

## **AMENDMENT NO. 2 TO AGREEMENT A-12550**

This Amendment No. 2 to Agreement A-12550 is made by and between the **County of Monterey**, hereinafter referred to as COUNTY, and **Valley Health Associates**, hereinafter referred to as CONTRACTOR.

Whereas COUNTY and CONTRACTOR have heretofore entered into Agreement A-12550 dated July 30, 2013 (Agreement) and Amendment No. 1 dated June 4, 2014; and

Whereas the parties desire to amend the Agreement as specified below;

1. Increase units of service for treatment services;
2. Revise rates to reflect Drug Medi-Cal rates as published by the Department of Health Care Services for FY 2014-15;
3. Eliminate Drug Court Grant Program and funding to end June 30, 2014; and
4. Revise Exhibit F, the Business Associate Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein and in the Agreement, the parties agree as follows:

1. EXHIBIT A of Agreement A-12550 is replaced with Amendment No. 2 to EXHIBIT A of Agreement A-12550. All references in the Agreement to EXHIBIT A shall be construed to refer to Amendment No. 2 to EXHIBIT A.
2. EXHIBIT B of Agreement A-12550 is replaced with Amendment No. 2 to EXHIBIT B of Agreement A-12550. All references in the Agreement to EXHIBIT B shall be construed to refer to Amendment No. 2 to EXHIBIT B.
3. EXHIBIT F of Agreement A-12550 is replaced with Amendment No. 2 to EXHIBIT F of Agreement A-12550. All references in the Agreement to EXHIBIT F shall be construed to refer to Amendment No. 2 to EXHIBIT F.
4. PAYMENTS BY COUNTY, COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Amendment No. 2 to EXHIBIT B, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of **\$1,709,439**.
5. Except as provided herein, all remaining terms, conditions, and provision of the Agreement A-12550 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Amendment No. 2 to Agreement A-12550.

COUNTY OF MONTEREY:

By: \_\_\_\_\_  
Mike Derr, Contracts/Purchasing  
Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Ray Bullick, Director of Health

Date: \_\_\_\_\_  
7-20-15

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Stacy L. Saetta, Deputy County Counsel

Date: \_\_\_\_\_  
6/9/15

**APPROVED AS TO FISCAL PROVISIONS<sup>1</sup>**

By: \_\_\_\_\_  
Gary Giboney, Auditor/Controller

Date: \_\_\_\_\_  
6/15/15

**APPROVED AS TO LIABILITY PROVISIONS<sup>2</sup>**

By: \_\_\_\_\_  
Steven Mauck, Risk Management

Date: \_\_\_\_\_

VALLEY HEALTH ASSOCIATES

VALLEY HEALTH ASSOCIATES

Contractor's Business Name\*

By: \_\_\_\_\_  
Norma Jaramillo, Executive Director

Date: \_\_\_\_\_  
6/2/15

By: \_\_\_\_\_  
(Signature of Secretary, Assistant Secretary,  
CFO, or Assistant Treasurer)\*\*

Date: \_\_\_\_\_

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

<sup>1</sup> Approval by Auditor/Controller is necessary only if changes are made in paragraph 6 or if changes are made in paragraph 2 by amendment.

<sup>2</sup> Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9

**AMENDMENT NO. 2 TO EXHIBIT A  
VALLEY HEALTH ASSOCIATES  
PROGRAM (S) DESCRIPTION (S) AND OBJECTIVES**

**PROGRAM 1 – NARCOTIC MAINTENANCE - DRUG/MEDI-CAL**

**Program Location**

338 Monterey Street  
Salinas, CA 93901

**Program Hours**

1. Hours of operation are:

Monday through Thursday, 6:30 a.m. to 3:30 p.m.

Friday, 6:30 a.m. to 12:00 p.m. (noon)

2. Medication dispensed:

Monday through Friday, 6:30 a.m. to 9:00 a.m.

Saturday, Sunday and Holidays, 7:30 a.m. to 9:00 a.m.

3. Intake hours are Tuesday's, 7:30 a.m. to 11:00 a.m.

4. Screening and interviews are by appointment.

**Program Description**

Opiate Treatment Programs are included as outpatient care by the State Department of Alcohol and Drug Programs' "Drug Program Fiscal System Manual and Services" defined as follows: Outpatient care is a medication or counseling visit in the clinic setting in accordance with Title 9 (for narcotics), and Title 22, California Code of Regulations. Narcotic maintenance is an opiate replacement treatment whereby methadone is used in sustained, stable, medically determined dosage levels for a period in excess of 21 days, to reduce or eliminate chronic opiate addiction. A licensed narcotic treatment program may receive exception to state admission requirements for a two-year history of addiction and two treatment failures (California Code of Regulations Title 9). CONTRACTOR will provide the client with a comprehensive range of treatment services including:

- Physical examination by the program physician;
- Assessment and treatment planning;
- Medication;
- Individual counseling;
- Education and or
- Group counseling;
- Referrals for ancillary services; and
- Drug screening.

CONTRACTOR's physician determines continued participation in the maintenance program.

**Target Population**

Medi-Cal eligible adults age 18 years or older with primary addiction to heroin or other morphine addicted individuals in Monterey County (including temporary transfers) who wish to stabilize and decrease their addiction through their participation in a narcotic maintenance program. CONTRACTOR will place special emphasis on the needs of pregnant women.

**Service Objectives**

1. Operate and maintain a State licensed narcotic maintenance treatment program in accordance with all applicable State and Federal laws.
2. Provide the estimated units of service as specified in the table below to those individuals continuously enrolled in the program. Fiscal years 2014-16 Narcotic Maintenance units of service were computed anticipating approval by Department of Health Care Services of the Contractor's request to increase Narcotic Treatment Program (NTP) slots from 60 to 100.

| <b>Program 1</b>                | <b>FY 2013-14</b> | <b>FY 2014-15</b> | <b>FY 2015-16</b> |
|---------------------------------|-------------------|-------------------|-------------------|
| Methadone Doses                 | 16,571            | 31,025            | 31,025            |
| Drug/Medi-Cal Counseling – Ind. | 3,415             | 20,400            | 20,400            |
| Drug/Medi-Cal Group Counseling  | 84                | 4,080             | 4,080             |

#### **Target Population**

AB 109 eligible adults age 18 years or older with primary addiction to heroin or other morphine addicted individuals in Monterey County (including temporary transfers) who wish to stabilize and decrease their addiction through their participation in a narcotic maintenance program. CONTRACTOR will place special emphasis on the needs of pregnant women.

#### **Service Objectives**

1. Operate and maintain a State licensed narcotic maintenance treatment program in accordance with all applicable State and Federal laws.
2. Provide the estimated units of service as specified in the table below to those individuals continuously enrolled in the program. Fiscal years 2014-16 Narcotic Maintenance units of service were computed anticipating approval by Department of Health Care Services of the Contractor's request to increase NTP slots from 60 to 100.

| <b>Program 1</b>             | <b>FY 2013-14</b> | <b>FY 2014-15</b> | <b>FY 2015-16</b> |
|------------------------------|-------------------|-------------------|-------------------|
| AB 109 Methadone Doses       | 829               | 5,475             | 5,475             |
| AB 109 Outpatient Individual | 173               | 3,600             | 3,600             |
| AB 109 Outpatient Group      | 179               | 720               | 720               |

#### **Admission Criteria**

1. Client must be 18 years or older (proof of birth date required).
2. Client must agree to provide a urine test that substantiates addiction to heroin or opiate like substances.
3. Client must have been assessed a medical judgment for physiologic dependence of approximately most of one year (6 months + 1 day) prior to admission date.
4. Penal documentation – Client must have resided in a penal institution for one month or more – must be admitted within 6 months after discharge – without being in withdrawal but must be eligible prior to incarceration.
5. Must have laboratory tests for Tuberculosis and Syphilis.

#### **Designated Contract Monitor**

**Andrew B. Heald,**  
**Behavioral Health Services Manager**  
 1441 Constitution Blvd., Bldg 400  
 Salinas, CA 93906  
 (831) 755-6383



**PROGRAM 2 – ADULT DRUG COURT GRANT PROGRAM-OUTPATIENT SERVICES**  
**(Program ended 06/30/2014)**

**Program Location**

338 Monterey Street  
Salinas, CA

114 Webster Street  
Monterey, CA

495 El Camino Real  
Greenfield, CA

**Program Hours**

- Office Hours:
  - Salinas Office – Monday through Thursday 9:00 a.m. to 3:30 p.m.
  - Friday 9:00 a.m. to 12 p.m. (noon).
  - Monterey and Greenfield Offices – Tuesday/Thursday by appointment
- Group Sessions – All offices – Monday through Thursday 5:20 p.m. to 7 p.m.
- Intake Hours – Salinas - Monday through Friday by appointment

**Program Description**

CONTRACTOR's program is state certified and meets the Outpatient Services Program standards. CONTRACTOR shall offer the following outpatient services to eligible program participants:

- Assessment and treatment planning;
- Education sessions;
- 6 Individual counseling sessions;
- 26 Group counseling sessions;
- Relapse prevention;
- Drug screening;
- Case management;
- 12-Step meetings; and
- Information/referrals for obtaining health, social, vocation and other community services.

For this Agreement, CONTRACTOR will provide culturally and linguistically competent services using the evidenced based practices of Motivational Interviewing and Seeking Safety.

Based on the assessment and treatment needs of each client, CONTRACTOR will offer a three (3) month treatment program to consist of the following:

- Weekly education and/or;
- Group sessions (26 sessions of 90 minutes each);
- Individual counseling sessions (maximum of 6 sessions);
- Random drug screenings to be conducted by Probation Staff;
- Five (5) 12-Step meetings per week;
- Case management;
- Referrals for other community services; and
- Exit/recovery planning.

Failure to successfully complete the three month program will result in a case management meeting including staff from COUNTY Behavioral Health Division, Probation and/or Parole, and CONTRACTOR. If deemed appropriate, clients may continue in CONTRACTOR outpatient services for additional services months as prescribed by the case management team.

**Target Population**

- 18 years or older (proof of birth date required).
- County of Monterey residents, men and/or women.
- Each applicant for outpatient treatment services is appropriately screened for eligibility based on meeting stated admission criteria.
- The program will serve Eligible Individuals including Latino Offenders and Veterans referred by the Court and approved by the Behavioral Health Drug Treatment Court Staff.

**Service Objectives**

1. Operate and maintain a state certified outpatient drug free program in accordance with applicable State and Federal laws.
2. Program staff providing services will be trained in the practices of motivational interviewing and seeking safety and will utilize these practices when serving clients under this grant funded program.
3. Program staff will complete an Addiction Severity Index (ASI) Assessment on each client being served under this program.
4. Provide the estimated units of service as specified in the table below to those individuals continuously enrolled in the program.

| <b>Program 2</b>  | <b>FY 2013-14</b> |
|---|-------------------|
| Adult Drug Court Grant Program-<br>Outpatient Individual Counseling<br>(Program ended 06/30/2014) | 17                |
| Adult Drug Court Grant Program-<br>Group Counseling<br>(Program ended 6/30/2014)                  | 58                |

**Admission Criteria**

In Monterey County, the Court may grant the Adult Drug Court Grant outpatient treatment program at the defendant's request through the defendant's attorney. The Court determines whether or not the Adult Drug Court Grant outpatient treatment program is applicable to the defendant and advises the defendant and defendant's attorney of that determination.

**Assessment and Referral**

The program will serve Eligible Individuals including Latino Offenders and Veterans referred by the Court and approved by the Behavioral Health Drug Treatment Court Staff. Individuals requesting admission to the Adult Drug Court Grant outpatient treatment program must have an assessment completed by the Behavioral Health Division assessment staff. Upon completion of the assessment, access to the program will be made by a referral from the Behavioral Health Division Assessment Staff who will provide an Initial Authorization Form (See Exhibit J).

COUNTY's Behavioral Health Division will authorize referrals to CONTRACTOR's outpatient treatment program.

**Adult Drug Court Grant Program Requirements:****Drug Court Grant Program Extension of Services**

Contractor may request from the designated BH Contract Monitor an extension of services of up to 30 days for any client enrolled in the programs who is in need of additional services. Contractor will

submit a Request for Reauthorization form via fax to designated BH staff for review and approval for extension of services (Refer to Exhibit L).

**Drug Court Grant Program Reporting Requirements:**

To effectively track and coordinate client referrals and services, Contractor will submit a *weekly* progress report for each Drug Court Grant client that is scheduled to attend court for that particular week to the Drug Court Grant and Drug Treatment Court Behavioral Health Staff (Refer to Exhibit K).

**Drug Court Grant Program Monthly Progress Report**

To effectively track and coordinate client referrals and services, Contractor will submit a *monthly* progress report for each Drug Court Grant client to the Drug Court Grant Behavioral Health Staff.

**Drug Court Grant Program Hot Sheets**

Contractor will submit a hot sheet to BH staff regarding Drug Court Grant clients who have been discharged from the program due to non-compliance with treatment.

**Drug Court Grant Program Monthly Statistics Report**

Contractor will submit to the Drug Court Grant Behavioral Health Staff monthly statistics regarding Drug Court Grant clients by the 7<sup>th</sup> of each month.

**Contract Special Conditions Compliance with Substance Abuse and Mental Health Services Administration (SAMHSA) and Department of Justice Programs, Bureau of Justice Assistance (BJA).**

Contractor shall comply with the financial and administrative requirements set forth in the current edition of the Office of Justice Programs (OJPR) and Financial Guide. Contractor also agrees to participate in a data collection process using the Government Performance and Results Act measuring program outputs and outcomes as outlined by the Office of Justice Programs and the Substance Abuse and Mental Health Services Administration.

**GPRA Training, Data Collection and Input:**

Contractors providing alcohol and drug treatment services under this grant funded contract shall fully participate in the Government Performance and Results Act (GPRA) trainings, data collection and submission process and shall meet the timelines as established by SAMHSA and BJA.

**Designated Contract Monitor**

**Lynn C. Maddock, JD. LCSW**

**Behavioral Health Services Manager**

1441 Constitution Blvd., Bldng 400

Salinas, CA 93906

(831) 796-1716

### **PROGRAM 3 – OUTPATIENT PROGRAM –DRUG DIVERSION**

#### **Program Location**

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| 338 Monterey Street | 114 Webster Street | 495 El Camino Real |
| Salinas, CA         | Monterey, CA       | Greenfield, CA     |

#### **Program Hours**

- Office Hours:
  - Salinas Office – Monday through Thursday 9:00 a.m. to 3:30 p.m.
  - Friday 9:00 a.m. to 12 p.m. (noon).
  - Monterey and Greenfield Offices – Tuesday through Thursday by appointment
- Group Sessions – All offices – Monday through Thursday 5:20 p.m. to 7 p.m.
- Intake Hours – Salinas- Monday through Friday by appointment

#### **Program Description**

CONTRACTOR provides a certified drug diversion program as regulated by COUNTY standards of operations as detailed in Exhibit I. CONTRACTOR operates with a two level emphasis with level two consisting of Options I and II. The Choice of Level II Option I and Level II Option II will be at the Counselor's Discretion

Level I is a four (4) month program requiring the client to:

- Complete an orientation;
- Attend twelve (12) group counseling sessions;
- Attend four (4) individual counseling sessions;
- Agree to undergo and authorize a minimum of four (4) random drug screenings;
- Attend an exit interview upon completion of the program; and
- Attend 12-Step meetings.

Clients who successfully complete Level I will return to Court without being required to enroll in Level II. Clients who do not complete Level I must enroll in Level II.

Level II Option I is a eighteen (18) week program requiring the client to:

- Participate in an Intake Session
- Attend twelve (12) group counseling sessions;
- Attend eight (8) individual counseling sessions;
- Agree to undergo and authorize a minimum three (3) random drug screenings;
- Attend an Exit Interview upon completion of the program, and;
- Attend 12-Step meetings.

Level II Option II is a five (5) week program requiring the client to:

- Participate in an Intake Session
- Attend six (6) individual counseling sessions;
- Agree to undergo and authorize a minimum three (3) random drug screenings;
- Attend an Exit Interview upon completion of the program, and;

- Attend 12-Step meetings.

CONTRACTOR may terminate clients who attend program activities while under the influence of alcohol or drugs.

### **Target Population**

Adult men and women offenders referred by Department 11 of the Courts as a Delayed Entry Judgment.

### **Service Objectives**

- Operate and maintain a state certified outpatient program.
- Complete intake/assessment within fifteen (15) working days after client schedules an intake appointment for enrollment into the program.
- Upon client's completion of the intake/assessment session, CONTRACTOR will complete the "Enrollment Status" for the individual to take to the Court.

### **Admission Criteria**

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. Non-residential locations are handicapped accessible. Visually and hearing impaired participants are welcome and interpreters will be utilized as needed. For each individual participant, including family members or significant others:

- Involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation.
- All participation shall be voluntary.
- All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while in the program.
- No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others.

### **Fees**

CONTRACTOR shall assess fees to the client to be used toward the cost of treatment based on CONTRACTOR's Drug Diversion Program Fee Structure. Services will not be denied because of an individual's inability to pay. COUNTY shall receive an administration fee of \$50.00 for each individual referred to CONTRACTOR by COUNTY and who completes the program.

### **Designated Contract Monitor**

**Lynn C. Maddock, JD. LCSW**

**Behavioral Health Services Manager**

1441 Constitution Blvd., Bldg 400

Salinas, CA 93906

(831) 796-1716



**PERINATAL, CalOMS DATA AND CalOMS PREVENTION PROGRAM REQUIREMENTS:**

Contractors providing alcohol and drug treatment and/or prevention services shall fully participate in the California Outcome Measurement System (CalOMS) data collection and submission process and shall meet the timelines as established by the County.

Contractors providing Perinatal Program services shall comply with the requirements for perinatal programs as contained in "Perinatal Services Network Guidelines 2004" until such time new Perinatal Services Network Guidelines are established and adopted.

**DEBARMENT AND SUSPENSIONS**

As required by Executive Order 12549, Debarment and Suspension, certain contracts shall not be made to parties listed on the nonprocurement portion of the General Services Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" (Executive Order 12549 and 12689). The applicant certifies that it and its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department of agency; (b) have not within a three year period preceding this application been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (15)(b) of this certification' and (d) have not within a three-year period preceding this application had one or more public transactions (Federal, State or Local) terminated for cause or default' and Where the applicant is unable to certify any of the statements in this certification, he/she shall attach an explanation to this agreement.

## **AMENDMENT NO. 2 to EXHIBIT B - PAYMENT PROVISIONS**

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### **PAYMENT TYPE**

Cost Reimbursed up to the Maximum Contract Amount.

### **PAYMENT CONDITIONS**

- A. COUNTY shall pay CONTRACTOR for services rendered under this Agreement; such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY's maximum liability under this Agreement.
- B. If for any reason this Agreement is canceled, COUNTY's maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed below.
- C. COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by a Cost Report or audit report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any Federal, State or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.
- D. **Prohibition on Duplicate Billing**  
In no event shall CONTRACTOR bill COUNTY for a portion of service costs for which CONTRACTOR has been or will be reimbursed from other contracts, grants or sources.
- E. **Timeliness for Claim Submission**  
In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as may be required by the County of Monterey, Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on a form acceptable to COUNTY so as to reach the Behavioral Health Bureau no later than the 30th day of the month following the month of service. Upon termination of this Agreement, CONTRACTOR shall submit its final claim for payment no later than thirty (30) days after the completion of services. Invoices for June services shall reach Behavioral Health by July 15<sup>th</sup>.
- F. **Certification and Payment of Claim by COUNTY**  
COUNTY shall promptly certify CONTRACTOR's claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement. COUNTY will compare the CONTRACTOR claimed amount against the COUNTY authorized amount by mode, service function, fund source and number of units of service. COUNTY shall then submit such certified claim to the COUNTY Auditor. The Auditor shall pay the claim in the amount certified by COUNTY within 30 days.

G. **Disputed Payment Amount**

If COUNTY certifies for payment a lesser amount than the amount requested, COUNTY shall immediately notify CONTRACTOR in writing of such certification and shall specify the reason for the modification. If CONTRACTOR desires to contest the certification, CONTRACTOR must submit a written notice of protest to COUNTY within twenty (20) days after CONTRACTOR's receipt of the COUNTY's notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

H. **Cost Control:**

CONTRACTOR shall not exceed by more than twenty (20) percent any contract expense line item amount in the budget without the approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this contract. Therefore, an increase in one line item will require corresponding decreases in other line items.

**Non-Drug/Medi-Cal**

1. COUNTY shall pay CONTRACTOR for services rendered to eligible participants, which fall within the general services described in Exhibit A. The rate for Non-Drug/Medi-Cal client services shall be a negotiated rate based upon the estimated cost and units of services. At the end of each fiscal year, COUNTY shall make an adjustment for actual cost in accordance with the procedures set forth in Section 16 of this Agreement.
2. Subject to the cost adjustment described in Section 16, COUNTY shall compensate CONTRACTOR in the following manner:
  - a. For residential services, CONTRACTOR shall bill COUNTY one twelfth of the annual contract amount, monthly, in advance, on Exhibit C - Behavioral Health Cost Reimbursement Invoice attached to other supporting documentation required by COUNTY for payment. COUNTY shall review actual bed day utilization rate for one twelfth reimbursement programs on a quarterly basis and adjust reimbursement to the CONTRACTOR accordingly. For outpatient services, CONTRACTOR shall bill COUNTY based on the number of individual and group units multiplied by the negotiated rate on Exhibit C, attached to other supporting documentation required by COUNTY for payment. For Narcotic Maintenance services, CONTRACTOR shall bill County based on the number of doses, individual and group units of service (in 10 minute increments) multiplied by the negotiated rate on Exhibit C, attached to other supporting documentation required by County for Payment. Billings shall be submitted to COUNTY promptly after the close of each calendar month, as required in the County Alcohol and Drug Reporting Guidelines.

- b. COUNTY shall pay the CONTRACTOR the following negotiated rates:

| Program                 |                                       | FY 2013-14        |               |          | FY 2014-15        |               |          | FY 2015-16        |               |           |
|-------------------------|---------------------------------------|-------------------|---------------|----------|-------------------|---------------|----------|-------------------|---------------|-----------|
|                         |                                       | Est. Units per FY | Medi-Cal Rate | FY Total | Est. Units per FY | Medi-Cal Rate | FY Total | Est. Units per FY | Medi-Cal Rate | FY Total  |
| 1                       | AB 109 Methadone Doses                | 829               | \$11.32       | \$9,385  | 5,475             | \$10.80       | \$59,130 | 5,475             | 10.80         | \$59,130  |
| 1                       | AB 109 Individual counseling sessions | 173               | \$13.45       | \$2,327  | 3,600             | \$13.48       | \$48,528 | 3,600             | 13.48         | \$48,528  |
| 1                       | AB 109 Group counseling sessions      | 179               | \$3.17        | \$568    | 720               | \$2.91        | \$2,096  | 720               | 2.91          | \$2,096   |
| Total Non-Drug/Medi-Cal |                                       |                   |               | \$12,280 |                   |               |          |                   |               | \$109,754 |

| Program                 |   | FY 2013-14 Est. UOS | FY 2013-14 Rate | FY 2013-14 Total |
|-------------------------|---|---------------------|-----------------|------------------|
| 2                       | Drug Court Individual counseling sessions<br>(Program ended 06/30/2014) | 17                  | \$62.98         | \$1,071          |
| 2                       | Drug Court Group counseling sessions<br>(Program ended 06/30/2014)      | 58                  | \$26.77         | \$1,553          |
| Total Non-Drug/Medi-Cal |   |                     |                 | \$2,624          |

- c. The COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by the annual Cost Report or audit report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any State, Federal, or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.

### Drug/Medi-Cal

At the end of each fiscal year, COUNTY shall make adjustment for actual cost in accordance with the procedures set forth in Section 16 of this Agreement. Subject to the cost adjustment described in Section 16, COUNTY shall compensate CONTRACTOR in the following manner:

- a. CONTRACTOR shall bill COUNTY monthly, in arrears, on Exhibit C, attached to supporting documentation as required by COUNTY for payment. Billings shall be submitted to COUNTY promptly after the close of each calendar month, as required in the County Alcohol and Drug Reporting Guidelines.
- b. COUNTY shall pay the CONTRACTOR the following interim rates:

| Program             |                                | FY 2013-14        |            |           | FY 2014-15        |            |           | FY 2015-16        |            |           |
|---------------------|--------------------------------|-------------------|------------|-----------|-------------------|------------|-----------|-------------------|------------|-----------|
|                     |                                | Est. Units per FY | Est. Rates | FY Total  | Est. Units per FY | Est. Rates | FY Total  | Est. Units per FY | Est. Rates | FY Total  |
| 1                   | Methadone Doses                | 16,339            | \$11.32    | \$184,958 | 31,025            | \$10.80    | \$335,070 | 31,025            | \$10.80    | \$335,070 |
| 1                   | Individual counseling sessions | 3,415             | \$13.45    | \$45,932  | 20,400            | \$13.48    | \$274,992 | 20,400            | \$13.48    | \$274,992 |
| 1                   | Group counseling sessions      | 84                | \$3.17     | \$267     | 4,080             | \$2.91     | \$11,873  | 4,080             | \$2.91     | \$11,873  |
| Total Drug/Medi-Cal |                                |                   |            | \$231,157 |                   |            |           |                   |            | \$621,935 |

- c. COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by a Drug/Medi-Cal Disallowance Report, Cost Report or Audit Report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any state, federal, or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.

If COUNTY certifies payment at a lesser amount than the amount requested, COUNTY shall immediately notify CONTRACTOR in writing of such certification and shall specify the reason for it. If CONTRACTOR desires to contest the certification, CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) days after CONTRACTOR's receipt of COUNTY's notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person. Any costs incurred for dispute resolution will be split evenly between CONTRACTOR and COUNTY.

#### **Drug Diversion**

1. CONTRACTOR shall develop and implement Fee Assessment and Collection procedures in compliance with COUNTY's Standards for the Operation of Certified Drug Diversion Programs attached hereto as Exhibit F. COUNTY DIRECTOR shall approve the fees set forth for the Drug Diversion Program Fee Structure and any changes thereto. CONTRACTOR's Fee Assessment Policy, Fee Schedule and Collection System, which shall describe how the CONTRACTOR charges and collects participation fees, shall comply with the COUNTY's Standards for the Operation of Certified Drug Diversion Programs. CONTRACTOR shall not charge more than this schedule unless an updated fee schedule is approved by the COUNTY DIRECTOR. This system shall be in writing and shall be a matter of public record. Fees for the treatment or rehabilitation of each participant receiving service under a certified drug diversion program shall not exceed the actual cost thereof as determined by the DIRECTOR according to standard accounting principles. The following schedule displays program fees:

| <b>DRUG DIVERSION PROGRAM FEE STRUCTURE</b> |   |  |
|---|---|--|
| <b>LEVEL I PROGRAM</b>                      |   |  |
| <b>SERVICES</b>                             | <b>FEES</b>   | <b>DESCRIPTION</b>   |
| Orientation                                 | \$60.00   | <ul style="list-style-type: none"> <li>• Completion of forms in a group setting.</li> <li>• Payment plan created</li> <li>• Assessment Appt. Made</li> <li>• Note: The orientation will not be rescheduled if missed.</li> </ul>   |
| Assessment                                  | \$65.00   | <ul style="list-style-type: none"> <li>• Individual Session w/Therapist for 30mins.</li> <li>• Treatment Plan</li> <li>• Urinalysis</li> <li>• Scheduled group session</li> <li>• Note: There is a fee of \$15 for a missed assessment appt and it will only be rescheduled once.</li> </ul> |
| Group and Individual Counseling             | \$55.00 Paid Weekly for 16 Weeks<br>• 12 Group Sessions | <ul style="list-style-type: none"> <li>• If the client brings in more money at the assessment then the payments would be lower.</li> <li>• If client does not have payment, then client will</li> </ul>  |



|  |  |  |
|--|--|--|
|  | <ul style="list-style-type: none"> <li>•3 Individual Sessions</li> <li>•4 Urinalysis Tests</li> <li>•1 Exit Interview</li> </ul> | <ul style="list-style-type: none"> <li>• not have a session.</li> <li>• An absence will incur a \$15 fee regardless of advance notice.</li> <li>• If the client is absent more than two times than they will be terminated without notice.</li> <li>• If the client is terminated then reinstated by the court, they will need to start over with an orientation session.</li> </ul> |
| Total Level I Program Fees   | \$1,002.00   | <b>The \$50 dollar County fee will be paid only when the client completes the program.</b>   |
| <b><i>If the Client tests positive on the urinalysis, they will need to complete level I and then they will be given the option to enroll in Level II or return to the court for further orders.</i></b> |  |  |

***The Choice of Level II Option I and Level II Option II will be at the Counselor's Discretion***

| <b>LEVEL II PROGRAM (OPTION I)</b>     |  |  |
|--|--|--|
| <b>SERVICES</b>                        | <b>FEES</b>  | <b>DESCRIPTION</b>   |
| Intake                                 | \$ 150.00  | <ul style="list-style-type: none"> <li>• Individual therapy session for 60mins.</li> <li>• Treatment plan</li> <li>• Schedule next session</li> <li>• Note: There is a fee of \$15 for a missed assessment appt and it will only be rescheduled once.</li> </ul>   |
| Group and Individual Sessions          | \$ 56.50 paid weekly for 18 weeks <ul style="list-style-type: none"> <li>•12 Group Sessions</li> <li>•8 Individual Sessions</li> <li>•3 Urinalysis Tests</li> <li>•1 Exit Interview</li> </ul> | <ul style="list-style-type: none"> <li>• If client does not have payment, then client will not have a session.</li> <li>• An absence will incur a \$15 fee regardless of advance notice.</li> <li>• If the client is absent more than two times than they will be terminated without notice.</li> <li>• The client will be terminated from Level II if they test positive once on the urinalysis.</li> <li>• If the client is terminated then reinstated by the court, they will need to start over with an intake session.</li> </ul> |
| Total Level II (Option I) Program Fees | \$1,167.00   |  |
| <b>LEVEL II PROGRAM (OPTION II)</b>    |  |  |
| <b>SERVICES</b>                        | <b>FEES</b>  | <b>DESCRIPTION</b>   |
| Intake                                 | \$ 75.00   | <ul style="list-style-type: none"> <li>• Individual therapy session for 60mins.</li> <li>• Treatment plan</li> <li>• Schedule next session</li> <li>• Note: There is a fee of \$15 for a missed assessment appt and it will only be rescheduled once.</li> </ul>   |
| Individual Sessions                    | \$ 128.00 paid weekly for 5 weeks <ul style="list-style-type: none"> <li>•6 Individual Sessions</li> <li>•3 Urinalysis Tests</li> <li>•1 Exit Interview</li> </ul>                             | <ul style="list-style-type: none"> <li>• If client does not have payment, then client will not have a session.</li> <li>• An absence will incur a \$15 fee regardless of advance notice.</li> <li>• If the client is absent more than two times than they will be terminated without notice.</li> <li>• The client will be terminated from Level II if</li> </ul>  |

|   |          |  |
|---|----------|--|
|   |          | they test positive once on the urinalysis.<br>• If the client is terminated then reinstated by the court, they will need to start over with an intake session. |
| Total Level II (Option II) Program Fees | \$715.00 |  |

2. Fees charged to participants shall be determined based upon the participant's ability to pay for services. CONTRACTOR shall retain documentation relating to participant's ability to pay and participation in the program and allow COUNTY access to it in accordance Section 12 RECORDS AND REPORTS of this Agreement. CONTRACTOR shall not refuse services because of inability to pay and shall make provisions for persons who cannot afford such fees in order to enable such persons to participate in the program. CONTRACTOR shall exercise diligence in the billing and collection of participant fees.
3. CONTRACTOR is required to submit administrative fees to the Behavioral Health Division of the Monterey County Health Department on a quarterly basis along with the Quarterly Drug Diversion Program Report. CONTRACTOR shall pay an administrative fee of **\$50 per individual enrolled** to COUNTY, which shall be due fifteen (15) days after end of quarter.
4. If analysis of any audit or program review shows that the CONTRACTOR has underpaid the COUNTY, then the CONTRACTOR shall reimburse the amount of the underpayment in a single payment to the COUNTY within thirty (30) days after the COUNTY notifies the CONTRACTOR of the underpayment.

#### MAXIMUM OBLIGATION OF THE COUNTY

- A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **\$1,709,439** or services rendered under this Agreement.

| VALLEY HEALTH ASSOCIATES: AOD Agreement FYs 2013-16 |                    |
|---|--------------------|
| FY 2013-14 TOTAL ESTIMATED ANNUAL CONTRACT AMOUNT   | \$246,061          |
| FY 2014-15 TOTAL ESTIMATED ANNUAL CONTRACT AMOUNT   | \$731,689          |
| FY 2015-16 TOTAL ESTIMATED ANNUAL CONTRACT AMOUNT   | \$731,689          |
| <b>TOTAL AGREEMENT MAXIMUM LIABILITY</b>            | <b>\$1,709,439</b> |

- B. COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY's maximum liability under this Agreement.
- C. If for any reason this Agreement is canceled, COUNTY's maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum

amount listed above.

- D. COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by a Cost Report or audit report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any Federal, State or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.
- E. Service Charge Entry, Admission and Discharges. The contractor will be responsible for entering into the AVATAR system, within 72 hours of occurrence, CalOMS Admission and Discharges and entering services provided.

#### **PAYMENT METHOD**

1. County will pay CONTRACTOR for the services provided by CONTRACTOR that have been authorized pursuant to this agreement, as hereinafter set forth.
2. CONTRACTOR will submit a separate monthly claim, Exhibit C, and any additional documentation required by COUNTY for each program detailing services rendered via email to: [MCHDBHFinance@co.monterey.ca.us](mailto:MCHDBHFinance@co.monterey.ca.us)

Or via U.S. mail to:

Monterey County Health Department, Behavioral Health Bureau  
**Attn: Accounts Payable**  
1270 Natividad Road, Suite 107-108  
Salinas, CA 93906

## **EXHIBIT F: BUSINESS ASSOCIATE AGREEMENT**

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This Business Associate Agreement ("Agreement"), effective **July 1, 2014** ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of the Health Department ("Covered Entity") and **VALLEY HEALTH ASSOCIATES** ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

### **1. Definitions**

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

### **2. Permitted Uses And Disclosures Of PHI**

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;



(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

### 3. Responsibilities Of The Parties With Respect To PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;



(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R. § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

#### 4. Terms And Termination

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a

material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

**4.3 Automatic Termination.** This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

**4.4 Effect of Termination.** Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

## **5. Miscellaneous**

**5.1 Survival.** The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

**5.2 Amendments; Waiver.** This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

**5.3 No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

**5.4 Notices.** Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

Valley Health Associates  
338 Monterey St., Salinas, CA 93901  
Attn: Norma Jaramillo, Executive Director  
Tel: (831) 424-6655

If to Covered Entity, to:

Monterey County Health Department/Behavioral Health Bureau  
1270 Natividad Road, Salinas, CA 93906  
Attn: Ray Bullick, Health Director  
Tel: (831) 755-4509  
Fax: (831) 755-4980

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

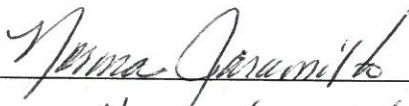
5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

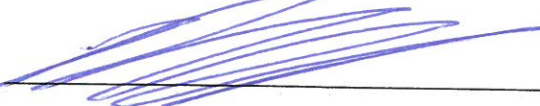
5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

**VALLEY HEALTH ASSOCIATES**

**COUNTY OF MONTEREY, ON BEHALF OF  
THE HEALTH DEPARTMENT**

By:   
Print Name: Norma Jaramila  
Print Title: Executive Director  
Date: 6/2/15

By:   
Print Name: Ray Bullick  
Print Title: Director of Health  
Date: 7-20-15