be authorized by the Board of Supervisors or by the Mental Health Director on behalf of COUNTY. The parties expressly recognize that COUNTY personnel other than the Mental Health Director are without authorization to either order additional (and/or changed) services or waive contract requirements. Failure of the CONTRACTOR to secure Board or Mental Health Director authorization for additional services shall constitute a waiver of any and all right to adjustment in additional compensation.

CONTRACTOR further expressly waives any and all right or remedy by way of restitution and quantum merit for any and all extra work performed by CONTRACTOR without the express and prior written authorization of the Board of Supervisors or Mental Health Director.

23. TAXES

CONTRACTOR agrees to file federal and state tax returns and pay all applicable state and federal taxes on amounts paid pursuant to this Agreement. In case COUNTY is audited for compliance regarding withholding or other applicable taxes, CONTRACTOR agrees to furnish COUNTY with proof of payment of taxes on those earnings.

24. DAMAGES

The parties agree that in the event either party brings an action or proceeding for damages arising out of the other's performance under this Agreement or to establish the right or remedy of either party, the prevailing party shall be entitled to recover reasonable attorney's fees and costs as part of such action or proceedings.

25. PATIENTS RIGHTS

CONTRACTOR shall give the patients notice of their rights pursuant to and in compliance with: California Welfare and Institutions Code 5323; California Administrative Code, Title 9, Chapter 1, Sub chapter 4, Article 6. In addition, in all facilities providing the services described herein the CONTRACTOR shall have prominently posted in the predominant languages of the community a list of the patients' rights.

CONTRACTOR shall respond to any inquiries from the County Patients Rights Advocate in

accordance with COUNTY policy and State Statutes, including State Fair Hearings, as requested.

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

AS RECOMMENDED BY:

COUNTY OF NEVADA

CONTRACTOR

Phebe Bell, MSW
Behavioral Health Director

Arne Hyson, CEO
North Valley Behavioral Health, LLC

Dated: _____

Dated: _____

Honorable Hardy Bullock
Chair, Board of Supervisors

Dated: _____

Attest:

Clerk of the Board of Supervisors

APPROVED AS TO FORM:

County Counsel