

WITHHOLDING

**PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND
SHASTA COUNTY CHILD ABUSE PREVENTION COORDINATING COUNCIL**

This agreement is entered into between the County of Shasta, through its Health and Human Services Agency, a political subdivision of the State of California (“County”), and Shasta County Child Abuse Prevention Coordinating Council, a California nonprofit corporation (“Consultant”), doing business as Pathways to Hope For Children, (collectively, the “Parties” and individually a “Party”), for the purpose of providing Targeted Case Management (“TCM”) services.

RECITALS

WHEREAS, County, as the designated Local Government Agency (“LGA”) for the Medi-Cal TCM Program (as Provider #45-19EVRGRN) has entered into an agreement with the California Department of Health Care Services (“DHCS”) to claim Federal Financial Participation (“FFP”) reimbursement for the provision of TCM services to eligible Medi-Cal beneficiaries in Shasta County; and

WHEREAS, Consultant desires to provide TCM services for eligible and potentially eligible Medi-Cal beneficiaries in Shasta County; and

WHEREAS, claims for FFP reimbursement for the provision of TCM services to eligible Medi-Cal beneficiaries must be made through an LGA; and

WHEREAS, Consultant desires to receive FFP reimbursement through County for the TCM services being provided.

NOW, THEREFORE, County and Consultant enter into this agreement.

Section 1. RESPONSIBILITIES OF CONSULTANT

Pursuant to the terms and conditions of this agreement, Consultant shall:

- A. Provide TCM services to eligible Medi-Cal beneficiaries in Shasta County pursuant to the terms and conditions of the agreement between the County and DHCS, attached and incorporated herein as **Exhibit A**, titled “**Medi-Cal Targeted Case Management Provider Participation Agreement**,” effective July 1, 2024, and attached and incorporated herein as **Exhibit B**, titled “**Medi-Cal Targeted Case Management Addendum to Provider Participation Agreement**,” effective July 1, 2024.
- B. Provide TCM services to eligible Medi-Cal beneficiaries in Shasta County which comply with the applicable provisions of California State Plan TN No. TN 21-0025, attached and incorporated herein as **Exhibit C**, titled “**Transmittal and Notice of Approval of State Plan Material**,” effective July 1, 2024, attached and incorporated herein.

- C. Comply with the Shasta LGA Performance Monitoring Plan, attached and incorporated herein as **Exhibit D**, titled **“Shasta LGA Performance Monitoring Plan,”** attached and incorporated herein.
- D. Perform perpetual (daily) time surveys for claimed staff. The time surveys shall comply with all DHCS requirements and Consultant shall utilize DHCS approved time survey forms. Prior to submission to County, all time surveys shall be reviewed for completeness and accuracy and corrected, when necessary, prior to submission.
- E. Provide documents needed to prepare an annual cost report in compliance with DHCS requirements. Section 1.E. shall survive the termination, expiration, or cancellation of this agreement.
- F. Throughout the term of this agreement, submit to County the copies, which can be paper, of the perpetual (daily) time surveys no later than September 5th of each year for the prior July 1st through June 30th time periods when requested by county. Section 1.F. shall survive the termination, expiration, or cancellation of this agreement.
- G. Enter TCM encounters (“Encounter(s)”) (i.e., face to face contact or significant telephone contact with or on behalf of the Medi-Cal eligible person for the purpose of rendering one or more TCM service components [“Service Components”] by a case manager) into the DHCS TCM online system, within 30 days after the end of each calendar quarter (January, April, July, and October) during the term of this agreement. A Service Component includes, but is not limited to, comprehensive assessment and periodic reassessment of individual needs; development (and periodic revision) of a specific care plan; referral and related activities to help the eligible individual obtain needed services; assistance with accessing services; monitoring and follow-up activities; and periodic reviews. Required information to be entered into the TCM online system includes, but is not limited to, program type; case manager ID; location of the Encounter; date of service; date of birth; client ID; last name, if client ID has not been entered; and newborn date of birth, if applicable. For the purposes of this agreement, calendar quarters are the months of October through December, January through March, April through June, and July through September. Consultant shall notify County, within 10 working days of the beginning of each calendar quarter, as to when the Encounters have been entered into the TCM online system.
- H. Provide to County (on the dates specified by County) for its review (“Chart Review”), up to 50 of Consultant’s TCM files containing documentation of the provision of Service Components and Encounters undertaken pursuant to this agreement. For the purposes of this agreement, a Chart Review is a comprehensive review of TCM case documentation and billable Encounters to ensure compliance with TCM federal and state laws and regulations, and County policies and procedures. Chart Reviews shall include steps to minimize federal audit exceptions

and provide continuous quality improvement. The number of TCM files and the dates of Chart Reviews shall be mutually agreed upon by County and Consultant. In the event that County and Consultant are unable to agree on a number of TCM files to be reviewed and/or the date of a Chart Review, County shall have the right to set the number of files, up to 50, to be reviewed and the date of the Chart Review.

- I. Maintain a TCM Encounter log (“Encounter Log”) pursuant to DHCS TCM policies and procedures. The Encounter Log shall include all Encounters performed on Medi-Cal and potentially eligible Medi-Cal clients. The Encounter Log shall be maintained by Consultant and available for County and DHCS audit for the time period specified in Section 1.J.
- J. Maintain and preserve TCM records for a minimum of three years after the termination, expiration, or cancellation of County’s agreement with DHCS **(EXHIBIT A) and MEDI-CAL TARGETED CASE MANAGEMENT ADDENDUM TO PROVIDER PARTICIPATION AGREEMENT (EXHIBIT B)** and final **payment** from DHCS to County under that agreement, or the period of time as required by applicable law or regulation, to permit DHCS or any duly authorized representative, to have access to, examine, or audit any pertinent books, documents, papers, and records related to this agreement and to allow interviews of any of Consultant’s staff who might reasonably have information related to such records, whichever is later. This provision shall survive the termination, expiration, or cancellation of this agreement.
- K. Utilize the websites located at <http://cal-lga.org> and <https://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx> to obtain current TCM forms (including time survey forms and cost reports) and program compliance information.
- L. Contact the TCM Coordinator for technical assistance.
- M. Attend one annual time survey training and one annual cost report training provided by County on the dates and times, and at the location(s) mutually agreed upon by County and Consultant. In the event that County and Consultant are unable to agree on dates, times, and location(s) of the annual trainings, County shall have the right to set the dates, times, and location(s) of the annual training.
- O. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of County pursuant to this agreement shall contain the numbers and dollar amount of the agreement and all subcontracts under the agreement relating to the preparation of the document or written report. If multiple documents or written reports are the subject of the agreement or subcontracts, the disclosure section may also contain a statement indicating that the total agreement amount represents compensation for multiple documents or written reports. Consultant shall label the bottom of the last page of the document or report as follows: department name, agreement number, and dollar amount. If more than

one document or report is produced under this agreement, Consultant shall add:
“This [document or report] is one of [number] produced under this agreement.”

Section 2. RESPONSIBILITIES OF COUNTY

Pursuant to the terms and conditions of this agreement, County shall:

- A. Confirm if Consultant wants to continue to participate in Plan and submit to DCHS.
- B. Compensate Consultant as prescribed in Sections 3 and 4 of this agreement and monitor Consultant’s performance.
- C. Designate a County employee as the TCM Coordinator.
- D. County will prepare and submit accurate and complete cost reports in accordance with Section 1.E. of this agreement.
- E. Prepare and submit an annual cost report in compliance with DHCS requirements by October 5, 2025, for the time period July 1, 2024, through June 30, 2025.
- F. Make reasonable efforts to provide to Consultant TCM-related information, regulation updates, and information regarding pertinent legislation.
- G. Provide to Consultant TCM-related training that consists of no less than one annual time survey training and one annual cost report training.
- H. Generate and submit invoice forms for FFP reimbursement within 90 days of notification from Consultant that all Encounters have been entered pursuant to Section 1.G. of this agreement.
- I. Conduct chart reviews. In the event County finds an error during a chart review, County shall notify Consultant within 30 days of discovering the error and provide instructions for Consultant to correct the error. Consultant shall take necessary corrective action within 30 days of notification to Consultant from County of the error.

Section 3. COMPENSATION

Maximum compensation payable to Consultant for providing the services prescribed in this agreement shall not exceed the following:

- A. The maximum allowable FFP reimbursement as determined by DHCS, currently \$500,000 per fiscal year, during the period July 1 through June 30 of each fiscal year throughout the term of this agreement.

- B. In no event shall maximum compensation payable by County to Consultant exceed the combined maximum allowable FFP reimbursement for County for each fiscal year, July 1 through June 30, throughout the term of this agreement.
- C. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of this agreement.
- D. Consultant shall be paid via electronic invoice payment; automated clearing house ("ACH"), County credit card, or Commerce Bank virtual card. ACH payments require submission of the completed Auditor-Controller ACH/Direct Deposit authorization form within five days of execution of this agreement.

Section 4. BILLING AND PAYMENT

- A. Consultant shall be paid, within 45 days of submission of approved invoices to DHCS. Consultant shall be paid the amount County receives from DHCS for invoices submitted to DHCS, as determined by Consultant's Cost Report. County shall only be responsible to pay Consultant the amount of the FFP as directed by DHCS, and as prescribed in Section 3.A. of this agreement.
- B. Payments for a specific billing period may be delayed up to one year or more due to TCM program and billing functions.
 - 1. If an individual that is determined to be ineligible for Medi-Cal is subsequently found to be eligible, the TCM system will retroactively approve the Encounter(s) for payment. Consultant shall be paid as described in Section 4.A. above for that individual.
 - 2. In the event a DHCS TCM audit results in a disallowance of reimbursement to Consultant, County shall forward DHCS invoice reimbursement letter within 20 days of receipt of email from DHCS. The invoice shall be deemed received by Consultant two days after mailing. Consultant shall pay State the invoiced amount within 30 days from the date the invoice is deemed received by the Consultant.
- C. For the purpose of effectuating compensation, this Section 4 shall survive the termination, expiration, or cancellation of this agreement.

Section 5. TERM OF AGREEMENT

The term of this agreement shall be for one year beginning July 1, 2024, and end June 30, 2025, except as to the final cost reports, time surveys, and invoices (including, but not limited to, invoices for disallowed reimbursements emailed to finance@raisingshasta.org or mailed to Consultant by County), which shall be due as provided in Sections 1 and 4.

Section 6. TERMINATION OF AGREEMENT

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement for cause effective immediately upon the County giving written notice thereof to Consultant. If termination for cause is given by County to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this Section.
- B. County may terminate this agreement without cause on 30 days written notice to Consultant.
- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by Shasta County Board of Supervisors or designee.
- E. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement in a format acceptable to County.
- F. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and the HHSA Director or designee, provided that the amendment is in substantially

the same format as the County's standard format amendment contained in the *Shasta County Contracts Manual* (Administrative Policy 6-101).

- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONSULTANT

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION

- A. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or by any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity, except

when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Consultant shall also, at Consultant's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or any of Consultant's subcontractors, any person employed under Consultant, or under any Subcontractor, or in any capacity. Consultant shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to Consultant's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

- B. This indemnification provision is independent of, and shall not in any way be limited by, Consultant's insurance coverage or lack of coverage, or by the insurance requirements of this agreement. County acknowledgement or approval of Consultant's evidence of insurance coverage required by this agreement does not in any way relieve Consultant from its obligations under this Section.

Section 11. INSURANCE REQUIREMENTS

Without limiting Consultant's duties of defense and indemnification:

- A. Consultant and any subcontractor shall carry Commercial General Liability Insurance, and other coverage necessary to protect County and the public, with limits of \$2 million per occurrence or claim. Such coverage shall:
1. Be equivalent to the current Insurance Services Office (ISO) form CG 00 01, assuring coverage for products and completed operations, property damage, bodily injury, and personal and advertising injury.
 2. Include an endorsement, or an amendment to the policy of insurance, naming Shasta County, its elected officials, officers, employees, agents, and volunteers as additional insureds; the additional insureds coverage shall be equal to the current ISO forms CG 20 10 for on-going operations, and CG 20 37 for completed operations.
 3. Apply separately to this project and location(s); in the event of a general aggregate limit, the general aggregate limit shall be twice the required per occurrence limit.

4. Contain, or be endorsed to contain, a “separation of insureds” clause which shall read or have the same effect as the following:

“Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each suit insured against whom a claim is made or suit is brought.”
- B. Consultant and any subcontractor shall carry Automobile Liability Insurance covering any auto, unless Consultant has no owned autos then covering at minimum hired and non-owned autos, with limits of \$1 million per occurrence or claim. Such coverage shall:
1. Include, or be endorsed to contain, Additional Insured coverage in favor of Shasta County, its elected officials, officers, employees, agents, and volunteers.
 2. Include, or be endorsed to contain, coverage for hazardous waste transportation, when appropriate to the work being performed.
- C. Consultant and any subcontractor shall carry statutorily required Workers' Compensation Insurance, and Employer's Liability Insurance with limits of \$1 million per occurrence or claim, to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees, covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.
- D. Consultant shall carry Professional Liability (Errors and Omissions) Insurance, applicable to the Consultant's profession and the services/work being performed, with limits of not less than \$2 million per occurrence or claim, \$2 million aggregate.
- E. Without limiting any of the obligations or liabilities of Consultant, Consultant shall carry Cyber and Privacy Liability Insurance, applicable to the services/work being

performed, with limits of not less than \$2 million per occurrence, \$2 million aggregate; covering, but not limited to, claims involving security breach, system failure, data recovery, damage to persons and property, business interruption, breach response, regulatory fines and penalties, credit monitoring, cyber extortion, social engineering, infringement of intellectual property, invasion of privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. Such coverage shall apply to property damage resulting from any of the above, and for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the County in the care, custody, or control of the Consultant.

- F. Consultant shall require its subcontractors, if any, to carry and maintain insurance coverage and evidence that equals the requirements imposed upon Consultant by this agreement.
- G. With regard to all insurance coverage required by this agreement:
 - 1. Any deductible or self-insured retention exceeding \$25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the Shasta County Risk Manager prior to the effective date of this agreement; policy shall provide, or be endorsed to provide, that any self-insured retention or deductible may be satisfied by either the named insured or County, and must also provide that defense costs satisfy the self-insured retention or deductible. Any and all deductibles and self-insured retentions shall be the sole responsibility of Consultant or subcontractor who procured such coverage, and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Consultant to fund the self-insured retention or deductible.
 - 2. If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide coverage for claims received and reported three years after the expiration date of this agreement.
 - 3. In the event coverage is reduced or canceled, or otherwise materially changed, a notice of said reduction or cancellation or change shall be provided to County within 24 hours.
 - 4. Consultant hereby grants to Shasta County, its elected officials, officers, employees, agents, and volunteers, a waiver of any right to subrogation or

recovery which any insurer of said Consultant may acquire against County by virtue of the payment of any loss under such coverage, and agrees to obtain any endorsement that may be necessary to affect this waiver; this provision applies regardless of whether or not County has received such a waiver or endorsement.

5. Any available insurance proceeds in excess of the specified minimum limits and insurance coverage pursuant to the terms of this agreement shall be applicable to County.
6. Before the effective date of this agreement, Consultant shall provide County with certificates of insurance, and all amendatory endorsements or policy amendments, as evidence of meeting insurance coverage required of this agreement; for purposes of verification of Consultant meeting insurance requirements of this agreement, County reserves the right to require any policies, declarations, endorsements, and other documentation.
7. Coverage required herein shall be in effect at all times during the term of this agreement, and may be provided by programs of self-insurance when supported by adequate evidence meeting appropriate self-insurance and regulatory compliance. Insurance is to be placed with insurers authorized to transact business in California, with a current A.M. Best's rating of not less than A:VII, unless otherwise authorized by County.
8. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
9. For any claims related to this agreement, Consultant's coverage shall be primary and non-contributory. Any coverage maintained by Shasta County, its elected officials, officers, employees, agents, and volunteers, shall be excess of the Consultant's coverage and shall not contribute with it.
10. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Shasta County, its elected officials, officers, employees, agents, or volunteers.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Consultant shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. Consultant shall not unlawfully discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Consultant represents that Consultant is in compliance with and agrees that Consultant shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto. Furthermore, where applicable, Consultant represents and warrants all websites created for County, or used by Consultant to provide services pursuant to this agreement shall comply with the Americans with Disabilities Act of 1990 and shall specifically conform to the Web Content Accessibility Guidelines found at www.w3.org.7, and comply with section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), Subpart B, 1194.22.
- D. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization in a manner prohibited by law.
- E. In addition to any other provisions of this agreement, Consultant shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Consultant's noncompliance with the provisions of this Section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION

- A. County, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to ensure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.
- C. Consultant agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Consultant.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS

Consultant's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Consultant's failure to cure such default within 90 days of notice by County shall be grounds for termination of this agreement.

Section 16. LICENSES AND PERMITS

Consultant, and Consultant's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies,

including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

Section 17. PERFORMANCE STANDARDS

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

Section 18. CONFLICTS OF INTEREST

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 19. NOTICES

- A. Except as provided in Section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Branch Director
 HHSA Administration
 Attn: Contracts Unit
 P.O. Box 496005
 Redding, CA 96049-6005
 Phone: 530-245-6860
 Fax: 530-225-5555

Copy to: TCM Coordinator
 Shasta County Health & Human Services Agency
 P.O. Box 496005
 Redding, CA 96001-6005

If to Consultant: Executive Director
 Child Abuse Prevention Coordinating Council
 2280 Benton Drive, Building C, Suite A
 Redding, CA 96003
 Phone: 530-241-5816
 Fax: 530-241-4192

Copy to: Project Director
Child Abuse Prevention Coordinating Council
2280 Benton Drive, Building C, Suite A
Redding, CA 96003

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the County as provided for in this agreement may be executed and/or exercised by Shasta County Board of Supervisors or designee.

Section 20. AGREEMENT PREPARATION

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT

Consultant shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any County decision which may affect Consultant's financial interests. If required by the County's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES

Consultant represents and warrants that Consultant, on the date of execution of this agreement, (1) has paid all property taxes for which Consultant is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Consultant shall make timely payment of all property taxes at all times during the term of this agreement.

Section 23. SEVERABILITY

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 24. COUNTY'S RIGHT OF SETOFF

To the fullest extent permitted by law, County shall have the right but not the obligation, to setoff, in whole or in part, against any compensation owed to Consultant or any of its subsidiaries under any contract with the County, any amount of any Federal or State audit liability owed by or claimed or asserted against the County or any amounts owed to County by Consultant or its subsidiaries.

Section 25. CONFIDENTIALITY

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 26. CONFIDENTIALITY OF CLIENT INFORMATION

Consultant shall comply with, and require all of Consultant's employees, volunteers, agents, and officers to comply with, the provisions of section 10850 of the Welfare and Institutions Code, and of Division 19 of the California Department of Social Services Manual of Policies and Procedures. This provision shall survive the termination, expiration, or cancellation of this agreement to which the State Department of Social Services regulations apply.

Section 27. HIPAA ADDENDUM

Attached to this agreement, and incorporated by reference, is an Addendum that constitutes a Business Associate Agreement as required by the federal Health Insurance Portability and Accountability Act.

Section 28. SCOPE AND OWNERSHIP OF WORK

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this agreement in a format acceptable to County. County may use such work products for any purpose whatsoever. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of Consultant's rights in Consultant's own proprietary information, including, without limitation, Consultant's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Consultant prior to, or acquired by Consultant during the performance of this agreement and Consultant shall not be restricted in any way with respect thereto.

Section 29. USE OF COUNTY PROPERTY

Consultant shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Consultant's obligations under this agreement.

Section 30. APPLICATION OF OTHER AGREEMENTS

Consultant and Consultant's officers, agents, employees, and volunteers, and any of Consultant's subcontractors shall comply with all terms and provisions imposed upon any subcontractor of County by the Medi-Cal Targeted Case Management Provider Participation Agreement between the County of Shasta and California Department of Health Care Services, PPA#45-19EVRGRN, attached to this agreement as **Attachment A** and incorporated by this reference.

Section 31. COUNTERPARTS/ELECTRONIC, FACSIMILE, AND PDF SIGNATURES

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this Section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that they have the authority to execute this agreement and to bind the Party on whose behalf their execution is made.

COUNTY OF SHASTA

Date: _____

KEVIN W. CRYE, CHAIR
Board of Supervisors
County of Shasta
State of California

ATTEST:

DAVID J. RICKERT
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
JOSEPH LARMOUR
County Counsel

Signed by:
By: Cedar Vaughan
1A56367409A7486...
Cedar E. Vaughan
Deputy County Counsel III

Date: 12/27/2024 | 3:15 PM PST

RISK MANAGEMENT APPROVAL

Signed by:
By: Dolyene Lane
63C541BCE38944C...
Dolyene Lane
Risk Manager

Date: 12/27/2024 | 4:28 PM PST

Date: 01/29/2025 | 9:10 AM PST

CONSULTANT

Signed by:
By: Jenna Berry
E98FE3ECAD6A480...
Name: Jenna Berry
Title: Executive Director
Tax I.D.#: On File

**ADDENDUM TO CONTRACT/AGREEMENT
(HIPAA Business Associate Agreement)**

This Addendum is attached to, and incorporated into the agreement, entitled Personal Services Agreement between the County of Shasta and Shasta County Child Abuse Prevention Coordinating Council, dated 07/01/2024.

Definitions.

All terms and phrases used, but not otherwise defined in this Addendum, shall have the same meaning as those terms are defined in 45 Code of Federal Regulations, subtitle A, subchapter C, parts 160 and 164. All section references in this Addendum are to Title 45 of the Code of Federal Regulations unless otherwise specified.

- (a) Business Associate. “Business Associate” shall mean the Party with whom County of Shasta is contracting, as referenced above.
- (b) Underlying Agreement. “Underlying Agreement” shall mean the agreement or contract between the County of Shasta and the Business Associate, to which this Addendum is attached and incorporated.
- (c) Covered Entity. “Covered Entity” shall mean the covered components of the County of Shasta hybrid entity which are subject to the standards for privacy and security of Title 45, Code of Federal Regulations, subchapter C, Parts 160 and 164.

Obligations and Activities of Business Associate.

Business Associate shall:

- (a) Not use or disclose Protected Health Information (PHI), or Electronic Protected Health Information (EPHI), other than as permitted or required by this Addendum or as required by law.
- (b) Use appropriate safeguards and comply with Subpart C of Title 45, Code of Federal Regulations, Part 164 with respect to EPHI, to prevent use or disclosure of PHI or EPHI other than as provided for by this Addendum and the Underlying Agreement.
- (c) If a pattern of activity or practice of an agent, including a subcontractor, constitutes a material breach or violation of the requirements of this Addendum and/or the Underlying Agreement, cure the breach or end the violation, as applicable, and if such steps are unsuccessful, terminate the subcontract or other agreement.

- (d) Report, immediately, to Covered Entity's Privacy and/or Security Officer any use or disclosure of PHI or EPHI not provided for by this Addendum and/or the Underlying Agreement of which it becomes aware, including breaches of unsecured PHI as required in Section 164.410. A report including at least the following information: (a) a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; (b) a description of the types of unsecured protected health information that were involved in the breach, including the approximate number of individuals affected (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); (c) a brief description of what the Covered Entity involved is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches. Business Associate shall provide the report to Covered Entity's Privacy and/or Security Officer no later than 24 hours from the date the breach was discovered or, if exercising due diligence, should have been discovered.
- (e) Business Associate is responsible for any and all costs related to notification of individuals or next of kin (if the individual is deceased) as required in Section 164.412, of any Security or Privacy breach reported by Business Associate to Covered Entity.
- (f) Ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Addendum and the Underlying Agreement to Business Associate with respect to such information.
- (g) Provide access, at the request of Covered Entity, and in the time and manner designated by Covered Entity, to PHI and EPHI information in a designated record set, to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirements under Section 164.524.
- (h) Make any amendment(s) to PHI and EPHI in a designated record set that the Covered Entity directs or agrees to make pursuant to Section 164.526 at the request of Covered Entity or an individual, and in the time and manner designated by Covered Entity.
- (i) Make internal practices, books, and records, including policies and procedures and PHI and EPHI, relating to the use and disclosure of PHI and EPHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary (i.e., the federal Secretary of Health and Human Services [HHS], or to any officer or employee of HHS to the authority involved has been delegated), in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the law.

- (j) Document disclosures of PHI and EPHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures in accordance with Section 164.528.
- (k) Provide to Covered Entity or an individual, in the time and manner designated by Covered Entity, information collected regarding disclosures of PHI and EPHI, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures in accordance with Section 164.528.
- (l) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity, as required by law. In addition, Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI agrees to implement reasonable and appropriate safeguards to protect it.
- (m) Ensure that all employees of Business Associate that handle or access PHI or EPHI undergo annual training regarding the safeguarding of PHI and EPHI.
- (n) To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of Title 45, Code of Federal Regulations, Part 164, comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.

Permitted Uses and Disclosures by Business Associate.

Except as otherwise limited in this Addendum and the Underlying Agreement, Business Associate may use or disclose PHI and EPHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the law if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

Obligations of Covered Entity.

- (a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with Section 164.520, to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI and EPHI.
- (b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by individual to use or disclose PHI and EPHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI and EPHI.

- (c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI and EPHI that Covered Entity has agreed to in accordance with Section 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI and EPHI.

Permissible Requests by Covered Entity.

Covered Entity shall not request Business Associate to use or disclose PHI and EPHI in any manner that would not be permissible under the law if done by Covered Entity.

Term and Termination.

The provisions of this Addendum shall supersede the provisions of the Underlying Agreement insofar as they relate to the term and termination of the Underlying Agreement.

- (a) Term. The provisions of this Addendum shall be effective as of the Effective Date of the Underlying Agreement and shall terminate when all of the PHI and EPHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy, protections are extended to such information, in accordance with the termination provisions in this Addendum.
- (b) Termination for Cause. Upon County of Shasta's knowledge of a material breach by Business Associate of the provisions of this Addendum, County of Shasta may terminate this Addendum and the Underlying Agreement immediately upon oral notice.
- (c) Effect of Termination.
 - (1) Except as provided in paragraph (c)(2) of this provision, upon termination of this Addendum and the Underlying Agreement, for any reason, Business Associate shall return or destroy, in a confidential manner, all PHI and EPHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and EPHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of said PHI and EPHI.
 - (2) In the event that Business Associate determines that returning or destroying the PHI and EPHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon the agreement of Covered Entity that return or destruction is infeasible, Business Associate shall extend the protections of this Addendum to such PHI and EPHI and limit further uses and disclosures to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI and EPHI.

Miscellaneous

- (a) *Amendment.* The Parties agree to take such action as is necessary to amend this Addendum and the Underlying Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and the regulations enacted pursuant thereto. Any such amendment may be signed on behalf of the County of Shasta by the County Executive Officer, or his or her designee(s), provided that such amendment is in substantially the same format as the County of Shasta's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101) and is approved by County Counsel as to form.
- (b) *Survival.* The respective rights and obligations of Business Associate under the provision of this Addendum entitled "Effect of Termination" shall survive the termination of the Underlying Agreement.
- (c) *Interpretation.* Any ambiguity in this Addendum and the Underlying Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.
- (d) *Indemnification.* To the fullest extent permitted by law, Business Associate shall indemnify and hold harmless Covered Entity, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Business Associate, or by any of Business Associate's subcontractors, any person employed under Business Associate, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of Covered Entity. Business Associate shall also, at Business Associate's own expense, defend the Covered Entity, its elected officials, officers, employees, agents, and volunteers against any claim, suit, action or proceeding brought against Covered Entity, its elected officials, officers, employees, agents, and volunteers arising from the work or the provision of services undertaken pursuant to this agreement by Business Associate, or any of Business Associate's subcontractors, any person employed under Business Associate, or under any subcontractor, or in any capacity.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

**MEDI-CAL TARGETED CASE MANAGEMENT
PROVIDER PARTICIPATION AGREEMENT**

Name of Provider: Shasta County PPA # 45-19EVRGRN

ARTICLE I – STATEMENT OF INTENT

This Provider Participation Agreement (PPA) constitutes the entire agreement between the Provider and the California Department of Health Care Services (DHCS) regarding Targeted Case Management (TCM) services and is subordinate to the Medi-Cal Provider Agreement (DHCS Form 6208) entered into by the Provider in conjunction with the Provider's enrollment in the Medi-Cal Program. To the extent a prior agreement exists, this PPA replaces all prior PPAs.

ARTICLE II- AUTHORITY

This PPA establishes the responsibilities of a California qualified Local Governmental Agency (LGA or Provider) and DHCS, for the provision of TCM services to eligible Medi-Cal beneficiaries, pursuant to Welfare and Institutions Code section 14132.44. Provider shall be an entity located and operating in the State of California.

ARTICLE III – TERM AND TERMINATION OF THE AGREEMENT

This PPA is effective **July 1, 2019**, and shall continue in full force and effect until terminated by either party.

Termination without Cause: Either party may terminate this PPA by providing the other party with 30 days advance written notice of intent to terminate. Termination under this paragraph shall result in Provider's immediate disenrollment from the TCM Program on the termination date and exclusion without formal hearing under the California Administrative Procedure Act (APA) from further participation in the TCM Program unless and until Provider is re-enrolled by DHCS in the TCM Program.

Termination for Cause: This PPA shall be automatically terminated if the Provider's DHCS Form 6208 and Medi-Cal Disclosure Statement form 6207 are terminated or Provider is suspended from Medi-Cal under the terms of the DHCS Form 6208, respectively. This PPA's automatic termination or suspension shall be effective the same date as the Provider's DHCS Form 6208 and Medi-Cal Disclosure Statement form 6207 termination from Medi-Cal. Termination under this paragraph will result in Provider's immediate disenrollment and exclusion without formal hearing under the APA from further providing services under the TCM Program. Additionally, DHCS shall have the authority to automatically terminate this PPA if a conflict of interest is determined to exist by DHCS and cannot be adequately resolved to the satisfaction of DHCS pursuant to Article X of this PPA.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

ARTICLE IV – PROJECT REPRESENTATIVES

A. The contact persons during the term of this PPA are:

Department of Health Care Services Shelly Taunk, Chief County-Based Claiming and Inmate Services Section Telephone: (916) 345-7934 Fax: (916) 324-0738 Email: Shelly.Taunk@dhcs.ca.gov	Provider Name: Robin Harris Telephone: (530) 225-5918 Fax: (530) 225-5555 Email: rmharris@co.shasta.ca.us
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B. Direct all inquiries to:

Department of Health Care Services County-Based Claiming and Inmate Services Section Targeted Case Management Unit Attention: Sara Schmid, Chief Suite 71.3024, MS 4603 P.O. Box 997436 Sacramento, CA, 95899-7436 Telephone: (916) 345-7691 Fax: (916) 324-0738 Email: DHCS-TCM@dhcs.ca.gov	Provider Name: County of Shasta Health and Humans Services Agency Attn: MAA/TCM Coordinator P.O. Box 496005 Redding, CA 96049-6005 Telephone: (530) 225-5918 Fax: (530) 225-5555 Email: rmharris@co.shasta.ca.us
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Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this PPA.

ARTICLE V – PROVIDER RESPONSIBILITIES

By entering into this PPA, the Provider agrees:

- A. To comply with all provisions of the Medi-Cal Provider Manual, the CMAA/TCM Time Survey Methodology, DHCS Policy and Procedure Letters (PPLs), DHCS issued policy directives, TCM Cost Report Instructions Manual, the California Medicaid State Plan as it pertains to TCM services, all as periodically amended.
- B. To ensure all applicable state and federal requirements are met with regard to expense allowability and fiscal documentation:
 1. Any TCM Summary Invoices received from a Provider, and accepted or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.

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2. Supporting documentation of all expenses incurred and amounts invoiced shall be maintained for review and audit, and supplied to DHCS upon request, pursuant to this PPA to permit a determination of expense allowability.
 - a. If the allowability or appropriateness of an expense cannot be determined by DHCS because the invoice detail, fiscal records, or backup documentation is nonexistent or inadequate, according to generally accepted accounting principles or practices, all questioned costs may be disallowed and payment may be withheld or recouped by DHCS. Upon receipt of adequate documentation supporting a disallowed or questioned expense, reimbursement may resume for the amount substantiated and deemed allowable.
- C. That the TCM providers and their subcontractors are considered contractors solely for the purposes of U.S. Office of Management and Budget (OMB) Uniform Guidance. (2 Code of Federal Regulations (C.F.R.) § 200, and specifically, 2 C.F.R. § 200.330) Consequently, as a contractor, as distinguished from sub-recipient, a Dun and Bradstreet Universal Numbering System (DUNS) number is not required.
- D. That the Provider's LGA Coordinator is responsible for working directly with DHCS in requesting MEDSLITE access for the Provider's (county or city) TCM staff. The Provider can have no more than three users with access to MEDSLITE. The LGA Coordinator is responsible for maintaining an active list of users for MEDSLITE and collecting a signed Oath of Confidentiality from each user. The Provider's LGA Coordinator is responsible for ensuring users are informed they cannot share user accounts, that MEDSLITE is to be used for only authorized purposes, and that all activity is logged. DHCS will only accept account requests from an authorized Provider's LGA Coordinator. DHCS may deny access to MEDSLITE at its discretion.
 1. The Provider's LGA Coordinator will provide, assign, delete, and track user accounts to authorized TCM staff members upon request.
 2. The Provider's LGA Coordinator is responsible for ensuring processes are in place, which result in prompt MEDSLITE account deletion requests when users leave employment or no longer require access due to a change in job duties. The Provider's LGA Coordinator must perform a monthly reconciliation to identify account termination, process violations, and ensure corrective actions are implemented.
- E. That by November 1 of each year the Provider shall:
 1. Submit via electronic mail (e-mail) an annual TCM Cost Report for the service period of the preceding July 1 through June 30 to dhsaitcm@dhcs.ca.gov.
 - a. E-mail submissions of the TCM Cost Report shall include the following completed documents:

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

1. Completed Cost Report Template signed and scanned (PDF)
 2. Completed Cost Report Template (Excel)
 3. LGA certification page signed and scanned (PDF)
 4. Non-LGA Local Public Entities (LPE) Certification and LGA Attestation Statements for the TCM Cost Report signed and scanned (PDF), if applicable.
- b. Each e-mail submission shall follow the examples below when naming the electronic files for the e-mail submission of the TCM Cost Report:

Examples:

2013 Santa Cruz CR.xls (Fiscal Year [FY] 2013-14 Santa Cruz Cost Report, Excel version)

2013 Santa Cruz CR.PDF (FY 2013-14 Santa Cruz Cost Report, signed and scanned PDF version)

- c. Each e-mail submission shall follow the example below when naming the e-mail for the submission of the TCM Cost Report:

Example:

Name of LGA, LGA Code, Fiscal Year End Date (FYE), Part xx
Santa Cruz County, 44, FYE 063014, Part 1 of 3

- F. To accept payments as reimbursement in full as received for TCM services pursuant to this PPA. Payments are subject to review and audit by both DHCS and the Centers for Medicare and Medicaid Services.
- G. To submit TCM Summary Invoices in accordance with 42 Code of Federal Regulations part 433.51, California Code of Regulations, title 22, sections 51185, 51271, 51272, 51351, 51351.1, 51365, 51535.7, and 51492, and ensure TCM Summary Invoices are post-marked within 12 months from the date of service.
- H. To execute a Memorandum of Understanding (MOU) with Medi-Cal Managed Care Health Plan(s) (MCPs) serving beneficiaries in the same county as the Provider when the Provider is in a participating MCP in accordance with state issued policy directives, including PPLs and federal directives, all as periodically amended. The MOU will serve to define the respective responsibilities between Provider's TCM Program and MCPs and must include coordination protocols to ensure non-duplication of services provided to beneficiaries in common.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

I. That in addition to the Annual Participation Prerequisite (APP) required documentation due annually, Provider will submit the additional documents listed below:

- A list of the Provider's TCM case managers' names and National Provider Identification (NPI) numbers.
- Proof displaying verification of case managers not on the Office of Inspector General List of Excluded Individuals Exclusion (OIG LEIE) list. The Provider can satisfy this requirement by submitting electronic screenshots.

ARTICLE VI – DHCS RESPONSIBILITIES

By entering into this PPA, DHCS agrees to:

- A. Establish an all-inclusive interim rate for the Provider to claim for TCM services.
- B. Provide the TCM Program with inquiry-only MEDSLITE accounts. Providers will use MEDSLITE accounts to perform aid code verification for the Affordable Care Act (ACA) encounters billed through TCM.
- C. Perform settlement reconciliation to reflect the actual costs the Provider incurred in providing TCM services to Medi-Cal beneficiaries.
- D. Review and process TCM Summary Invoices within 24 months from the date of service. Upon review, processing, and approval of valid TCM encounters, DHCS shall schedule TCM Summary Invoices for payment.
- E. Provide training and technical assistance to enable the Provider to identify costs related to proper invoicing documentation and billing procedures. DHCS will provide oversight to ensure compliance with Welfare and Institutions Code section 14132.44 and all other governing federal and state laws and regulations.
- F. Conduct the reviews listed below annually for both currently enrolled providers and all newly enrolled providers to prevent Payment Error Rate Measurement (PERM) findings:
 1. DHCS will verify that the NPI numbers of TCM case managers working for a Provider are active on an annual basis. If a NPI number of a TCM case manager is no longer active, DHCS will contact the Provider and inform them that the ineligible TCM case manager cannot provide TCM services. Once the TCM case manager's NPI has returned to an active status, the Provider must contact DHCS. At that point, DHCS will re-determine the TCM case manager's eligibility to participate in TCM.
 2. DHCS will review and verify the State Administrative Manual (SAM) for existing entity registration records or exclusion records of TCM providers.

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ARTICLE VII – FISCAL PROVISIONS

Reimbursement to Provider shall be made pursuant to this PPA in the following manner:

- A. Upon the Provider's compliance with all provisions pursuant to Welfare and Institutions Code section 14132.44, California Code of Regulations, title 22, division 3 (commencing with section 50000), and this PPA, and upon the submission of a TCM Summary Invoice, based on valid and substantiated information, DHCS agrees to process the TCM Summary Invoice for reimbursement.
- B. Transfer of funds to Providers for reimbursement is contingent upon the availability of Federal Financial Participation (FFP).
- C. The Provider shall verify the Certified Public Expenditures (CPE) from the Provider's General Fund, or from any other funds allowed under federal law and regulation, for Title XIX funds claimed for TCM services performed pursuant to Welfare and Institutions Code section 14132.44. DHCS shall deny payment of any TCM Summary Invoice submitted under this PPA, if DHCS determines that the certification is not adequately supported for the purposes of claiming FFP. Expenditures certified for TCM costs shall not duplicate, in whole or in part, claims made for the costs of direct patient services or services paid by other Medi-Cal eligible programs.
- D. Failure to timely submit cost reports, or other documents used to verify CPE, by the Provider within the statutory, regulatory, or contractual deadline shall entitle DHCS to declare any funds paid to the Provider for the cost report period as an overpayment and allow DHCS to recoup the funds.

ARTICLE VIII – BUDGET CONTINGENCY CLAUSE

- A. It is mutually agreed that if the Budget Act for the current State Fiscal Year (SFY) or any subsequent SFYs covered under this PPA does not appropriate sufficient funds for the TCM Program, this PPA shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to the Provider or to furnish any other considerations under this PPA and the Provider shall not be obligated to further provide services under the TCM Program.
- B. If funding for any SFY is reduced or deleted by the Budget Act for purposes of the TCM Program, DHCS shall have the option to either cancel this PPA, with no liability occurring to DHCS, or offer an agreement amendment to the Provider to reflect the reduced amount.

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ARTICLE IX – LIMITATION OF STATE LIABILITY

- A. Notwithstanding any other provision of this PPA, DHCS shall be held harmless from any federal audit disallowance or interest resulting from payments made by the federal Medicaid program as reimbursement for claims providing TCM services pursuant to Welfare and Institutions Code section 14132.44, for the disallowed claim or claims, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44(m).
- B. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Provider has received reimbursement for TCM services, DHCS shall recoup from the Provider, upon 60 days written notice, amounts equal to the amount of the disallowance and interest in that SFY for the disallowed claim or claims. All subsequent TCM Summary Invoices submitted to DHCS applicable to any previously disallowed claim or claims, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44, subdivision (m).
- C. Notwithstanding Article 2 and Article 7, to the extent that a federal audit disallowance or interest results from a claim or claims for which the Provider has received reimbursement for TCM services provided by a non-governmental entity under contract with, and on behalf of the Provider, DHCS shall be held harmless by the Provider for 100 percent of the amount of any such federal audit disallowance and interest, for the disallowed claim or claims, less the amounts already remitted to DHCS pursuant to Welfare and Institutions Code section 14132.44, subdivision (m).
- D. Notwithstanding Article 2 and Article 7, the Provider agrees that when it is established upon audit or reconciliation that an overpayment, or other recovery determination, has been made, DHCS and Provider shall follow current laws, regulations, and state issued policy directives, including PPLs for the proper treatment of identified overpayment.
- E. DHCS reserves the right to select the method to be used for the recovery of an overpayment, or other recovery determination.
- F. Overpayments may be assessed interest charges, and may be assessed penalties, in accordance with Welfare and Institutions Code sections 14171, subdivision (h), and 14171.5, respectively.

ARTICLE IX – AMENDMENT

Should either party, during the term of this PPA desire an amendment to the Articles of this PPA, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed amendments are accepted or

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rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through a process that is mutually agreeable to both DHCS and the Provider. No amendment is binding on either party until it is approved by DHCS.

ARTICLE X – CONFLICT OF INTEREST

DHCS intends to avoid any real or apparent conflict of interests on the part of the Provider, subcontractors, employees, officers or directors of the Provider or subcontractors. DHCS reserves the right to determine at its sole discretion, whether any information, assertion, or claim received from any source indicates the existence of a real or apparent conflict of interest. If a conflict exists, DHCS has the authority to require the LGA to submit additional information or a plan for resolving the conflict, subject to DHCS' review and prior approval.

A. Conflicts of interest include but are not limited to:

1. An instance where the Provider, its subcontractors, or any employee, officer, or director of the Provider or subcontractor has an interest, financial or otherwise, where the use or disclosure of any information obtained while performing services under the contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the PPA.
2. An instance where the Provider's or any subcontractor's employees, officers, or directors use their positions for purposes that are or give the appearance of being, motivated by a desire for private gain for either themselves, or those with whom they have familial, business, or other ties.

If DHCS becomes aware of a known or suspected conflict of interest, the Provider will have an opportunity to submit additional information or resolve the conflict. A Provider with a suspected conflict of interest will have five working days from the date of notification of the conflict by DHCS to provide complete information regarding the suspected conflict. DHCS shall have the right to terminate the PPA, if DHCS determines that a conflict of interest exists, and the conflict cannot be resolved to the satisfaction of DHCS. DHCS, at its discretion, may authorize an extension of the timeline for providing additional documentation indicated herein upon receiving written receipt from the Provider.

ARTICLE XI – GENERAL PROVISIONS

- A. This document, including any attachments or exhibits, constitutes the entire PPA between the parties pertaining to the TCM Program. Notwithstanding DHCS Form 6207 and DHCS Form 6208, any condition, provision, agreement or understanding not stated in this PPA shall not affect any rights, duties, or privileges in connection with the terms of this PPA. If there is a conflict between this PPA and DHCS Form 6207 and DHCS Form 6208, then DHCS Form 6207 and DHCS Form 6208 shall control. DHCS Form 6207 and DHCS Form 6208 are hereby incorporated by reference and are made part of this PPA.

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

- B. The term "days" as used in this PPA shall mean calendar days unless otherwise specified.
- C. The provisions and obligations of this PPA cannot be waived or altered except through an amendment made in accordance with Article IX.
- D. None of the provisions of this PPA are or shall be construed as for the benefit of, or enforceable by, any person not a party to this PPA.

<Signature page to follow>

#

Name of Provider: Shasta County
PPA #: 45-19EVRGRN

TCM AGREEMENT EXECUTION

The undersigned agent agrees to the terms above, and enters into this PPA on behalf of Shasta County (Provider).



Provider Authorized Contact Person's Signature

LEONARD MOTY

Print Name

Chairman, Shasta County Board of Supervisors

Title

P.O. Box 496005, Redding, CA 960049-6005

Address

8/13/19

Date

ATTEST:
LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: 

Deputy

Approved as to form:
RUBIN E. CRUSE, JR.
County Counsel

By: 

Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

By: 

James Johnson
Risk Management Analyst

INFORMATION TECHNOLOGY APPROVAL

By: 

Tom Schreiber
Chief Information Officer



California Department of Health Care Services
Authorized Contact Person's Signature

JULIAN MORGETTA

Print Name

Chief, ~~Safety Net Financing Division~~ Local Governmental Financing Division (SS)

Title

Department of Health Care Services

Name of Department

1501 Capitol Avenue, MS 4603, Sacramento, CA 95899-7413

Address

11/8/19

Date

Exhibit A
HIPAA Business Associate Addendum

I. Recitals

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act, and the Final Omnibus Rule as well as the Alcohol and Drug Abuse patient records confidentiality law 42 CFR Part 2, and any other applicable state or federal law or regulation. 42 CFR section 2.1(b)(2)(B) allows for the disclosure of such records to qualified personnel for the purpose of conducting management or financial audits, or program evaluation. 42 CFR Section 2.53(d) provides that patient identifying information disclosed under this section may be disclosed only back to the program from which it was obtained and used only to carry out an audit or evaluation purpose or to investigate or prosecute criminal or other activities, as authorized by an appropriate court order.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

II. Definitions

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the Final Omnibus Rule.
- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the final Omnibus Rule.
- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and Final Omnibus Rule.
- D. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.

Exhibit A
HIPAA Business Associate Addendum

- E. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- F. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.
- G. Privacy Rule shall mean the HIPAA Regulation that is found at 45 CFR Parts 160 and 164.
- H. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- I. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- J. Required by law, as set forth under 45 CFR section 164.103, means 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.
- K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- L. Security Incident means the 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 the Business Associate's organization and intended for internal use; or interference with system operations in an information system.
- M. Security Rule shall mean the HIPAA regulation that is found at 45 CFR Parts 160 and 164.
- N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act, and the HIPAA regulations.

III. Terms of Agreement

A. Permitted Uses and Disclosures of PHI by Business Associate

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the

Exhibit A
HIPAA Business Associate Addendum

HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, the HIPAA regulations, the Final Omnibus Rule and 42 CFR Part 2.

1. ***Specific Use and Disclosure Provisions.*** Except as otherwise indicated in this Addendum, Business Associate may:
 - a. ***Use and disclose for management and administration.*** Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be 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 that the confidentiality of the information has been breached.
 - b. ***Provision of Data Aggregation Services.*** Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

1. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
2. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

1. ***Nondisclosure.*** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
2. ***Safeguards.*** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and

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which incorporates the requirements of section 3, Security, below. Business Associate will provide DHCS with its current and updated policies.

3. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
 - a. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III - Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 - d. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.

Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

- D. Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.

E. Business Associate's Agents and Subcontractors.

1. To enter into written agreements with any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PI under this Addendum, and that comply with all applicable provisions of HIPAA, the HITECH Act the HIPAA regulations, and the Final Omnibus Rule, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI. Business associates are directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of protected health information that are not authorized by its contract or required by law. A business associate also is directly liable and subject to civil penalties for failing to safeguard electronic protected health information in accordance with the HIPAA Security Rule. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.

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HIPAA Business Associate Addendum

2. In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor, Business Associate shall:
 - a. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by DHCS; or
 - b. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

F. Availability of Information to DHCS and Individuals. To provide access and information:

1. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
2. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
3. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.

G. Amendment of PHI. To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.

H. Internal Practices. To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Business Associate, Business Associate shall so certify to DHCS and shall set forth the efforts it made to obtain the information.

Exhibit A
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I. **Documentation of Disclosures.** To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009, Business Associate 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 Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate 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.

J. **Breaches and Security Incidents.** During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

1. **Notice to DHCS.** (1) To notify DHCS **immediately** upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. This notification will be **by telephone call plus email or fax** upon the discovery of the breach. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves data provided to DHCS by the Social Security Administration, notice shall be provided by calling the DHCS EITS Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov, then select "Privacy" in the left column and then "Business Use" near the middle of the page) or use this link:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

- a. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- b. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

Exhibit A
HIPAA Business Associate Addendum

2. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. If the initial report did not include all of the requested information marked with an asterisk, then within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:
3. **Complete Report.** To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. If all of the required information was not included in either the initial report, or the Investigation Report, then a separate Complete Report must be submitted. The report shall be submitted on the "DHCS Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Privacy Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Privacy Incident Report" form. DHCS will review and approve or disapprove the determination of whether a breach occurred, is reportable to the appropriate entities, if individual notifications are required, and the corrective action plan.
4. **Notification of Individuals.** If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.
5. **Responsibility for Reporting of Breaches.** If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.
6. **DHCS Contact Information.** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to

Exhibit A
HIPAA Business Associate Addendum

the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

DHCS Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer
See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646 Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Fax: (916) 440-5537 Telephone: EITS Service Desk (916) 440-7000 or (800) 579-0874

K. Termination of Agreement. In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by DHCS of this Addendum, it shall take the following steps:

1. Provide an opportunity for DHCS to cure the breach or end the violation and terminate the Agreement if DHCS does not cure the breach or end the violation within the time specified by Business Associate; or
2. Immediately terminate the Agreement if DHCS has breached a material term of the Addendum and cure is not possible.

L. Due Diligence. Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.

M. Sanctions and/or Penalties. Business Associate understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Business Associate may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA, the HITECH Act and the HIPAA regulations.

IV. Obligations of DHCS

DHCS agrees to:

- A. Notice of Privacy Practices.** Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx> or the DHCS website at www.dhcs.ca.gov (select "Privacy" in the left column and "Notice of Privacy Practices" on the right side of the page).
- B. Permission by Individuals for Use and Disclosure of PHI.** Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

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C. Notification of Restrictions. Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.

D. Requests Conflicting with HIPAA Rules. Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

V. Audits, Inspection and Enforcement

A. From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':

1. Failure to detect or
2. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.

B. If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

VI. Termination

A. Term. The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS, in accordance with 45 CFR 164.504(e)(2)(ii)(I).

B. Termination for Cause. In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach or violation of this Addendum by Business Associate, DHCS shall:

1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS; or
2. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible.

Exhibit A
HIPAA Business Associate Addendum

- C. *Judicial or Administrative Proceedings.*** Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. *Effect of Termination.*** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend the protections of this Addendum to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions

- A. *Disclaimer.*** DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. *Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:
1. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section; or
 2. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- C. *Assistance in Litigation or Administrative Proceedings.*** Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

Exhibit A
HIPAA Business Associate Addendum

- D. *No Third-Party Beneficiaries.*** Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. *Interpretation.*** The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.
- F. *Regulatory References.*** A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.
- G. *Survival.*** The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement.
- H. *No Waiver of Obligations.*** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Exhibit A
HIPAA Business Associate Addendum

Attachment A
Business Associate Data Security Requirements

I. Personnel Controls

- A. *Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.
- B. *Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.
- C. *Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.
- D. *Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

II. Technical Security Controls

- A. *Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.
- B. *Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- C. *Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- D. *Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

Exhibit A
HIPAA Business Associate Addendum

- E. *Antivirus software.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- F. *Patch Management.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- G. *User IDs and Password Controls.*** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
- Upper case letters (A-Z)
 - Lower case letters (a-z)
 - Arabic numerals (0-9)
 - Non-alphanumeric characters (punctuation symbols)
- H. *Data Destruction.*** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.
- I. *System Timeout.*** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- J. *Warning Banners.*** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- K. *System Logging.*** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- L. *Access Controls.*** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

Exhibit A
HIPAA Business Associate Addendum

M. *Transmission encryption.* All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.

N. *Intrusion Detection.* All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

III. Audit Controls

A. *System Security Review.* All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

B. *Log Reviews.* All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

C. *Change Control.* All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

IV. Business Continuity / Disaster Recovery Controls

A. *Emergency Mode Operation Plan.* Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

B. *Data Backup Plan.* Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

V. Paper Document Controls

A. *Supervision of Data.* DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

B. *Escorting Visitors.* Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

Exhibit A
HIPAA Business Associate Addendum

- C. Confidential Destruction.** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- D. Removal of Data.** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. Faxing.** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- F. Mailing.** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

DEPARTMENT OF HEALTH CARE SERVICES

HIPAA Business Associate Addendum

Attachment A

The following data files will be provided pursuant to this Agreement:

Managed Care Organization (MCO)

Each MCO will receive a list of Medi-Cal Participants (Participant) who received TCM services that is/was enrolled in that MCO. The list may provide the following information, as necessary, for each Participant who received TCM services:

1. Last Name
2. First Name
3. Middle Name
4. Date Of Birth
5. Sex
6. MEDS ID
7. LGA Name (Most recent LGA that provided care)
8. Program Type
9. Encounter Number
10. Date Of Service
11. California ID Number

Local Government Agency (LGA)

Each LGA will receive a list of Participants who received TCM services from the LGA. The list may provide the following information, as necessary, for each Participant who received TCM services:

1. Last Name
2. First Name
3. Middle Name
4. Date Of Birth
5. Sex
6. MEDS ID
7. LGA Name
8. Program Type
9. Encounter Number
10. Date Of Service
11. MCO Name (Most recent MCO that Participant is/was enrolled in)
12. California ID Number

**MEDI-CAL TARGETED CASE MANAGEMENT
ADDENDUM TO
PROVIDER PARTICIPATION AGREEMENT**

Name of Provider: The County of Shasta

PPA #45-19EVRGRN

The Department of Health Care Services (DHCS) and the County of Shasta agree that effective July 1, 2021, this addendum updates Provider Participation Agreement (PPA) # 45-19EVRGRN, by adding in Article XII to the PPA. This Amendment adds the following Article to read as follows:

ARTICLE XII – ALTERNATE FORMATTING

- A. The County of Shasta assures the state that it complies with the ADA, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
- B. The County of Shasta will ensure that deliverables developed and produced pursuant to this Agreement comply with federal and state laws, regulations or requirements regarding accessibility and effective communication, including the Americans with Disabilities Act (42 U.S.C. § 12101, et. seq.), which prohibits discrimination on the basis of disability, and section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794 (d)). Specifically, electronic and printed documents intended as public communications must be produced to ensure the visual-impaired, hearing-impaired, and other special needs audiences are provided material information in the formats needed to provide the most assistance in making informed choices. These formats include but are not limited to braille, large font, and audio.

Except as amended herein, all other terms and conditions of the PPA shall remain in full force and effect.

COUNTERPARTS/ELECTRONIC, FACSIMILE, AND PDF SIGNATURES.

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

DocuSigned by:
Tracy Tedder
CSA699PC2850E13B

Provider Authorized Person's Signature
Tracy Tedder

Print Name
Branch Director, HHSA Business and Support Services

Title
P.O. Box 496005, Redding, CA 96049-6005

Address
11/10/2021 | 4:25 PM PST

Date

Jillian Mongetta

California Department of Health Care Services
Authorized Contact Person's Signature
Jillian Mongetta

Print Name
Chief, Local Governmental Financing Division

Title
Department of Health Care Services

Name of Department
1501 Capitol Avenue, MS 2628, Sacramento, CA 95899-7413

Address
1.20.2022

Date

Approved as to form:
RUBIN E. CRUSE, JR
County Counsel

DocuSigned by:
Alan Cox 11/09/2021 | 9:47 AM PST
BA1FFB3EFC64
Alan B. Cox
Deputy County Counsel III

RISK MANAGEMENT APPROVAL
DocuSigned by:
James Johnson 11/09/2021 | 10:30 AM PST
009C0A5ED7E1A98E
James Johnson
Risk Management Analyst III

Table of Contents

State/Territory Name: California

State Plan Amendment (SPA) #: 21-0025

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

February 11, 2022

Jacey Cooper
Chief Deputy Director, Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Ms. Cooper:

Enclosed is an approved copy of California State Plan Amendment (SPA) 21-0025, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on May 20, 2021. This SPA will add Merced County to the list of geographic areas offering Targeted Case Management (TCM) services for the "Individuals in Jeopardy of Negative Health or Psycho-Social Outcomes" TCM group.

The effective date of this SPA is July 1, 2021. Enclosed is the following approved SPA page that should be incorporated into your approved State Plan:

- Supplement 1e to Attachment 3.1-A, page 1

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,


A black rectangular box redacting the signature of James G. Scott.

Digitally signed by
James G. Scott -S
Date: 2022.02.11
18:33:43 -06'00'

James G. Scott, Director
Division of Program Operations

Enclosure

cc: Saralyn Ang-Olson, Department of Health Care Services (DHCS)
Gillian Mongetta, DHCS
Regina Zerme, DHCS
Sara Schmid, DHCS
Angeli Lee, DHCS
Amanda Font, DHCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>2 1 — 00 2 5</u>	2. STATE California
		3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2021	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION 42 U.S.C. § 1396n(g)(1); 42 C.F.R. § 440.169(b)		7. FEDERAL BUDGET IMPACT a. FFY 2021 \$ <u>79,500</u> b. FFY 2022 \$ <u>318,000</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 1e To Attachment 3.1-A Page 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Supplement 1e To Attachment 3.1-A Page 1	
10. SUBJECT OF AMENDMENT Targeted Case Management Services - Individuals in Jeopardy of Negative Health or Psycho-Social Outcomes			
11. GOVERNOR'S REVIEW (<i>Check One</i>) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL Jacey Cooper <small>Digitally signed by Jacey Cooper Date: 2021.05.20 09:35:33 -07'00'</small>		16. RETURN TO Department of Health Care Services Attn: Director's Office P.O. Box 997413, MS 0000 Sacramento, CA 95899-7413	
13. TYPED NAME Jacey Cooper			
14. TITLE State Medicaid Director			
15. DATE SUBMITTED May 20, 2021			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED May 20, 2021		18. DATE APPROVED February 11, 2022	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2021		20. SIGNATURE OF REGIONAL OFFICIAL  Digitally signed by James G. Scott -S Date: 2022.02.11 18:36:18 -06'00'	
21. TYPED NAME James G. Scott		22. TITLE Director, Division of Program Operations	
23. REMARKS For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.			

SUPPLEMENT 1e TO ATTACHMENT 3.1-A
Page 1

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: CALIFORNIA

TARGETED CASE MANAGEMENT SERVICES
INDIVIDUALS IN JEOPARDY OF NEGATIVE HEALTH OR PSYCHO-SOCIAL OUTCOMES

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):

Medi-Cal eligible individuals, who have been determined to be in jeopardy of negative health or psycho-social outcomes due to one of the following disparity factors:

- a) Substance abuse in the immediate environment, or
- b) History of, or in danger of family violence, or
- c) History of or in danger of physical, sexual or emotional abuse, or
- d) Experiencing substandard housing, or
- e) Illiteracy; and

Such individuals must be in need of assistance in accessing necessary medical, social, educational, or other services, when comprehensive case management is not being provided elsewhere.

For those individuals in this target group, who may receive case management services under a waiver program, case management services shall not be duplicated, in accordance with Section 1915(g) of the Social Security Act. This target group excludes persons enrolled in a Home and Community-Based Services waiver program from receipt of Targeted Case Management (TCM) services.

There shall be a county-wide system to ensure coordination among TCM providers of case management services provided to Medi-Cal beneficiaries who are eligible to receive case management services from two or more programs.

Areas of State in which services will be provided (§1915(g)(1) of the Act):

☐ Entire State.

☒ Only in the following geographic areas: Counties of Alameda, Butte, Contra Costa, Humboldt, Kern, Los Angeles, Madera, Mariposa, Mendocino, Merced, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tuolumne, Ventura, City of Berkeley, and City of Long Beach.

Comparability of Services (§§1902(a)(10)(B) and 1915(g)(1))

☐ Services are provided in accordance with Section 1902(a)(10)(B) of the Act.

☒ Services are not comparable in amount, duration, and scope (§1915(g)(1)).

Definition of Services: (42 CFR 440.169): Targeted Case Management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following assistance:

1. Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:

Shasta LGA Performance Monitoring Plan

Payment for case management services under Section 1915(g) of the Social Security Act may not duplicate payments made to public agencies or private entities under other program authorities for the same purposes. In general, payment may not be made for services for which another payer is liable. Payment may not be made for services for which no payment liability is incurred. Similarly, separate payment cannot be made for similar services, which are an integral and inseparable part of another Medicaid covered service.

Medi-Cal is the payor of last resort. Anytime a Medi-Cal covered service is also being provided by a non-Medi-Cal program, the provision of services must default to the non-Medi-Cal provider.

Purpose

The performance monitoring plan is a countywide system that ensures coordination among providers of Targeted Case Management (TCM) services provided to beneficiaries who are eligible to receive case management services from two or more programs. Duplication of case management services may occur regardless of the payer of the program, i.e., case management services reimbursed through Medi-Cal and/or a Medi-Cal payer may occur among and is not limited to any of the TCM beneficiary groups.

The specific objectives of the performance monitoring plan are:

- To prevent duplication* of services when a single Medi-Cal client receives identical Service Plan referrals and follow-up from more than one case manager.
- To coordinate among providers of case management services to beneficiaries who are eligible to receive case management services from two or more programs.
- To ensure coordination of services and continuity of care.

*Duplication occurs when a Medi-Cal client receives case management services from two or more TCM programs and the services provided are for the same purpose at the same time. For example, it is duplication of services when a single Medi-Cal client receives identical case management services, including Service Plan referrals and follow-up, from more than one case manager. It is not considered duplication when a client has more than one case manager and only one case manager assumes the role of lead case manager. The lead case manager must be responsible for communicating with the other case managers when developing, implementing, and monitoring a client's Service Plan. The case managers must communicate regularly relative to the service needs of their mutual TCM client.

Policy

The case manager will ascertain and document in the case file if the client is receiving TCM services from other agencies or programs regardless of the funding source. If the client is receiving other services, the case manager will document the name of the other agencies or programs. The case manager will document the nature and extent of the services provided by the other agencies or programs. The lead and other case managers will communicate regularly to determine which services are most appropriately provided by their respective agencies and/or programs.

The Performance Monitoring Plan will be centrally located and a copy will be available to Department of Health Care Services (DHCS) and Centers for Medicare and Medicaid Services (CMS) staff upon request.

Procedures

The procedure to ascertain if a client is receiving services from other case management agencies and/or programs is the responsibility of the case manager providing TCM services and must be regularly reviewed on a case-by-case basis. Procedures are based on client declaration.

Identification of Potential Duplication of Case Management Services

Client Declaration Procedure

As part of the initial TCM assessment, the TCM case manager will ask the client "Is anyone else helping you with _____ (any of the needs identified through the TCM assessment)? The TCM program will rely on client declaration.

If the needs identified during the TCM assessment are not being addressed by other providers, then duplication does not exist. The TCM case manager will document in the client's file "Client states no other provider is addressing the identified needs."

LGA Case Managers will notify the Medical Managed Care Plan (MCP) that the client is receiving TCM services and has identified a social support issue(s) that may impede the implementation of the MCP care plan.

Annually provide MCP with a list of target populations (including definitions) the LGA participates in.

Notify the MCP coordinator when client medical needs are not being addressed in a timely or effective manner based on monitoring the client condition and/or progress.

Provide MCPs with client status updates when a TCM assessment is performed.

Provide direction to MCPs when referring clients to TCM when the clients meet the definition of the target populations the LGA participates when the MCP identifies a non-medical need/other

issue where TCM may be beneficial.

If the needs identified during the TCM assessment are being addressed by other providers, then duplication may exist. The TCM case manager will document in the client's file "Client states he/she is receiving assistance from (name of providers) for (specify needs such as job training etc.)." In this case scenario, there are two options:

1. The TCM case manager and the TCM Service Plan would not address the need; or
2. The TCM case manager would coordinate with the other provider. See Case Management Service Coordination below.

Case Management Service Coordination

When a Medi-Cal client states that a TCM identified need is being addressed by another provider, the TCM case manager must determine whether potential duplication of case management services exists. If the TCM case manager is familiar with the level of services offered by the other provider and is confident that the client's needs will be met, then those needs can be excluded from the TCM Service Plan.

If the TCM case manager is not familiar with or confident of the services offered by the other provider, case management service coordination is required to address the potential duplication of services. The TCM case manager must determine the nature and extent of the case management services offered by the other provider. Several procedures may be considered to address case management service coordination.

1. Phone verification of the case management services offered by the other provider(s).

The TCM case manager will phone the other provider to determine the nature and extent of case management services provided to the client. This information will be documented in the client's case file.

If it appears that the client's needs are being adequately met, the TCM case manager will not address those needs in the TCM Service Plan. Again, this information will be documented in the client's case file.

2. Interagency or Interdepartmental Case Conferences

When two or more agencies that generally address different needs (e.g., Public Health and Public Guardian or CalWORKs-employment and AFLP-schooling and parenting) are working with the same client, it may be advisable to conduct an initial and periodic case conference. The case conference will delineate the areas of need to be addressed by each entity and ensure coordination and continuity of care. The TCM case manager will document in the case file that a case conference has occurred and that the needs included in the TCM Service Plan are not being addressed by other providers.

3. Collaborative Case Management

When more than one case manager is involved, the objectives of the Service Plan are achieved through an organized, collaborative mode of case management in which each member of the interdisciplinary team has responsibility for service activities in their area of expertise. One lead case manager must maintain primary responsibility for assuring coordination of the functions of case management and service provision to ensure non-duplication of services. An interdisciplinary case conference will be held periodically, at which time the client's service providers shall provide information regarding the client's status and continuing need for services. A review of the Service Plan and evaluation of the services the client is receiving will be reviewed, as well as the client's current status. Appropriate documentation will be maintained in the client file, including the names and titles of those participating in the case conference, relevant information discussed, and whether the client or legal representative had input into the conference.

4. TCM Audit File Documentation of Services Offered by other Case Management Providers

If the TCM program serves clients that are regularly served by other providers of case management services within Shasta County, the lead case manager will meet with the coordinator(s) of those other programs to determine an agreed upon division of responsibilities regarding case management. Any agreements and/or discussion must be documented and included in the TCM Audit File.

Once it has been established that different providers will address different client needs within Shasta County when the TCM client is being served by one or more of these providers, the TCM program can address the remaining needs without duplication occurring.

5. Periodic Review

TCM Case Managers shall conduct a periodic audit of randomly selected TCM case files to ensure that the case file documentation is in compliance with the Shasta LGA Performance Monitoring Plan.