

EXHIBIT A
SCOPE OF WORK

1. CONTRACTED PARTIES:

The Nevada County Behavioral Health and/or their authorized designee, hereafter referred to as “Contractor,” agrees to provide services as defined herein pursuant to the terms and conditions of this Agreement.

2. PROJECT REPRESENTATIVES:

The project representatives during the term of this Agreement shall be:

DSH Contract Manager:	
Section/Unit: Forensic Services Division	
Attention: Ashley Breth Health Program Manager III	
Address: 1215 O Street, MS-9 Sacramento, CA 95814	
Phone: (916) 654-4187	Fax: N/A
Email: Ashley.Breth@dsh.ca.gov	

DSH Administrative Contact:	
Section/Unit: Forensic Services Division	
Attention: Karteek Kankanala Associate Governmental Program Analyst	
Address: 1215 O Street, MS-9 Sacramento, CA 95814	
Phone: (916) 562-3006	Fax: N/A
Email: Karteek.Kankanala@dsh.ca.gov	

County Contract Manager:	
Section/Unit: Nevada County Behavioral Health	
Attention: Phebe Bell Director	
Address: 500 Crown Point Circle Grass Valley, CA 95945	
Phone: (530) 470-2784	Fax: N/A
Email: Phebe.Bell@co.nevada.ca.us	

Either party may make changes to the contact names or information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

3. PROJECT SUMMARY:

- A. Contractor shall administer a pre-trial jail felony mental health diversion program for individuals charged with felony offenses in its jurisdiction. Program participants are individuals with serious mental disorders who have been charged with certain felony crimes and found by a Court of competent jurisdiction, to qualify for diversion services pursuant to Penal Code § 1001.36 hereafter referred to as “Felony Mental Health Diversion Clients.” Contractor shall provide clinically appropriate or evidence-based mental health treatment and wraparound services across a continuum of care, as appropriate, to meet the individual needs of Felony Mental Health Diversion Clients. For purposes of this section, “wraparound services” means services provided in addition to the mental health treatment necessary to meet the individual’s needs for successfully managing their mental health symptoms and to successfully live in the community. Contractor will also secure appropriate placements and housing for Diversion clients found IST who are currently on the DSH IST waitlist.

4. PROGRAM IMPLEMENTATION FUNDS:

- A. The DSH shall distribute up to 25% of total funds to Contractor for initial program implementation costs incurred under this Agreement. Contractor shall submit to the DSH a written program plan including an outline of the use of the program implementation funding as a deliverable prior to payment of funds. Program implementation costs shall include, but are not limited to:
 - a. Initial procurement and set up of diversion client housing
 - b. Initial administrative operating expenses and equipment
 - c. Initial training and technical assistance activities
 - d. Development of operational guidelines, policies, and procedures
 - e. Recruitment, hiring, and orientation activities supporting new staff

5. CONTRACTOR RESPONSIBILITIES:

- A. The estimated total number of unduplicated Felony Mental Health Diversion Clients to be served by Contractor during the term of this agreement is 8 comprised of the following two categories:
 - i. Category 1: Felony Mental Health Diversion Clients found IST and ordered to DSH or is likely to be found IST with a diagnosis of schizophrenia, schizoaffective disorder, or bipolar disorder is 6. This category does not include housing funds.
 - ii. Category 2: Felony Mental Health Diversion Clients found IST and ordered to DSH with any diagnosis allowed under Penal Code 1001.36 is 2. This category includes housing funds.

All Felony Mental Health Diversion Clients must maintain participation in the Diversion program for a minimum of 30 days to be counted towards the Contractor’s target population goals required for distribution of funds as outlined in Exhibit B, Budget Detail. If a participating Felony Mental Health Diversion Client successfully completes the program in less than 30 days, the Contractor may account for the Felony Mental Health Diversion Client in the total reported to DSH for purposes of meeting target population goals required for distribution of funds.

Quarterly data reports required in paragraph E below shall be comprised of both Category 1 and Category 2 clients in the format provided by DSH.

- B. Contractor shall provide housing to diversion clients in the most appropriate level-of-care including, but not limited to short-term treatment facilities such as Institute for Mental Disease (IMD) and Mental Health Rehabilitation Centers, residential housing with clinically enhanced services, board and care homes, or other appropriate residential facilities. See Category 2 defined above.
- C. Contractor shall collaborate with community stakeholders and other partner agencies throughout the term of this contract. Collaborative partners include but are not limited to the following county-specific groups: behavioral health, community-based treatment providers, housing providers, courts, Public Defender, District Attorney, Probation and Sheriff/jail administrator.
- D. Contractor shall thoroughly assess and identify which Felony Mental Health Diversion Clients are clinically appropriate for admission into the community-based jail diversion program based upon statutory criteria (Welfare & Institutions Code (W&I), § 4361, subdivision (c)(1)(A)-(C)). Additionally, Contractor shall initiate and maintain treatment while the Felony Mental Health Diversion Clients are in custody and awaiting release from jail and placement in the community.
- E. Data Submission Requirements
1. Statutory data requirements: To the extent not prohibited by Federal law, Contractor shall provide DSH with data no less than quarterly including but not limited to statutory requirements detailed in AB1810 (2018) and Welfare and Institutions Code § 4361 for individual Felony Mental Health Diversion Clients. DSH shall have the right to modify, reduce, or add data elements or outcome measures at any time in its discretion consistent with section 4361, subdivision (g). Exhibit A Attachment 1 details the statutory data elements that are required. Data shall be submitted in the method and format set forth by the DSH. Contractor shall identify any data in the dataset subject to the rules of 42 C.F.R. Part 2 upon submission to DSH. DSH shall use this data and outcome measures to perform program evaluation to assess the efficacy and resource allocation of the program, for monitoring of the program to ensure that services outlined in law and the proposal were provided, to provide reports to the Legislature and other stakeholders, and to perform research related to provision of improved services to the target population.
 2. Invoicing Data Requirements: Contractor shall provide DSH with data elements which verify the client population being invoiced. Exhibit A Attachment 2 details the data elements that are required. Data shall be submitted in the same method as Statutory data requirements prior to submitting the invoice.
 3. Housing Data Requirements: Contractor shall provide DSH with verification of the client population being housed and the date of the court order into the DSH Diversion program through the submission of a housing verification data report. This may include but is not limited to a minute order, or other court documents which verify date of placement.
- F. Contractor shall provide DSH with a data subset as deliverable verification for disbursement numbers two through six. Exhibit A, Attachment 2 details the required data subset. (see Exhibit B, Section 5 Table B1 for disbursement requirements)
- G. Felony Mental Health Diversion Clients housed in community-based diversion programs shall remain under the legal and physical supervision of Contractor. Contractor shall be responsible for full range of services and support including but not limited to medical care, transportation, and patients-rights services.

- H. Contractor retains the right to exclude specific individual Felony Mental Health Diversion Clients from the community-based diversion program based on the terms and conditions set forth in the Client's Diversion plan or based on the criteria agreed upon by collaborative partner agencies at any point during participation in the program.
- I. Contractor shall submit a written document outlining the program plan developed and agreed to by all county collaborative partners. Said document shall identify roles and responsibilities, describe the program from initial identification of potential Felony Mental Health Diversion/IST Clients to program completion, and list all services to be provided in the program. Plan shall also include a detailed program flowchart depicting all stages of the program; an itemized budget plan identifying personnel and operation and equipment costs, county match, and other fund sources; and an outline of program implementation costs as detailed in section 4 of this exhibit. The final county plan must be approved by DSH prior to program implementation. Any changes to this plan must be agreed to in writing by both parties.
- J. Contractor shall connect individuals to services in the community after they have completed diversion as defined in this agreement. Contractor shall be responsible for coordinating with behavioral health programs for continued mental health care, crisis intervention, ongoing counseling and care, and psychotropic medication compliance for the Felony Mental Health Diversion Clients.
- K. Contractor shall track Diversion expenditures and shall provide a report itemizing Diversion expenditures pursuant to Exhibit B, Section 5, Budget Detail.
- L. Contractor shall report in writing via email to the DSH Contract Manager or designee if a current Felony Mental Health Diversion Client is absent without leave (AWOL) or is involved in a Special Incident. Such reporting to DSH will take place within forty-eight (48) hours of such an incident.
- A "Special Incident" is a significant patient occurrence or any event which has the potential of adversely affecting the operation of the program. The following occurrences qualify as Special Incidents:
- i. Suicide or attempt;
 - ii. Death or serious injury of, or by, client;
 - iii. Criminal behavior (including arrests, with or without conviction);
 - iv. Any incident which may result in public or media attention to the program.
- M. If Contractor is unable to serve the total number of unduplicated Felony Mental Health Diversion Clients stated in provision 5.A. due to actual client costs exceeding the level of funds available, Contractor shall notify the DSH Contract Manager or designee in writing no less than 180 days prior to the expiration of this Agreement; and shall provide an updated plan to include: 1) an explanation of the reasons for the cost increases; 2) the revised number of Felony Mental Health Diversion Clients to be served by the community-based diversion program; and 3) the revised budget, not to exceed the maximum amount set forth in this Agreement. Upon approval of the revised plan by DSH, an amendment to this Agreement shall be initiated.
- N. Contractor and its subcontractors shall procure and keep in full force and effect during the term of this Agreement all permits, registrations, and licenses necessary to accomplish the work specified in this Agreement and shall give all notices necessary and incident to the lawful prosecution of the work. Contractor shall provide proof of any such license(s), permits(s), and certificate(s) upon request by DSH. Contractor agrees that failure by itself or its subcontractors to provide evidence of licensing, permits, or certifications shall constitute a material breach for which DSH may terminate this Agreement with cause.

- O. Contractor shall provide services as outlined in this Agreement. Contractor shall be responsible to fulfill the requirements of this Agreement and shall incur expenses at its own risk and invest sufficient amount of time and capital to fulfill the obligations as contained herein.
- P. Contractor and its subcontractors shall keep informed of, observe, comply with, and cause all its agents and employees to observe and to comply with all prevailing Federal, State, and local laws, rules, and regulations made pursuant to pertinent Federal, State, and local laws. If any conflict arises between provisions of the plans and specifications and any such law above referred to, Contractor shall immediately notify DSH in writing.
- Q. Unless otherwise specified, this Agreement may be canceled at any time by Contractor, in writing, with 50 days advance notice. DSH may terminate the Agreement pursuant to section 7 of Exhibit C if Contractor or its subcontractors fails to comply with a federal, state, or local law and the noncompliance, based on the facts and circumstances, would constitute a material breach of this Agreement under California law.

6. DSH RESPONSIBILITIES:

- A. DSH shall distribute funds to Contractor in accordance with the schedule outlined in Exhibit B, Section 5. Budget Detail, with approved submission of deliverables, such as data required in Exhibit A, Attachments 1 and 2.
- B. DSH shall provide a data collection process to Contractor (see Exhibit A. Contractor Responsibilities). Additional elements may be added by DSH in accordance with section 4361.
- C. Upon receipt of the statutory data requirements (Exhibit A, Attachment 1) from Contractor, DSH will analyze data for the purpose of program evaluation, monitoring, reporting, and research.
- D. DSH will provide a quarterly report to Contractor summarizing the statutory data requirements and outcome measures.
- E. Rights of the DSH to Perform Quality Assurance and Financial Audits/Reviews
 - i. The DSH may routinely evaluate the work performance of the Contractor, Contractor's personnel, subcontractors, or other parties associated with the Contractor to determine if the DSH standards and departmental policies and procedures are being maintained. If it is found that any party fails to perform or is physically or mentally incapable of providing services as required by the Agreement, then that party shall not perform services for the DSH.
 - ii. The DSH may monitor and evaluate services provided in fulfillment of the requirements of this Agreement, as detailed in Exhibit A. Such monitoring and evaluation may occur on a regular cycle or as deemed necessary by the Contracts Manager. The DSH retains sole and absolute discretion in determining any such evaluation schedule.
 - iii. Inspections may be conducted by the DSH staff at any time during the Agreement term to check on the quality of work. Payment shall not be provided for services deemed unacceptable by the Contract Manager and/or their designee.

- iv. The DSH may audit and examine Contractor's records and accounts which pertain, directly or indirectly, to services performed under this Agreement. The DSH may hire third parties to perform the audit and examination, including but not limited to, accountants, consultants, or service providers in the applicable field. Contractor shall cooperate fully with the audits and examinations.
- v. If as a result of an audit and examination, the DSH is informed of underpayments or overpayments, the DSH shall notify Contractor of the need for payment or reimbursement. Upon receipt of a final audit report, Contractor has 30 days to reimburse any overpayment or to dispute or challenge the report. Contractor and the DSH shall confer and negotiate in good faith with respect to any disputed portion of the final audit report to reach agreement with respect to adjustments, payments, and reimbursements.
- vi. The DSH shall submit its findings to Contractor and establish a deadline for correcting any deficiencies in fulfilling the obligations set forth in this section. Failure by the Contractor to timely correct deficiencies shall be reason for termination of services under this Agreement.

7. PERFORMANCE MEASURES:

Complete and Timely Provision of Services

- A. Expectations: Contractor is expected to provide all services, including any and all required reports, in a timely manner—in accordance with timelines established in this Scope of Work.
- B. Penalties: Should Contractor not provide all services, including any and all required reports in a timely manner, DSH may choose to terminate this Agreement. Additionally, DSH may find Contractor to be not responsible in provision of services and evaluate this in future contracting opportunities.

8. AMENDMENTS:

- A. The parties reserve the right to amend this Agreement by extending its term for two (2) additional terms of up to one (1) year each, and to add funding sufficient for these periods at the same rates. This right to amend is in addition to the right to amend for other reasons contained in this Agreement or noted in the solicitation that resulted in this Agreement, if applicable. Any amendment shall be in writing and signed by both parties and be approved by the Department of General Services if such approval is required.

EXHIBIT A, ATTACHMENT 1
STATUTORY OUTCOME DATA REQUIREMENTS

DSH shall provide a data collection process to the Contractor. Contractor shall complete and submit the required data to DSH, via secure site, no less than quarterly. Contractor shall identify any data in the dataset subject to the rules of 42 CFR Part 2 upon submission to DSH. The data collection process shall capture, but is not limited to, the following data elements:

1. The number of individuals that the Court ordered to post-booking diversion and the length of time for which the defendant has been ordered to Felony Mental Health Diversion (Diversion).
2. The number of individuals originally declared IST on felony charges that the Court ultimately ordered to Diversion.
3. The number of individuals participating in Diversion.
4. The name, social security number, date of birth, and demographics of each individual participating in Diversion.
5. The length of time in Diversion for each participating individual.
6. The types of services and supports provided to each individual participating in Diversion.
7. The number of days each individual was in jail prior to placement in Diversion.
8. The number of days that each individual spent in each level of care facility.
9. The diagnoses of each individual participating in Diversion.
10. The nature of the charges for each individual participating in Diversion.
11. The number of individuals who completed Diversion.
12. The name, social security number and birthdate of each individual who did not complete Diversion and the reasons for not completing Diversion.

EXHIBIT A, ATTACHMENT 2
INVOICING DATA REQUIREMENTS

Contractor shall submit to DSH the following data elements, via secure site, as deliverable verification for disbursement numbers two through six (see Exhibit B, Section 5.B. 2-6):

1. Benchmark Number (see Exhibit B, Section 5.B. 2-6 for required number of clients)
2. Client Name
3. Date of Birth
4. SSN
5. CII
6. Enrollment Date
7. Discharge Date (if applicable)
8. Diagnosis
9. IST (Y/N)
10. Felony Charge
11. Date of Offense

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

- A. For services satisfactorily rendered, upon implementation of the pre-trial Felony Mental Health Diversion program and upon receipt and approval of invoices submitted as described herein, DSH agrees to compensate Contractor in accordance with the schedule of payments specified in section 5, Budget Detail.
- B. Contractor shall submit a single invoice for all initial program implementation costs associated with and pertaining to the written plan submitted to DSH in accordance with Exhibit A, Scope of Work, section 4, "Program Implementation Funds."
- C. Contractor shall submit an invoice verification data report for each invoice to validate outcomes achieved by the Contractor as specified in Exhibit B, Provision 5.
- D. Contractor shall submit a housing verification data report for each itemized housing invoice to validate outcomes achieved by the Contractor as specified in Exhibit B, Provision 5.
- E. DSH shall not be responsible for services performed by Contractor outside of this agreement, or for services performed other than as outlined in Exhibit A, Scope of Work.

2. INSTRUCTIONS TO CONTRACTOR:

- A. To expedite the processing of invoices submitted to DSH for distribution of funds, all invoices shall be submitted to the DSH for review and approval at either:

Department of State Hospitals
Attention: Accounting Office, MS-2
1215 O Street
Sacramento, CA 95814

OR
DSHSAC.AccountsPayable@dsh.ca.gov

- B. Contractor shall submit one original and three copies of each invoice, unless emailed.
- C. Contractor shall type, not handwrite, each invoice on company letterhead. DSH may provide an invoice template, if requested, which may be used in lieu of company letterhead.
- D. Contractor shall clearly note Contractor's name and address on each invoice. The name on the invoice must match the Payee Data Record (Std. 204) and the name listed on this Agreement.
- E. Contractor shall list and itemize in accordance with the Budget Detail, Provision 5, disbursement number provided on each invoice.
- F. Contractor shall include the following on each submitted invoice:
 - i. Date on which the invoice was generated.
 - ii. Agreement number, which can be found on the Standard Agreement Form (Std. 213).

- iii. Disbursement Number (Exhibit B, Budget Detail, invoice number one through six)
- iv. Invoice total
- v. Signature (may be e-signature or wet signature)

3. BUDGET CONTINGENCY CLAUSE:

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any Fiscal Year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.
- C. If this Agreement overlaps Federal and State fiscal years, should funds not be appropriated by Congress or approved by the Legislature for the Fiscal Year(s) following that during which this Agreement was executed, the State may exercise its option to cancel this Agreement.
- D. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature which may affect the provisions or terms of funding of this Agreement in any manner.

4. PROMPT PAYMENT CLAUSE:

Payment shall be made in accordance with, and within the time specified in, Government Code § 927 et seq.

5. BUDGET DETAIL:

- A. The maximum amount of this Agreement shall not exceed \$1,436,000.
 - a. Category 1 diversion funding distribution is found in Table B1 below and shall not exceed \$852,000
 - b. Category 2 diversion funding distribution is found in Table B2 below and shall not exceed \$284,000
 - c. Category 2 Housing funding distribution is found in Table B3 below and shall not exceed \$300,000 for a maximum of 2 clients (Clients placed in housing must be program eligible, verified by DSH staff and diverted from the DSH IST Waitlist). For clients placed in housing:
 - i. Prior to September 1, 2022, the maximum housing allowance per client is \$150,000.
 - ii. After September 1, 2022, and prior to December 31, 2022, the maximum allowance per client is \$100,000
 - iii. Contractor will not be compensated for additional housing expenses allowable under this provision for clients enrolled / admitted after December 31, 2022.
- B. Funds awarded to the Contractor pursuant to this contract shall be distributed in installments as outlined in Table B1, Table B2 and B3 below.

Upon successful admission of a specified number of unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days shown in Table B1 and Table B2, Column C, DSH shall disburse program funds to Contractor not to exceed the amount in Column D for same row. For purposes of clients served, Categories 1 and 2 may be combined in one invoice.

Upon successful admission of felony IST clients from the DSH IST Waitlist into housing, Contractor shall invoice DSH based on actual expenditures billed in arrears no more often than monthly. See Table B3 below.

DSH Contract Manager may make changes to these Tables without an amendment as long as the Maximum Dollar Amount of the Contract or Total Client Population is not changed.

TABLE B1 – FUNDING DISTRIBUTION FOR CATEGORY 1 (FY 22/23 FUNDS)

Column A	Column B	Column C	Column D
Invoice #	Deliverable Requirement	Deliverable (Plan/ Client Population #)	Distribution Amount
1A	Column C and Supporting Documentation	0-Program Implementation Funds (25% of overall funds)	\$213,000.00
2A	Column C and Supporting Documentation	10% / 1 client	\$85,200.00
3A	Column C and Supporting Documentation	25% / 2 clients	\$127,800.00
4A	Column C and Supporting Documentation	50% / 3 clients	\$170,400.00
5A	Column C and Supporting Documentation	75% / 5 clients	\$127,800.00
6A	Column C and Supporting Documentation	100% / 6 clients	\$127,800.00
CATEGORY 1 Totals:		6	\$852,000.00

TABLE B2 – FUNDING DISTRIBUTION FOR CATEGORY 2 (FY 22/23 FUNDS)

Column A	Column B	Column C	Column D
Invoice #	Deliverable Requirement	Deliverable (Plan/ Client Population #)	Distribution Amount
1B	Column C and Supporting Documentation	50 % / 1 Client	\$142,000.00
2B	Column C and Supporting Documentation	100% / 2 clients	\$142,000.00
CATEGORY 2 Totals:		2	\$284,000.00

TABLE B3 – FUNDING DISTRIBUTION FOR CLIENTS PLACED IN HOUSING

Column A	Column B	Column C	Column D
Invoice #	Deliverable Requirement	Deliverable (Plan Client Population)	Distribution Amount
Monthly based on actual expenditures	Column C and Supporting Documentation (Actual expenditures and Client verification data)	Clients placed in housing prior to September 1, 2022	Actual Expenditures (# of clients * up to \$150,000)
Monthly based on actual expenditures	Column C and Supporting Documentation (Actual expenditures and Client verification data)	Clients placed in housing September 1, 2022, thru December 31, 2022	Actual Expenditures (# of clients * up to \$100,000)
Housing Total:			\$300,000.00

* Distribution amount for Table B3 will be based on actual expenditures and may be submitted on an excel spreadsheet with invoice. Client data must be submitted to DSH through a secure portal. See Exhibit B Attachment 2, Sample Housing Invoice.

- C. Contractor shall contribute a 10% or \$85,200 match in local county funds for Category 1 Diversion treatment funds. Match funds are not required for Housing or Category 2 funds. The county match may be cash, in-kind, or a combination thereof. Local county funds allowable include but are not limited to 1991 Realignment, 2011 Realignment, and county general fund. Funding from other state or federal sources, including Medi-Cal federal financial participation, shall not be counted towards the required county match.
- D. Contractor shall utilize contracting county’s accounting system to track Diversion expenditures and shall provide a report itemizing Diversion expenditures and required match contributions to DSH within sixty days after the close of the months of December and June on a bi-annual basis during the term of this Agreement. A final report itemizing Diversion expenditures and required match contributions shall be due within sixty days after the termination of the agreement.

EXHIBIT B, ATTACHMENT 1
SAMPLE DIVERSION INVOICE

[Insert Contractor's Department company logo/address]

DIVERSION INVOICE

DATE	INVOICE #

Department of State Hospitals
 Attn: Accounting Office
 1215 O Street, MS-2
 Sacramento, CA 95814

AGREEMENT #

DSH Diversion Funding Disbursement Request				
	Invoice # (1A, 1B,)	Program Benchmark	Category #	Total Disbursement Requested
<input type="checkbox"/>	N/A	Program Implementation		\$ _____
<input type="checkbox"/>		Admission of 10% of Clients		\$ _____
<input type="checkbox"/>		Admission of 25% of Clients		\$ _____
<input type="checkbox"/>		Admission of 50% of Clients		\$ _____
<input type="checkbox"/>		Admission of 75% of Clients		\$ _____
<input type="checkbox"/>		Admission of 100% of Clients		\$ _____

TOTAL: \$ _____

PLEASE MAKE REMITTANCE PAYABLE TO:
 [Insert Contractor's Department billing contact/address]

Prepared By: [Signature here]
 [Insert name/title here]

**EXHIBIT B, ATTACHMENT 2
SAMPLE HOUSING INVOICE**

[Insert Contractor's Department company logo/address]

HOUSING INVOICE

DATE	INVOICE #
mm/yyyy	

Department of State Hospitals
Attn: Accounting Office
1215 O Street, MS-2
Sacramento, CA 95814

AGREEMENT #

DSH Diversion Funding Disbursement Request				
	Disbursement		Number of Clients	Total Disbursement Requested
<input type="checkbox"/>	Service month (mm/dd/yyyy)		#####	\$ <u>Actual Expenditures</u>

*Attached please find our excel spreadsheet containing our actual expenditures.
Our county housing client data has been submitted via secure portal.

PLEASE MAKE REMITTANCE PAYABLE TO:
[Insert Contractor's Department billing contact/address]

Prepared By: [Signature here]
[Insert name/title here]

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. SUBCONTRACTS:

- A. Except for subcontracts identified in accordance with the solicitation, Contractor shall submit any subcontracts in connection with this Agreement to DSH for its prior written approval. No work shall be subcontracted without the prior written approval of DSH. Upon the termination of any subcontract, DSH shall be notified immediately. Any subcontract shall include all the terms and conditions of this Agreement and its attachments.
- B. Nothing contained in this Agreement shall create any contractual relationship between DSH and any subcontractors, and Contractor is solely responsible for payment of any and all fees, expenses, salaries and benefits of subcontractor. No subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor is fully responsible to DSH for the acts and omissions of its subcontractors and of persons either directly or indirectly employed or acting as an agent by any of them. Contractor agrees to indemnify and hold DSH harmless for any costs, losses or claims, including reasonable attorney fees, resulting from its subcontractors.

2. PUBLICATIONS AND REPORTS:

- A. DSH reserves the right to use and reproduce all publications, reports, and data produced or delivered pursuant to this Agreement. DSH further reserves the right to authorize others to use or reproduce such materials, provided the author of the report is acknowledged in any such use or reproduction.
- B. If the publication and/or report are prepared by non-employees of DSH, and the total cost for such preparation exceeds \$5,000, the publication and/or report shall contain the numbers and dollar amounts of all agreements and subcontracts relating to the preparation of the publication and report in a separate section of the report (Government Code section 7550).

3. PROGRESS REPORTS:

- A. If progress reports are required by the Agreement, Contractor shall provide a progress report in writing, or orally if approved by DSH Contract Manager, at least once a month to DSH Contract Manager. This progress report shall include, but not be limited to; a statement that Contractor is or is not on schedule, any pertinent reports, and any interim findings if applicable. Contractor shall cooperate with and shall be available to meet with DSH to discuss any difficulties, or special problems, so that solutions or remedies can be developed as soon as possible.

4. PRESENTATION:

- A. Upon request, Contractor shall meet with DSH to present any findings, conclusions, and recommendations required by the Agreement for approval. If set forth in the Agreement, Contractor shall submit a comprehensive final report for approval. Both the final meeting and the final report shall be completed on or before the date indicated in this Agreement.

5. DEPARTMENT OF STATE HOSPITALS STAFF:

- A. DSH's staff shall be permitted to work side-by-side with Contractor's staff to the extent and under conditions as directed by DSH Contract Manager. In this connection, DSH's staff shall be given access to all data, working papers, etc., which Contractor seeks to utilize.

6. CONFIDENTIALITY OF DATA AND DOCUMENTS:

- A. Contractor shall not disclose data or documents or disseminate the contents of the final or any preliminary report without written permission of DSH Contract Manager. However, all public entities shall comply with California Public Records Act (Government Code sections 6250 et seq.).
- B. Permission to disclose information or documents on one occasion shall not authorize Contractor to further disclose such information or documents on any other occasion except as otherwise provided in the Agreement or required by law.
- C. Contractor shall not comment publicly to the press, or any other media, regarding the data or documents generated, collected, or produced in connection with this Agreement, or DSH's actions on the same, except to DSH's staff, Contractor's own personnel involved in the performance of this Agreement, or as required by law.
- D. If requested by DSH, Contractor shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by DSH and shall supply DSH with evidence thereof.
- E. Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure.
- F. After any data or documents submitted has become a part of the public records of DSH, Contractor may at its own expense and upon written approval by DSH Contract Manager, publish or utilize the same data or documents but shall include the following Notice:

LEGAL NOTICE

This report was prepared as an account of work sponsored by the Department of State Hospitals (Department) but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department at P.O. Box 952050, Sacramento, California, 94252-2050. Neither said Department nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein, would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

7. PROVISIONS RELATING TO DATA:

- A. "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.
- B. "Generated data" is that data, which a Contractor has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by Contractor in the performance of this Agreement at the expense of DSH, together with complete documentation thereof, shall be treated in the same manner as generated data.
- C. "Deliverable data" is that data which under terms of this Agreement is required to be delivered to DSH. Such data shall be property of the State of California and DSH.
- D. Prior to the expiration of any legally required retention period and before destroying any data, Contractor shall notify DSH of any such contemplated action; and DSH may within 30 days of said notification determine whether or not this data shall be further preserved. DSH shall pay the expense of further preserving this data. DSH shall have unrestricted reasonable access to the data that is preserved in accordance with this Agreement.
- E. Contractor shall use best efforts to furnish competent witnesses to testify in any court of law regarding data used in or generated under the performance of this Agreement.
- F. All financial, statistical, personal, technical and other data and information relating to DSH's operation, which are designated confidential by the State or DSH and made available to carry out the Agreement, or which become available to Contractor in order to carry out this Agreement, shall be protected by Contractor from unauthorized use and disclosure.
- G. If DSH determines that the data and information are inadequately protected by Contractor or its subcontractors, DSH shall provide notice of its determination and Contractor and/or its subcontractors shall improve the protections to DSH's satisfaction which shall be evidenced by written approval of the protections implemented.

8. APPROVAL OF PRODUCT:

- A. Each product to be approved under this Agreement shall be approved by the Contract Manager. DSH's determination as to satisfactory work shall be final, absent fraud or mistake.

9. SUBSTITUTIONS:

- A. Contractor's key personnel as indicated in its proposal may not be substituted without the Contract Manager's prior written approval.

10. NOTICE:

- A. Notice to either party shall be given by first class mail, by Federal Express, United Parcel Service or similar carrier, properly addressed, postage fully prepaid, to the address beneath the name of each respective party. Alternatively, notice may be given by personal delivery by any means whatsoever to the party and such notice shall be deemed effective when delivered.

11. WAIVER:

- A. All remedies afforded in this Agreement are cumulative; that is, in addition to every other remedy provided therein or by law. The failure of DSH to enforce any provision of this Agreement, shall not waive its right to enforce the provision or any other provision of the Agreement.

12. GRATUITIES AND CONTINGENCY FEES:

- A. Contractor shall not provide gratuities to any officer or employee of DSH or the State to secure an agreement or favorable treatment with respect to an agreement, the occurrence of which shall constitute a material breach of this Agreement. DSH, by written notice to Contractor, may terminate this Agreement with cause if it is found that gratuities were offered or given by Contractor or any agent or representative of Contractor to any officer or employee of the State or DSH with a view toward securing an agreement or securing favorable treatment with respect to the awarding, amending, or performance of such agreement.
- B. In the event this Agreement is terminated as provided in the paragraph above, DSH shall be entitled (a) to pursue the same remedies against Contractor as it could pursue in the event of the breach of the Agreement by Contractor, and (b) as a predetermined amount of liquidated damages, Contractor shall pay an amount which shall not be less than three times the cost incurred by Contractor in providing any such gratuities to any such officer or employee.
- C. The rights and remedies of DSH provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- D. Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of Contractor, for the purpose of securing business. For breach or violation of this warranty, DSH shall, among other rights, have the right to rescind this Agreement without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

13. INTEGRATION CLAUSE:

- A. The parties agree that this Agreement, including only the State standard form 213 and all exhibits, constitute the entire agreement of the parties and no other understanding or communication, whether written or oral, shall be construed to be a part of this Agreement.

14. CAPTIONS:

- A. The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

15. PUBLIC HEARINGS:

- A. If public hearings on the subject matter dealt with in this Agreement are held within one year from the Agreement expiration date, Contractor shall make available to testify the personnel assigned to this Agreement at the hourly rates specified in Contractor's proposed budget. DSH shall reimburse Contractor for travel of said personnel at the Agreement, or if none, at State rates for such testimony as may be requested by DSH.

16. FORCE MAJEURE:

- A. Neither DSH nor Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, which shall include without being limited to: acts of God; interference, rulings or decision by municipal, Federal, State or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, earthquakes or other similar environmental causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other party written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable.

17. LITIGATION:

- A. DSH, promptly after receiving notice thereof, shall notify Contractor in writing of the commencement of any claim, suit, or action against DSH or its officers or employees for which Contractor must provide indemnification under this Agreement. The failure of DSH to give such notice, information, authorization or assistance shall not relieve Contractor of its indemnification obligations. Contractor shall immediately notify DSH of any claim or action against it which affects, or may affect, this Agreement, the terms or conditions hereunder, DSH, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interest of DSH.
- B. Contractor shall be in default of this Agreement (i) upon the institution by or against Contractor of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Contractor's debts, (ii) upon Contractor making an assignment for the benefit of creditors, (iii) upon either party's dissolution or ceasing to do business or (iv) when the facts and circumstances indicate that Contractor is insolvent. For purposes of this Agreement, Contractor shall be deemed insolvent if: (i) Contractor has failed to pay salaries, overtime or benefits required by law of agreement, (ii) Contractor has failed to pay a subcontractor amounts owed pursuant to its agreements with a subcontractor, or (iii) Contractor has failed to pay a vendor amounts Contractor owes the vendor for more than 90 days the past due date for payment.

18. DISPUTES:

- A. Contractor shall first discuss and attempt to resolve any dispute arising under or relating to the performance of this Agreement.

19. EVALUATION OF CONTRACTOR'S PERFORMANCE:

- A. DSH shall evaluate Contractor's performance under this Agreement using standardized evaluation forms which shall be made available to every state agency pursuant to Public Contracts Code section 10367.

20. AUDITS, INSPECTION AND ENFORCEMENT:

- A. Contractor agrees to allow DSH to inspect its facilities and systems and make available for review its books and records to enable DSH to monitor compliance with the terms of this Agreement and audit invoices submitted to DSH.
- B. Contractor shall promptly remedy any violation of any provision of this Agreement to the satisfaction of DSH.
- C. The fact that DSH inspects, or fails to inspect, or has the right to inspect Contractor's facilities, systems, books and records does not relieve Contractor of its responsibility to independently monitor its compliance with this Agreement.
- D. DSH's failure to detect or DSH's detection of any unsatisfactory practices, but failure to notify Contractor or require Contractor's remediation of the unsatisfactory practices does not constitute acceptance of such practice or a waiver of DSH's enforcement rights under the Agreement.

21. USE OF STATE FUNDS:

- A. Contractor, including its officers and members, shall not use funds received from DSH pursuant to this Agreement to support or pay for costs or expenses related to the following:
 - i. Campaigning or other partisan activities to advocate for either the election or defeat of any candidate for elective office, or for or against the passage of any proposition or ballot measure; or,
 - ii. Lobbying for either the passage or defeat of any legislation.
- B. This provision is not intended and shall not be construed to limit any expression of a view, opinion, or position of any member of Contractor as an individual or private citizens, as long as state funds are not used; nor does this provision limit Contractor from merely reporting the results of a poll or survey of its membership.

22. CANCELLATION PROVISIONS:

- A. Unless otherwise specified, this Agreement may be canceled at any time by DSH, in writing, with thirty (30) days advance notice. If canceled, payment shall be made only for the provision of services expressly authorized by this Agreement until the date of cancellation and only at the rates set forth in Exhibit B, Budget Detail. In the case of early termination, a final payment will be made to Contractor upon receipt of an invoice covering all authorized costs, at the rates set forth in Exhibit B, incurred prior to the date of cancellation or termination. DSH shall not be responsible for unamortized costs, overhead or capital costs or any other related costs, including but, not limited to costs incurred in connection with the cancellation of leases or contracts pertaining to facilities, equipment or supplies, labor and employee benefits costs, and expenditures incurred after the date of notice of cancellation.
- B. If DSH determines that Contractor has breached a material term of the Agreement and has not cured the breach or ended the violation within the time specified by DSH, DSH may terminate the contract by providing notice to Contractor. DSH Information Security Officer shall report as required HIPAA violations to the Secretary of the U.S. Department of Health and Human Services.
- C. Failure to comply with section 1 or 6 of this Exhibit, or a violation of section 12 of this Exhibit, shall be deemed a material breach of this Agreement.

23. EMPLOYMENT PROVISIONS:

- A. Contractor acknowledges and agrees that neither Contractor, their personnel, subcontractors, nor other service providers through this Agreement are employees of DSH. Contractor and its independent contractors shall be solely responsible for:
- i. Paying any and all payroll taxes, including, but not limited to Social Security and Medicare taxes,
 - ii. Federal or state income tax withholding,
 - iii. Providing unemployment insurance and workers compensation insurance, and
 - iv. Paying compensation to its employees in accordance with federal and state labor laws, including overtime pay unless otherwise specified in this Agreement, as well as penalties that may be imposed for failure to comply with these laws. Contractor agrees to indemnify and hold harmless DSH for any damages, losses, expenses, including reasonable attorney fees, in connection with its failure to pay salary or overtime, or provide benefits, including, but not limited to health care benefits or retirement benefits, to its employees, or its failure to provide to comply with federal or state labor laws.

24. LIABILITY FOR LOSS AND DAMAGES:

- A. Any damages by Contractor, their personnel, subcontractors, and other service providers through this Agreement to DSH's facility, including equipment, furniture, materials, or other State or DSH property, shall be repaired or replaced by Contractor to the satisfaction of DSH at Contractor's expense. DSH, at its option, may repair any such damage and deduct the cost thereof from any sum due Contractor under this Agreement.

25. SECURITY CLEARANCE/FINGERPRINTING/TUBERCULIN SKIN TESTING:

- A. DSH reserves the right to conduct fingerprinting, drug testing, and/or security clearance through the Department of Justice, Bureau of Criminal Identification and Information (BCII), prior to award and at any time during the term of the Agreement, in order to permit Contractor, their personnel, subcontractors, and other service providers through this Agreement access to State premises. DSH further reserves the right to terminate this Agreement should a threat to security be determined.
- B. At the sole discretion of DSH, and in accordance with each facility's Infection Control Policy, Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement providing services may be required to provide DSH with Tuberculin (TB) test results. These test results shall indicate completion of the two-step TB testing process using the Mantoux method. The first step is a tuberculin skin test (TST) completed within the last 12 months prior to the date the tested person is to provide services to a DSH facility. The second step is a TST which must be completed within the 30 days prior to the date the tested person is to provide services to a DSH facility, unless otherwise specified.
- C. If both of the documented results of the TST provided $\leq 0-9$ /mm of induration, then the tested person may be cleared to provide services. However, if the documented result of the TST is ≥ 10 /mm of induration, then they shall be subject to additional testing and/or clearances before he or she is allowed to work at a DSH facility.

- D. DSH reserves the right, in its sole and absolute discretion, to take measures to minimize the transmission of influenza. Contractor, their personnel, subcontractors, and other service providers through this Agreement may be required to either a) show written proof that they have received an influenza vaccine, or b) complete an Influenza Declination Form, which will be provided upon request. In addition, all non-vaccinated providers may be required to wear a mask. In its sole and absolute discretion, DSH may elect to provide free influenza vaccines to Contractor, their personnel, subcontractors, and other service providers through this Agreement.

26. PHYSICIAN OWNERSHIP AND REFERRAL ACT OF 1993:

- A. For applicable medical services contracts, and in accordance with the Physician Ownership and Referral Act of 1993, Contractor shall not refer any patient to any health care provider or health-related facility if Contractor has a financial interest with that health care provider or health-related facility.
- B. Contractor may make a referral to or request consultation from a sole source health care provider or health-related facility in which financial interest is held if Contractor is located where there is no alternative provider of service within either twenty-five (25) miles or forty (40) minutes travel time, subject to the prior approval of DSH. Contractor shall disclose, in writing, as well as on a continuous basis, to DSH, its financial interest at the time of referral or request for consultation. In no event, will this prohibit patients from receiving emergency health care services.

27. AMENDMENTS:

- A. The parties reserve the right to amend this Agreement as mutually agreed upon. This is in addition to the right to amend for other reasons contained in this Agreement or noted in the solicitation that resulted in this Agreement, if applicable. Any amendment shall be in writing and signed by both parties and be approved by the Department of General Services if such approval is required.

EXHIBIT E
CONFIDENTIALITY AND INFORMATION SECURITY PROVISIONS
(HIPAA Business Associate Agreement)

These Confidentiality and Information Security Provisions (for HIPAA/HITECH Act contracts) set forth the information privacy and security requirements Contractor is obligated to follow with respect to all confidential information (as defined herein) disclosed to Contractor, or collected, created, maintained, stored, transmitted, or used by Contractor for or on behalf of the California Department of State Hospitals (DSH), pursuant to Contractor's agreement with DSH. DSH and Contractor (the parties) desire to protect the privacy and provide for the security of DSH confidential information pursuant to this Exhibit and in compliance with state and federal laws applicable to the confidential information.

1. CONFIDENTIALITY AND INFORMATION SECURITY PROVISIONS:

- A. Contractor shall comply with applicable laws and regulations, including but not limited to Welfare and Institutions Code sections 14100.2 and 5328 et seq. (2021), the Lanterman-Petris-Short Act, Civil Code section 1798 et seq. (2021), the Information Practices Act of 1977, Health and Safety Code section 123100 et seq. (2021), the Patient Access to Health Records Act, Title 42, Code of Federal Regulations (C.F.R.) part 431.300 et seq. (2021), and the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including but not limited to section 1320d et seq. of Title 42 of the United States Code and its implementing regulations (including but not limited to Title 45, Code of Federal Regulations (C.F.R.), parts 160, 162 and 164 (2021) (HIPAA regulations) regarding the confidentiality and security of protected health information (PHI). The following provisions of this Exhibit set forth some of the requirements of these statutes and regulations. This Exhibit should not be considered an exclusive list of the requirements. Contractor is required to fulfill the requirements of these statutes and regulations by independently researching and obtaining legal advice on these requirements as they may be amended from time to time.
- B. Order of Precedence: With respect to confidentiality and information security provisions for all DSH confidential information, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the agreement between Contractor and DSH, including Exhibit A (Scope of Work), all other exhibits and any other attachments, and shall prevail over any such conflicting terms or conditions.
- C. Effect on lower tier transactions: The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, and the information privacy and security requirements Contractor is obligated to follow with respect to DSH confidential information disclosed to Contractor, or collected, created, maintained, stored, transmitted or used by Contractor for or on behalf of DSH, pursuant to Contractor's agreement with DSH. When applicable, the Contractor shall incorporate the relevant provisions of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

2. DEFINITIONS:

- A. The following terms used in the agreement between DSH and Contractor shall have the same meaning as those terms in the HIPAA Rules: Breach, Covered Entity, Data Aggregation, Disclosure, Health Care Operations, Individual, Minimum Necessary, Protected Health Information, Secretary, Subcontractor, Unsecured Protected Health Information, and Use.

B. Specific Definitions

- i. **Contractor.** Contractor shall have the same meaning as the term “business associate” at 45 C.F.R. section 160.103 (2021).
- ii. **Breach.** With respect to Contractor’s handling of confidential information, “breach” shall have the same meaning as the term “breach” in HIPAA, 45 C.F.R. section 164.402 (2021).
- iii. **HIPAA Rules.** HIPAA Rules shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. parts 160 and 164 (2021).
- iv. **Confidential Information.** Confidential information shall mean information or data that is Protected Health Information or Personal Information as defined herein.
- v. **Personal Information (PI).** Personal Information shall have the same meaning as defined in Civil Code section 1798.3, subdivision (a) (2021).
- vi. **Required by law,** as set forth under 45 C.F.R. section 164.103 (2021), shall mean a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- vii. **Security Incident.** Security Incident shall mean the intentional attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of Contractor’s organization and intended for internal use; or interference with system operations in an information system.

3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE:**A. Contractor agrees to:**

- i. not use or disclose confidential information other than as permitted or required by the agreement between DSH and Contractor or as required by law. Any use or disclosure of DSH confidential information shall be the Minimum Necessary;
- ii. use appropriate safeguards, and comply with Subpart C of 45 C.F.R. part 164 (2021) with respect to electronic confidential information, to prevent use or disclosure of confidential information other than as provided for by the agreement with DSH;
- iii. report to DSH any use or disclosure of confidential information not provided for by the agreement with DSH of which it becomes aware, including breaches of unsecured protected health information as required at 45 C.F.R. section 164.410 (2021), and any security incident of which it becomes aware;
- iv. in accordance with 45 C.F.R. sections 164.502(e)(1)(ii) and 164.308(b)(2) (2021), if applicable, ensure that any agents and subcontractors that create, receive, maintain, or

transmit confidential information on behalf of Contractor enter into a written agreement with Contractor agreeing to be bound to the same restrictions, conditions, and requirements that apply to Contractor with respect to such information;

- v. to provide access and make available confidential information in a designated record set to DSH or to an Individual in accordance with 45 C.F.R. section 164.524 (2021) and California Health and Safety Code section 123100 et seq. (2021). Designated Record Set shall mean the group of records maintained for DSH that includes medical, dental, and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DSH health plans; or those records used to make decisions about individuals on behalf of DSH. Contractor shall use the forms and processes developed by DSH for this purpose and shall respond to requests for access to records transmitted by DSH within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none;
- vi. if Contractor maintains an Electronic Health Record with PHI and an Individual requests a copy of such information in an electronic format, Contractor shall provide such information in an electronic format to enable DSH to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e) (2021);
- vii. if Contractor receives data from DSH that was provided to DSH by the Social Security Administration, upon request by DSH, Contractor shall provide DSH with a list of all employees, subcontractors, and agents who have access to the Social Security data, including employees, contractors, and agents of its subcontractors and agents;
- viii. make any amendment(s) to confidential information in a Designated Record Set as directed or agreed to by DSH pursuant to 45 C.F.R. section 164.526 (2021), or take other measures as necessary to satisfy DSH's obligations under 45 C.F.R. section 164.526 (2021);
- ix. to document and make available to DSH or (at the direction of DSH) to an Individual within 15 days such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 C.F.R. section 164.528 (2021) and 42 U.S.C. section 17935(c) (2021). If Contractor maintains electronic health records for DSH as of January 1, 2009, Contractor must provide an accounting of disclosures, including those disclosures for treatment, payment, or health care operations, effective with disclosures on or after January 1, 2014. If Contractor acquires electronic health records for DSH after January 1, 2009, Contractor must provide an accounting of disclosures, including those disclosures for treatment, payment, or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting;
- x. to the extent Contractor is to carry out one or more of DSH's obligation(s) under Subpart E of 45 C.F.R. part 164 (2021), comply with the requirements of Subpart E that apply to DSH in the performance of such obligation(s); and
- xi. make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA regulations.

- xii. comply with all legal obligations pursuant to the California Consumer Privacy Protection Act (CCPA) of Contractor, its employees, agents and sub-contractors, including but not limited to the handling and disclosure of personal information received resulting from this agreement, abiding by CCPA notice requirements on Contractor's website(s), safeguarding personal information received in connection with this agreement, refraining from using personal information received in connection with this agreement outside of the enumerated business purpose contained therein. Contractor's failure to comply with such laws and regulations shall constitute a material breach of this Agreement, and shall be grounds for immediate termination of the Agreement by DSH, pursuant to section 7 of Exhibit C. By executing this Agreement, Contractor certifies that it is aware of its legal obligations as set forth under the CCPA, that it is in compliance with the CCPA, and shall remain in compliance with all such laws and regulations for the term of this Agreement.
- xiii. indemnify and hold the DSH harmless from and against any and all liability, loss, suit, damage or claim, including third party claims brought against the DSH, pursuant to section 5 of Exhibit C of this Agreement, as well as damages and reasonable costs assessed against the DSH by a court of competent jurisdiction (or, at Contractor's option, that are included in a settlement of such claim or action in accordance herewith), to the fullest extent permitted by State law, to the extent such claim arises from Contractor's violation of the CCPA in relation to Contractor's performance under this agreement; provided, that (i) Contractor is notified promptly in writing of the claim; (ii) Contractor controls the defense and settlement of the claim; (iii) Contractor provides a defense with counsel approved by the DSH; and (iv) the DSH cooperates with all reasonable requests of Contractor (at Contractor's expense) in defending or settling the claim.

4. PERMITTED USES AND DISCLOSURES OF CONFIDENTIAL INFORMATION BY THE CONTRACTOR:

- A. Except as otherwise provided in the agreement between Contractor and DSH, Contractor, may use or disclose DSH confidential information to perform functions, activities or services identified in the agreement with DSH provided that such use or disclosure would not violate federal or state laws or regulations.
- B. Contractor may not use or disclose the confidential information except as provided and permitted or required by this agreement with DSH or as required by law.
- C. Contractor may use and disclose confidential information for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided that such uses and disclosures are required by law.
- D. Contractor may use confidential information to provide data aggregation services related to the health care operations of the DSH. Data aggregation means the combining of DSH confidential information created or received by Contractor on behalf of DSH with confidential information received by Contractor in its capacity as the business associate of another Covered Entity, to permit data analyses that relate to the health care operations of DSH.

5. SAFEGUARDS:

- A. Contractor shall develop and maintain an information privacy and security program that includes the implementation of administrative, technical, and physical safeguards. The information privacy

and security program shall reasonably and appropriately protect the confidentiality, integrity, and availability of the confidential information that it creates, receives, maintains, or transmits; and prevent the use or disclosure of confidential information other than as provided for by the agreement with DSH. Contractor shall provide the DSH with information concerning such safeguards as the DSH may reasonably request from time to time.

- B. Contractor shall implement administrative, technical, and physical safeguards to ensure the security of the DSH information on portable electronic media (e.g., USB drives and CD-ROM) and in paper files. Administrative safeguards to be implemented shall include, but are not limited to training, instructions to employees, and policies and procedures regarding the HIPAA Privacy Rule. Technical safeguards to be implemented must comply with the HIPAA Security Rule and Subpart C of part 164 of the HIPAA regulations with respect to electronic confidential information, and shall include, but are not limited to, role-based access, computer passwords, timing out of screens, storing laptop computers in a secure location (never leaving the equipment unattended at workplace, home or in a vehicle) and encryption. Physical safeguards to be implemented shall include, but are not limited to, locks on file cabinets, door locks, partitions, shredders, and confidential destruct.

6. AUTHENTICATION:

- A. Contractor shall implement appropriate authentication methods to ensure information system access to confidential information is only granted to properly 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 800-53 and the SANS Institute Password Protection Policy.
- i. 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:
 - (1) network-based firewall and/or personal firewall,
 - (2) continuously updated anti-virus software and
 - (3) patch-management process including installation of all operating system/software vendor security patches.
 - ii. Encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, CDs and thumb drives) and on portable computing devices (including, but not limited to, laptop computers, smart phones and PDAs) with a solution that uses proven industry standard algorithms.
 - iii. Prior to disposal, sanitize all DSH confidential data contained in hard drives, memory devices, portable electronic storage devices, mobile computing devices, and networking equipment in a manner consistent with the National Institute of Standards and Technology (NIST) Special Publication 800-88.
 - iv. Contractor shall not transmit confidential, personal, or sensitive data via e-mail or other Internet transport protocol over a public network unless, at minimum, a 128-bit encryption method (for example AES, 3DES, or RC4) is used to secure the data.

7. MITIGATION OF HARMFUL EFFECTS:

- A. Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of confidential information by Contractor or its subcontractors in violation of the requirements of the agreement.

8. NOTIFICATION OF BREACH:

- A. During the term of the agreement with DSH, Contractor shall report to DSH any use or disclosure of information not provided for by its contract of which it became aware including breaches of unsecured confidential information as required by 45 C.F.R. section 164.410 (2021).

9. DISCOVERY OF BREACH:

- A. Contractor shall immediately notify the DSH Chief Information Security Officer by telephone call and email upon the discovery of a breach of confidential information in all forms (paper, electronic, or oral) if the confidential information was, or is reasonably believed to have been, acquired by an unauthorized person, or within 24 hours by email or fax of the discovery of any suspected security incident, intrusion or unauthorized use or disclosure of confidential information in violation of the agreement with DSH, or potential loss of DSH confidential data. If the security incident occurs after business hours or on a weekend or holiday, notification shall be provided by calling the DSH Chief Information Security Officer. Contractor shall take:
 - i. prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 - ii. any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

10. INVESTIGATION OF BREACH:

- A. Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of DSH confidential information. Within 8 hours of discovery (of the breach), Contractor shall notify the DSH Chief Information Security Officer of at least the following:
 - i. the data elements involved and the extent of the confidential data involved in the breach;
 - ii. a description of the unauthorized person(s) known or reasonably believed to have improperly acquired, accessed, used, transmitted, sent or disclosed confidential information;
 - iii. a description of where and when the confidential information is believed to have been improperly acquired, accessed, used, transmitted, sent or disclosed;
 - iv. a description of the probable causes of the improper acquisition, access, use, transmission, sending, or disclosure; and
 - v. whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are required.

11. WRITTEN REPORT:

- A. Contractor shall provide a written report of the investigation to the DSH Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, an estimation of cost for remediation, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

12. NOTIFICATION OF INDIVIDUALS:

- A. Contractor shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and to pay any costs of such notifications, as well as any costs associated with the breach. Notification shall be made in the most expedient time possible without reasonable delay. The DSH Program Contract Manager, DSH Chief Information Security Officer, and DSH Chief Privacy Officer shall approve the time, manner, and content of any such notifications and their review and approval must be obtained by Contractor before the notifications are made.

13. DSH CONTACT INFORMATION:

- A. Contractor shall direct communications to the DSH Program Contract Manager, DSH Chief Information Security Officer, and DSH Chief Privacy Officer Contractor shall initiate contact as indicated herein. DSH reserves the right to make changes to the contact information below by giving written notice to Contractor. Said changes shall not require an amendment to the agreement between the parties to which it is incorporated.

DSH Contract Manager	DSH Chief Privacy Officer	DSH Chief Information Security Officer
See Exhibit A - Scope of Work for contact information	Chief Privacy Officer Office of Legal Services 1215 O Street, MS-5 Sacramento, CA 95814 Email: yamin.scardigli@dsh.ca.gov Telephone: 916-562-3721	Chief Information Security Officer Information Security Office 1215 O Street, MS-4 Sacramento, CA 95814 Email: iso@dsh.ca.gov and security@dsh.ca.gov Telephone: 916-654-4218

14. INTERNAL PRACTICES:

- A. Contractor shall make Contractor's internal practices, books and records relating to the use and disclosure of DSH confidential information received from DSH, or created, maintained or received by Contractor, available to DSH or to the Secretary in a time and manner designated by DSH or by the Secretary, for purposes of determining DSH's compliance with HIPAA regulations.

15. EMPLOYEE TRAINING AND DISCIPLINE:

- A. Contractor shall train and use reasonable measures to ensure compliance with the requirements of the agreement between DSH and Contractor by employees who assist in the performance of functions or activities under this agreement and use or disclose confidential information; and discipline such employees who intentionally violate any provisions of this agreement.

16. EFFECT OF TERMINATION:

- A. Upon termination or expiration of the agreement between Contractor and DSH for any reason, Contractor shall return, at its sole expense, to DSH all confidential information within five (5) business days or as otherwise specified in the request or notice to return records or, if agreed to by DSH, destroy all confidential information received from DSH or created or received by Contractor on behalf of DSH, that Contractor still maintains in any form. Contractor shall retain no copies of DSH confidential information. However, if return or destruction is not feasible, Contractor shall continue to extend the protections and provisions of the agreement to such information, and limit further use or disclosure of such confidential information to those purposes that make the return or destruction of such confidential information infeasible. This provision shall apply to DSH confidential information that is in the possession of Contractor, its subcontractor(s), or its agent(s).

17. MISCELLANEOUS PROVISIONS:

- A. DSH shall notify Contractor and Contractor shall notify DSH of restrictions on disclosures or the manner of confidential communications requested and agreed to by Contractor or DSH from an Individual to satisfy 45 C.F.R. section 164.522 (2021).
- B. Assistance in Litigation or Administrative Proceedings. Contractor shall make itself, and use its best efforts to make any subcontractors, employees or agents assisting Contractor in the performance of its obligations under the agreement with DSH, available to DSH at no cost to DSH to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DSH, its directors, officers or employees for claimed violations of HIPAA, regulations or other laws relating to security and privacy based upon actions or inactions of Contractor and/or its subcontractors, employees, or agents, except where Contractor or its subcontractors, employees, or agents is a named adverse party.
- C. No Third-Party Beneficiaries. Nothing expressed or implied in the terms and conditions of the agreement between Contractor and DSH is intended to confer, nor shall anything herein confer, upon any person other than DSH or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- D. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with the HIPAA regulations and applicable federal and state laws. The parties agree that any ambiguity in the terms and conditions of the agreement between the parties shall be resolved in favor of a meaning that complies and is consistent with state and federal law, including HIPAA and the HIPAA regulations.
- E. A reference in the terms and conditions of the agreement between DSH and Contractor to any HIPAA regulation relates to that section in effect or as amended.
- F. The obligations of Contractor under this Exhibit E shall survive the termination or expiration of the agreement.

18. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS:

- A. DSH may immediately terminate the agreement between Contractor and DSH if (a) Contractor is found liable in a civil or criminal proceeding for a violation of the HIPAA Privacy or Security Rule or (b) a finding or stipulation that Contractor has violated a privacy or security standard or

requirement of HIPAA, or other security or privacy laws made in an administrative or civil proceeding in which Contractor is a party.

19. TERMINATION FOR CAUSE:

- A. In accordance with 45 C.F.R. section 164.504(e)(1)(ii) (2021), upon DSH's knowledge of a material breach or violation of this Exhibit by Contractor, DSH shall:
 - i. Provide an opportunity for Contractor to cure the breach or end the violation and terminate the agreement if Contractor does not cure the breach or end the violation within the time specified by DSH; or
 - ii. Immediately terminate the agreement pursuant to section 7 of Exhibit C of this Agreement, if Contractor has breached a material term of this Exhibit and cure is not possible.

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