

**Sierra County  
Board of Supervisors'  
Agenda Transmittal &  
Record of Proceedings**

<b>MEETING DATE:</b> August 18, 2020	<b>TYPE OF AGENDA ITEM:</b> <input type="checkbox"/> Regular <input type="checkbox"/> Timed <input checked="" type="checkbox"/> Consent
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<b>DEPARTMENT:</b> Behavioral Health <b>APPROVING PARTY:</b> Lea Salas, Administrative Director <b>PHONE NUMBER:</b> (530) 993-6746
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**AGENDA ITEM:** Professional services agreement between Aegis Treatment Centers, LLC and Sierra County to provide a Narcotic Treatment Program (NTP) to Sierra County Residents

**SUPPORTIVE DOCUMENTS ATTACHED:**  Memo  Resolution  Agreement  Other

**BACKGROUND INFORMATION:** Please see attached memo

**FUNDING SOURCE:** 0515670

**GENERAL FUND IMPACT:** No General Fund Impact

**OTHER FUND:** 5680

**AMOUNT:** \$30,000.00 Annually

<b>ARE ADDITIONAL PERSONNEL REQUIRED?</b>  <input type="checkbox"/> Yes, -- -- <input checked="" type="checkbox"/> No	<b>IS THIS ITEM ALLOCATED IN THE BUDGET?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <b>IS A BUDGET TRANSFER REQUIRED?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**SPACE BELOW FOR CLERK'S USE**

<b>BOARD ACTION:</b> <input type="checkbox"/> Approved <input type="checkbox"/> Approved as amended <input type="checkbox"/> Adopted <input type="checkbox"/> Adopted as amended <input type="checkbox"/> Denied <input type="checkbox"/> Other <input type="checkbox"/> No Action Taken	<input type="checkbox"/> Set public hearing For: _____ <input type="checkbox"/> Direction to: _____ <input type="checkbox"/> Referred to: _____ <input type="checkbox"/> Continued to: _____ <input type="checkbox"/> Authorization given to: _____	Resolution 2020- _____ Agreement 2020- _____ Ordinance _____ Vote: Ayes: Noes: Abstain: Absent: <input type="checkbox"/> By Consensus
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**COMMENTS:**  
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\_\_\_\_\_  
\_\_\_\_\_

_____ CLERK TO THE BOARD	_____ DATE
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# Memorandum

**To:** Sierra County Board of Supervisors

**From:** Lea Salas, Administrative Director of Behavioral Health

**Reference:** Agenda Item

**Date of memo:** July 28, 2020

**Date of Board Meeting:** August 18, 2020

**Requested Action:** Professional services agreement between Aegis Treatment Centers, LLC and Sierra County to provide a Narcotic Treatment Program (NTP) to Sierra County Residents

**Mandated by:**

## Funding

**Budgeted?** Yes  No

Revenue	\$30,000.00	Drug Medi-Cal
Expenses	\$30,000.00	Drug Medi-Cal
Difference		

**Background Information:** This is a two year Professional services agreement between Aegis Treatment Centers, LLC and Sierra County to provide a Narcotic Treatment Program (NTP) to Sierra County Residents. A NTP as defined in Title 22, California Code of Regulation (CCR), Section 51341.1(d)(1), means an outpatient service using federally approved medications for NTP, directed at stabilization and rehabilitation of persons who are opiate addicted and have a substance abuse diagnosis.

Aegis shall provide federally approved medications for NTP's, including methadone medication and individual and/or group counseling sessions to Sierra County residents at its licensed clinical locations throughout California.

**Potential Issues to consider:** None

**Alternatives or Impacts of disapproval:** Sierra County would not meet the requirements set forth by the Drug Medi-Cal Contract that this covered service be available to all eligible Drug Medi-Cal beneficiaries.

**CONTRACT FOR BEHAVIORAL HEALTH SERVICES  
SIERRA COUNTY BEHAVIORAL HEALTH SERVICES**

**THIS CONTRACT**, entered into by and between the County of Sierra, a public entity in the State of California, (hereafter "County") and Aegis Treatment Centers, LLC, a Delaware Limited Liability Company, qualified to transact business in the State of California, (hereafter "Contractor"):

**WITNESSETH**

**WHEREAS**, County has a need, through Behavioral Health services, to contract with a Narcotic Treatment Program (NTP) as more particularly described on Exhibit A, attached hereto and incorporated herein by reference; and;

**WHEREAS**, Contractor has specially trained, experienced staff to perform NTP services and desires to enter into a Contract with the County to provide narcotic therapy services to beneficiaries of Sierra County;

**WHEREAS**, Contractor is specially trained, experienced, expert and competent to perform such special services; and

**WHEREAS**, Pursuant to Government Code, section 31000, the County may contract for special services on behalf of public entities including County Behavioral Health.

**NOW, THEREFORE**, in consideration of the covenants, conditions, agreements, and stipulations set forth herein, the parties agree as follows:

- 1. Scope of Services.** County hereby engages Contractor to perform, and Contractor hereby agrees to perform for County, the services set forth in Exhibit A, attached hereto and incorporated herein by reference, all pursuant to the terms and conditions hereinafter set forth.
- 2. Compensation.** Contractor shall be compensated by County for performing said services in accordance with Exhibit B, attached hereto and incorporated herein by reference.
- 3. Effective Date and Duration.** The effective date and duration of this Contract shall be as set forth in Exhibit C, attached hereto and incorporated herein by reference.
- 4. General Conditions.** Contractor and County shall comply with all provisions of County's General Conditions as set forth in Exhibit D, attached hereto and incorporated herein by reference.
- 5. Special Conditions.** Contractor and County shall comply with the Special Conditions set forth in Exhibit E, attached hereto and incorporated herein by reference. In the event of conflicts between the provisions of the General Conditions and the Special Conditions, the provisions of the Special Conditions shall be controlling.
- 6. Business Associate Agreement.** Contractor and County shall comply with the County's Business Associate Agreement as set forth in Exhibit F, attached hereto and incorporated herein by reference.

7. **Qualified Service Organization Agreement.** Contractor and County shall comply with the County's Qualified Service Organization Agreement as set forth in Exhibit G, attached hereto and incorporated herein by reference.

**IN WITNESS WHEREOF** County and Contractor have executed this Contract on the day and year set forth below.

CONTRACTOR  
Aegis Treatment Centers, LLC

CONTRACTOR  
Aegis Treatment Centers, LLC

By: \_\_\_\_\_  
Chief Executive Officer

By: \_\_\_\_\_  
In-House Counsel

Tax ID#      Held in Confidential File

Approved as to form and legal effect:

By: \_\_\_\_\_  
Deputy County Counsel

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

\_\_\_\_\_,  
A Public Entity in the State of California

By: \_\_\_\_\_  
Chair, Board of Supervisors

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

ATTEST

By: \_\_\_\_\_  
County Clerk and Ex-Officio Clerk  
of the Board of Supervisors

**EXHIBIT A**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**  
**SCOPE OF SERVICES**

**1. Services.**

- a. Contractor shall provide outpatient Narcotic Treatment Program (NTP) services, specifically NTP-Methadone, NTP-Individual Counseling, and NTP-Group Counseling for eligible Medi-Cal beneficiaries, both perinatal and non-perinatal, in need of such services in accordance with applicable federal and state statutes and regulations including Title 22 regulations related to the Drug/Medi-Cal, Program, DHCS Substance Use Disorder Services Standards, and applicable licensure and certification requirements for NTP Services. A NTP as defined in Title 22, California Code of Regulation (CCR), Section 51341.1(d)(1), means an outpatient service using federally approved medications for NTP, directed at stabilization and rehabilitation of persons who are opiate addicted and have a substance abuse diagnosis. For the purposes of Section 51341.1(d)(1), “narcotic treatment program” does not include detoxification treatment.
- b. Contractor shall provide Covered Services for eligible DMC beneficiaries in need of such services. Covered Services means DMC services authorized by Title XIX of the Social Security Act and specified in Title 22, California Code of Regulations and shall include, among other things, NTP services:
  - 1) Federally approved medications for NTP
  - 2) Drug screening and other testing as appropriate
  - 3) Individual and Group counseling services regarding NTP approved medication maintenance

**2. Federal and State Regulations.**

- a. When a request for Covered Services is made by an eligible beneficiary, Contractor shall initiate services with reasonable promptness. Contractor shall have a documented system for monitoring and evaluating accessibility of care, including a system for addressing problems that develop regarding wait times and appointments.
- b. If DMC services are provided to Minor Consent beneficiaries, Contractor shall comply with California Family Code Section 6929.
- c. Contractor shall comply with all terms and conditions of this Contract and all pertinent state and federal laws and regulations.

**3. Service Sites.**

- a. Contractor shall provide federally approved medications for NTPs, including methadone medication and individual and/or group counseling sessions to Sierra County residents at its licensed clinic locations throughout California.

- b. Contractor shall obtain and maintain DMC certification of the site(s) at which services are provided or may be provided as required by the California Department of Health Care Services (DHCS).
- c. Contractor site(s) where DMC services are provided must be certified in accordance with Drug Medi-Cal regulations and the Americans with Disabilities Act (ADA) and an official fire clearance must be present at each site.
- d. Contractor shall provide the services required by this Contract during hours that are in the best interest of County's clients and, within this parameter, Contractor may determine the appropriate availability and hours of its operations.
- e. Contractor agrees to provide all necessary tools, equipment, materials, and supplies necessary for the performance of the services under this Contract. Contractor shall also be responsible for all costs and expenses incident to the performance of services for County, including but not limited to, all costs of equipment provided by Contractor, all fees, fines, bonds or taxes required of or imposed against Contractor and all other Contractor's costs of doing business. County shall not be responsible for any expenses incurred by Contractor in performing services for County.

#### **4. Reporting.**

- a. Contractor shall establish and maintain, at Contractor's cost, a computer system fully compliant with HIPAA transactions and Codeset standards as well as the DHCS CalOMS Data Collection standards, as necessary, for the submission of information required under the terms and conditions of this Contract, including, but not limited to the submission of Drug Medi-Cal claims and CalOMS treatment admission and discharge data, including client demographic data.
- b. Contractor will be responsible for the accuracy of all data and information which Contractor provides to County or State, ensuring that all services are performed appropriately within the Federal, State, and County guidelines, regulations, code, statutes, and law, including, but not limited to administration, utilization review, documentation, and staffing.
- c. Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County or State in support of claims for services that may be based on data and information submitted by Contractor. Contractor shall process all service data requests within the time frame prescribed by the County and/or State. County shall have no liability for Contractor's failure to comply with County and/or State time frames.
- d. Upon request by County, Contractor shall provide to County within seven (7) days of the request, any and all client progress report(s), along with County authorization form(s) properly executed by the client(s),.

#### **5. Auditing.**

- a. Contractor shall maintain an audit file of all records pertaining to this Contract for a period of five years after the duration date of this Contract, or until final resolution of any audits, whichever occurs later.
- b. County will periodically evaluate Contractor's program units of service for the purpose of assessing the reasonableness of the County's payment for services provided. Contractor will be provided reasonable notice if additional contractual and/or service delivery issues are to be reviewed. Contractor is expected to prepare and provide to County the necessary reports

and other analysis to adequately explain Contractor's use of funds as specified in Exhibit "B" of this Contract.

## EXHIBIT B

### CONTRACT FOR BEHAVIORAL HEALTH SERVICES

#### 1. Compensation.

- a. Prior to commencement of services, Contractor shall provide a valid, current taxpayer ID number to Sierra County Auditor/Controller at (530) 289-3273. County shall pay to Contractor as compensation in full for all services performed by Contractor pursuant to this Contract, the following sums in the following manner:
  - 1) County agrees to reimburse the Contractor for State-approved units of service during the term of this Contract, resulting from services, but not to exceed the Uniform Statewide Daily Reimbursement (USDR) rate per service rendered as described in Section 3.
  - 2) County shall compensate Contractor the Department of Health Care Services (DHCS) established Drug Medi-Cal rates, as outlined or any subsequent publication of updated rates from DHCS, for each service over the duration of this Contract. Such fees shall be calculated per MHSUDS Information Notice 19-035, or any subsequent publication of updated rates from DHCS.
  - 3) In no event shall the maximum allowable payment to Contractor in any fiscal year under this Contract exceed \$30,000.

#### 2. Billing.

Contractor shall bill County for services provided under this Contract as follows: For all services in a calendar month, Contractor shall invoice County by the 30th day of the following calendar month. Contractor must submit claims for payment on a Drug Medi-Cal Monthly Summary Invoice Form, which can be found at:

[http://www.dhcs.ca.gov/provgovpart/Documents/FMAB/Contract\\_Information/Doc\\_2K-2Lc/2H\\_AD1592\\_rev\\_02\\_2008.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/FMAB/Contract_Information/Doc_2K-2Lc/2H_AD1592_rev_02_2008.pdf)

#### 3. Documentation.

If County deems applicable, as part of the monthly invoicing process, Contractor shall provide, with each monthly invoice, documentation pertaining to client services provided during the invoiced month, as per any special requirements needed by third party payors or federal or state funding agencies. This requirement shall apply to all Contractors billing services on a per minute basis.

#### 4. Payments.

- a. County shall, within thirty (30) days following receipt of a correct monthly invoice meeting all criteria in this Contract, pay the undisputed charges on the invoice. If there are any disputed charges on the invoice, County shall include the explanation of the nature of the dispute with the payment for the undisputed charges and will provide Contractor with a Notice of Adverse Beneficiary Determination, if applicable. The parties shall exchange any information needed to resolve the dispute within a reasonable time.

#### 5. Audit Risk.

- a. In the case that Contractor-provided services are billed by the County to Medi-Cal, Contractor agrees to accept risk for Medi-Cal exceptions related to deficiencies in documentation or any other areas of responsibility to County to the extent allowed by law. Contractor further agrees to be responsible for reimbursing County any revenues to be paid to the State or Federal government, including but not limited to exceptions resulting from Medi-Cal audit, or as identified through utilization review and medical review by insurance carriers or other auditors. Said reimbursements shall include all lost revenues, damages of any kind, costs and attorney fees incurred by the County, and other charges assessed against the County to the full extent allowed by law.
  - b. Furthermore, as per County Provider Problem Resolution & Appeal Processes (Outpatient), County shall provide Contractor a process for appealing or disputing Medi-Cal exceptions or deficiencies demonstrated specifically attributable to Contractor by the County. Reimbursement to the County by Contractor shall not be required until the completion of the appeal or dispute resolution process.
- 6. County may deduct any such funds from other payments to Contractor if County includes a description of the basis for the deduction with its payment. Withholding Payment.**
- a. In addition to withholding payment due to disputed charges on a Drug Medi-Cal Monthly Summary Invoice, County shall have the right to withhold payment to Contractor under the following conditions:
    - 1) Contractor has not documented or has not sufficiently documented Contractor's services according to client records standards of the industry and any special requirements needed by third party payors or federal or state funding agencies.
    - 2) Contractor has failed or refused to furnish information or cooperate with any inspection, review or audit of Contractor's program or County's use of Contractor's program. This includes interviews and/or reviews of records in any form of information storage.
    - 3) Contractor has failed to sufficiently itemize or document the itemized Drug Medi-Cal Monthly Summary Invoice.
    - 4) When, in the opinion of the County and expressed by the County to Contractor in writing, the Contractor's performance, in whole or in part, has not been sufficiently documented.

**EXHIBIT C**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**

**DURATION AND EFFECTIVE DATE**

**1. Effective Date.**

This Contract shall be effective as of July 1<sup>st</sup>, 2020.

**2. Duration Date.**

This Contract shall remain in effect from the effective date stated above to June, 30<sup>th</sup>, 2022

**EXHIBIT D**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**

**GENERAL CONDITIONS**

**1. Independent Contractor.**

Contractor shall be deemed to be an independent contractor of County. Nothing in this Contract shall be construed as creating an employer-employee relationship, partnership or a joint venture relationship. Nothing in this Contract authorizes or permits the County to exercise discretion or control over the professional manner in which Contractor provides services. Contractor's services shall be provided in a manner consistent with all applicable standards and regulations governing such services.

**2. No Eligibility for Fringe Benefits.**

Contractor understands and agrees that Contractor and its personnel are not, and will not be, eligible for membership in or any benefits from any County group plan for hospital, surgical, or medical insurance, or for membership in any County retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a County employee.

**3. Warranty of Contractor for Provision of Services.**

Contractor shall obtain and shall keep in full force and effect during the term of this Contract all permits, registrations and licenses necessary to accomplish the work specified in the Contract. Contractor shall furnish qualified professional personnel as prescribed by Title 9 of the California Code of Regulations, the Business and Professions Code, and all other applicable laws for the type of services rendered under this Contract. Contractor agrees that it shall immediately notify County in writing of any termination, suspension, reduction, or restriction of any requisite license, accreditation, or certification held by Contractor and/or its employees. Contractor warrants that it, and each of the personnel employed or otherwise retained by Contractor, will at all times, to the extent required by law, be properly certified and licensed throughout the entire duration of this Contract under the local, state and federal laws and regulations applicable to the provision of services herein.

**4. Warranty of Contractor re Compliance with all Laws.**

Contractor shall keep informed of, observe, comply with, and cause all of its agents and personnel to observe and comply with all laws, rules, regulations, and administrative requirements adopted by federal, state, and local governments which in any way affect the conduct of work under this Contract. If any conflict arises between provisions of the scope of work or specifications in this Contract and any law, then the Contractor shall immediately notify the County in writing.

**5. Power and Authority of Contractor.**

If Contractor is a corporation, Contractor represents and warrants that it is and will remain, throughout the term of this Contract, either a duly organized, validly existing California corporation in good standing under the laws of the State of California or a duly organized, validly existing foreign corporation in good standing in the state of incorporation and authorized to transact business in the State of California.

**6. Termination for Cause.**

- a. If County determines that there has been a material breach of this Contract by Contractor that poses a threat to health and safety, County may immediately terminate the Contract.
- b. If any of the following occur, County shall have the right to terminate this Contract effective immediately upon giving written notice to the Contractor:
  - 1) Contractor fails to perform Contractor's duties to the satisfaction of the County; or
  - 2) Contractor fails to fulfill in a timely and professional manner Contractor's obligations under this Contract; or
  - 3) Contractor fails to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the County; or
  - 4) Any requisite licenses or certifications held by Contractor are terminated, suspended, reduced, or restricted; or
  - 5) Contractor has not, to the satisfaction of the County, documented or has not sufficiently documented services provided by Contractor, which includes without limitation, failure to meet industry standards or failure to satisfy any special requirements needed by third party payors or federal or state funding agencies; or.
  - 6) Contractor has failed or refused to furnish information or cooperate with any inspection, review or audit of Contractor's program or County's use of Contractor's program. This includes interviews and/or reviews of records in any form of information storage; or
  - 7) Contractor fails to comply with any provision of the Mental Health Compliance Plan, Cultural Competence Plan, and Code of Ethics.
- c. For all other material breaches of this Contract, County must give Contractor written notice setting forth the nature of the breach. If Contractor fails to remedy said breach within ten (10) days from the date of the written notice, County may terminate the Contract. Contractor shall thereafter have no further rights, powers, or privileges against County under or arising out of this Contract.
- d. In the event of termination, all obligations to provide services shall automatically terminate on the effective date of any termination.
- e. In the event a breach does not result in termination, but does result in costs being incurred by County, said costs shall be charged to and paid by Contractor, which costs may include, but are not limited to, costs incurred by County in investigating and communicating with Contractor regarding said breach, including staff time.

**7. Termination for Convenience.**

- a. Either party may terminate this Contract at any time by providing the other party written notice of termination for convenience (Notice of Termination for Convenience). The Notice of Termination for Convenience shall specify the date upon which such termination will become effective, which shall be at least 30 calendar days after the date of the Notice for Termination for Convenience. Termination for convenience shall be effective at 11:59 p.m., Pacific Standard Time, on the specified date for termination set forth in the Notice of Termination for Convenience. Termination for convenience shall have no effect upon the rights and

obligations of the parties arising out of any services, which were provided prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of termination. After receiving a Notice of Termination for Convenience, Contractor shall, unless directed by County, place no further subcontracts for services or materials, terminate all subcontracts to the extent they relate to the work terminated, and settle all outstanding liabilities arising from the termination of subcontracts.

- b. Neither this section nor Section 6 of this Exhibit apply to a decision by either party not to exercise an option to renew this Contract.

#### **8. Power to Terminate.**

Termination of this Contract may be effectuated by the Health Agency Director without the need for action, approval, or ratification by the Board of Supervisors.

#### **9. Non-Assignment of Contract.**

Inasmuch as this Contract is intended to secure the specialized services of the Contractor, Contractor shall not delegate, assign, or otherwise transfer in whole or in part its rights or obligations under this Contract without the prior written consent of County. Any such assignment, transfer, or delegation without County's prior written consent shall be null and void.

#### **10. Entire Agreement and Modifications.**

This Contract supersedes all previous contracts between the parties hereto on the same subject matter and constitutes the entire understanding of the parties hereto on the subject matter of this Contract. Contractor shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Contractor specifically acknowledges that in entering into and executing this Contract, Contractor relies solely upon the provisions contained in this Contract and no others.

#### **11. Governing Law and Venue.**

This Contract shall be governed by, and construed in accordance with, the laws of the State of California, without regard to its conflict of laws provisions. All of the parties' rights and obligations created hereunder shall be performed in the County of Sierra, State of California and such County shall be the venue for any action or proceeding that may be brought, or arise out of, this Contract.

#### **12. Waiver.**

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Contract shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver shall be valid unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

#### **13. Severability.**

The Contractor agrees that if any provision of this Contract is found to be invalid, illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Upon determination that any term or provision is invalid, illegal or unenforceable, the parties shall negotiate in good faith to modify this contract so as to affect the original intent of the parties as closely as possible.

#### **14. Nondiscrimination.**

Contractor agrees that it will abide by all Federal and State labor and employment laws and regulations pertaining to unlawful discrimination prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sexual orientation, disability or national origin, and those conditions contained in Presidential Executive Order number 11246.

**15. Notices.**

- a. All notices given or made pursuant hereto shall be in writing and shall be deemed to have been duly given if delivered personally, mailed by registered or certified mail (postage paid, return receipt requested) or sent by a nationally recognized overnight courier (providing proof of delivery) to the parties at the following addresses or sent by electronic transmission to the following facsimile numbers (or at such other address or facsimile number for a party as shall be specified by like notice):
  - 1) To the County:  
County of Sierra  
PO Box 265  
Loyalton, CA 96118
  - 2) To Contractor at:  
Aegis Treatment Centers, LLC.  
7246 Remmet Avenue  
Canoga Park, CA 91303  
818-206-0381 facsimile  
madelman@aegistreatmentcenters.com
- b. Any such notice shall be deemed to have been received if:
  - 1) In the case of personal delivery or facsimile transmission with confirmation retained, on the date of such delivery or transmission;
  - 2) In the case of nationally recognized overnight courier, on the next business day after the date sent; or
  - 3) In the case of mailing, on the third business day following posting.

**16. Headings.**

The headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

**17. Signatory Authority.**

Contractor warrants that it has full power and authority to enter into and perform this Contract, and the person signing this Contract warrants that he/she has been properly authorized and empowered to enter into this Contract.

**18. Indemnification.**

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless the County and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every

nature arising out of or in connection with Contractor's performance or attempted performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by sole negligence or willful misconduct of County.

**19. Insurance.**

- a. Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons and/or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.
- b. Minimum Scope and Limit of Insurance. Coverage should be at least as broad as:
  - 1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
  - 2) Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
  - 3) Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.
  - 4) (Not required if Contractor provides written verification it has no employees)
  - 5) Sexual Misconduct Liability, if applicable: Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.
  - 6) Professional Liability/Errors and Omissions: Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.
- c. Additional Insured Status: The County, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles

owned, leased, hired or borrowed by or on behalf of the Contractor; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

- d. Primary Coverage: For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- e. Notice of Cancellation: Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (10 days for non-payment) has been given by the insurance company to the County.
- f. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract, upon which the County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. The County, at its sole discretion, may obtain damages from Contractor resulting from said breach.
- g. Waiver of Subrogation: Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
- h. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the County. The County may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- i. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County as stated by the County in writing.
- j. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:
  - 1) The Retroactive Date must be shown and must be before the date of the Contract or the beginning of Contract work.
  - 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Contract work
  - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of Contract work.

- k. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.
- l. Verification of Coverage: Contractor shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Contract. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- m. Certificates and copies of any required endorsements shall be sent to:  
County of Sierra  
PO Box 265  
Loyalton, CA 96118

#### Non-appropriation of Funds.

During the term of this Contract, if the State or any federal government terminates or reduces its funding to County for services that are to be provided under this Contract, then County may elect to terminate this Contract by giving written notice of termination to Contractor effectively immediately or on such other date as County specifies in the notice. In the event that the term of this Contract extends into fiscal year subsequent to that in which it was approved by the County, continuation of the Contract is contingent on the appropriation of funds by the Sierra County Board of Supervisors or, if applicable, provision of State or Federal funding source. If County notifies Contractor in writing that the funds for this Contract have not been appropriated or provided, this Contract will terminate. In such an event, the County shall have no further liability to pay any funds to the Contractor or to furnish any other consideration under this Contract, and the Contractor shall not be obligated to perform any provisions of this Contract or to provide services intended to be funded pursuant to this Contract. If partial funds are appropriated or provided, the County shall have the option to either terminate this Contract with no liability to the County or offer a Contract amendment to the Contractor to reflect the reduced amount.

#### **20. Force Majeure.**

Neither County nor Contractor shall be deemed in default in the performance of the terms of this Contract if either party is prevented from performing the terms of this Contract by causes beyond its control, including without limitation: acts of God; rulings or decisions by municipal, Federal, States or other governmental bodies; any laws or regulations of such municipal, Federal, States or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. Any party delayed by force majeure shall as soon as reasonably possible give the other party written notice of the delay. The party delayed shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Contract.

#### **21. Fiscal Controls.**

- a. The Office of Management and Budget (OMB) circulars are available at <http://www.whitehouse.gov/omb/circulars>.

**22. Inspection or Audit of Records by Local, State or Federal Agency.**

- a. Unless a longer period is required by law, pursuant to California Government Code section 8546.7, every County contract involving the expenditure of funds in excess of ten thousand dollars (\$10,000) is subject to examination and audit of the State Auditor for a period of three years after final payment under the Contract.
- b. Additionally, Contractor shall allow the County, State Department of Health Care Services (DHCS), United States Department of Health and Human Services (HHS), the Comptroller General of the United States (Government Accountability Office, GAO), and all other authorized federal and state agencies, or their duly authorized representatives, to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract and to inspect, evaluate and audit any and all books, records, and facilities maintained by Contractor and its agents, pertaining to such service at any time during normal business hours. Books and records include, without limitation, all physical records, including electronic records, originated or prepared pursuant to the performance under this Contract including work papers, reports, financial records, books of account, beneficiary records, prescription files, and any other documentation pertaining to covered services and other related services for beneficiaries. Upon request, at any time during the period of this Contract, and for a period of five years thereafter, the Contractor shall furnish any such record, or copy thereof, to County, State DHCS, HHS, or GAO as requested.
- c. Contractor shall include in each of its contracts with any contractor performing work under this Contract, a provision providing that the subcontractor grants to the County, State Department of Health Care Services (DHCS), United States Department of Health and Human Services (HHS), the Comptroller General of the United States (Government Accountability Office, GAO), and all other authorized federal and state agencies, or their duly authorized representatives, the same rights to inspect, evaluate, audit and otherwise examine the contractor's records and facilities as set forth in section 24.b., above, of this Exhibit.

**23. Nondisclosure.**

All reports, information, documents, or any other materials prepared by Contractor under this Contract are the property of County unless otherwise provided herein. Such reports, information, documents and other materials shall not be disclosed by Contractor without County's prior written consent. Any requests for information shall be forwarded to County along with all copies of the information requested. County shall make sole decision whether and how to release information according to law.

**24. Conflict of Interest.**

Contractor acknowledges that Contractor is aware of and understands the provisions of Sections 1090 et seq. and 87100 et seq. of the Government Code, which relate to conflict of interest of public officers and employees. Contractor certifies that Contractor is unaware of any financial or economic interest of any public officer or employee of the County relating to this Contract. Contractor agrees to comply with applicable requirements of Government Code Sections 1090 and 87100 et seq. during the term of this Contract.

**25. Immigration Reform and Control Act.**

Contractor acknowledges that Contractor, and all subcontractors hired by Contractor to perform services under this Contract are aware of and understand the Immigration Reform and Control Act

(“IRCA”) of 1986, Public Law 99-603. Contractor certifies that Contractor is and shall remain in compliance with IRCA and shall ensure that any subcontractors hired by Contractor to perform services under this Contract are in compliance with IRCA.

**26. Third Party Beneficiaries.**

It is expressly understood that the enforcement of the terms and conditions and all rights of action related to enforcement of this contract, shall be strictly reserved to County and Contractor. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any other third person.

**27. Tax Information Reporting.**

Upon request, Contractor shall submit its tax identification number or social security number, whichever is applicable, in the form of a signed W-9 form, to facilitate appropriate fiscal management and reporting.

**28. Delegation of Authority.**

- a. The scope of services covered in this Contract and the related compensation rates are anticipated types and rates for services. Accordingly, the Board of Supervisors delegates to the Health Agency Director or designee the authority to amend this Contract to exchange, delete, or add to the types of services and/or to increase compensation to Contractor up to the change order limits specified in the County’s Contracting for Services Policy.
- b. Any amendment made pursuant to a delegation of authority will only be effective if, prior to the commencement of services or extension of said Contract, the amendment is memorialized in writing, is approved by County Counsel, and is signed by the Health Agency Director or designee and does not exceed the change order limits. This delegation of authority is expressly limited as stated herein.
- c. The Board of Supervisors expressly delegates to the Health Agency Director or designee the authority to decide whether to exercise the option to renew this Contract for two (2) one-year periods pursuant to Exhibit C. The Health Agency Director is permitted to agree to any rate change associated with a renewal of this Contract so long as that rate change from the allowed expenditure under the initial term of this Contract falls within the change order limits of the County’s Contracting for Services Policy.

**EXHIBIT E**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**  
**SPECIAL CONDITIONS**

**1. Compliance with Health Care Laws.**

Contractor agrees to abide by all applicable local, State and Federal laws, rules, regulations, guidelines, and directives for the provision of services hereunder, including without limitation, the applicable provisions of the Civil Code, Welfare and Institutions Code, the Health and Safety Code, the Family Code, the California Code of Regulations, the Code of Federal Regulations, Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and the Health Insurance Portability and Accountability Act. This obligation includes, without limitation, meeting delivery of service requirements, guaranteeing all client's rights provisions are satisfied, and maintaining the confidentiality of patient records.

**2. No Discrimination In Level Of Services.**

As a condition for reimbursement, Contractor shall provide to and ensure that clients served under this Contract receive the same level of services as provided to all other clients served regardless of status or source of funding.

**3. Nondiscrimination.**

- a. Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended pertaining to the prohibition of discrimination against qualified handicapped persons in all federally assisted programs or activities, as detailed in regulations signed by the Secretary of Health and Human services, effective June 2, 1977, and found in the Federal Register, Volume 42, No.86 dated May 4, 1977.
- b. Contractor shall comply with the provisions of the Americans with Disabilities Act of 1990, the Fair Employment and Housing Act (Government Code section 12900 et seq.) and the applicable regulation promulgated thereunder (Title 2 Section 7285 et seq.) The Contractor shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- c. Contractor shall not engage in any unlawful discriminatory practices in the admission of beneficiaries, assignments of accommodations, access to programs or activities, treatment, evaluation, employment of personnel, or in any other respect on the basis of race, color, gender, religion, marital status, national origin, age, sexual preference or mental or physical handicap.

**4. Quality Assurance.**

Contractor agrees to conduct a program of quality assurance and program review that meets all requirements of the State Department of Health Care Services. Contractor agrees to cooperate fully with program monitoring or other programs that may be established by County to promote high standards of mental health care to clients at economical costs.

**5. Compliance Certification.**

- a. Contractor shall certify in writing on an annual basis that it has complied with the following elements of this Contract:

- 1) Exhibit D.26.: Conflict of Interest
- 2) Exhibit E.6.: Screening for Inspector Generals' Excluded Provider List and Medi-Cal List of Excluded Providers
- 3) Exhibit E.7.; Compliance Plan
- 4) Exhibit E.8.: Cultural Competence Plan
- 5) Exhibit E.9.: Health Information Privacy and Security Policy and Training Program
- 6) Exhibit E.11.: Disclosures - Conviction of Crimes / Ownership Interest of Greater than 5%

Contractor shall sign the Contractor Certification form in conjunction with signing this Contract. The Contractor Certification form has been approved by the Health Agency Director and will be either provided with your Contract or can be found at:

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**6. Screening for Inspector Generals' Excluded Provider List and Medi-Cal List of Excluded Providers.**

At the time of securing a new employee or service provider, Contractor shall conduct or cause to be conducted a screening and provide documentation to County certifying that its new employee or service provider is not listed on the Excluded Provider List of the Office of the Inspector General or the Medi-Cal List of Excluded Providers. On a monthly basis, Contractor shall conduct or cause to be conducted a screening of all employees, contractors or agents assuring that neither Contractor nor any of its employees, contractors or agents are listed on the Excluded Provider List of the Office of the Inspector General or the Medi-Cal List of Excluded Providers.

**7. Compliance Plan.**

- a. Contractor shall, at a minimum, adopt and comply with all provisions of the latest version of the Health Agency Compliance Plan and Code of Conduct—Contractor and Network Provider Version (“Compliance Plan”). Contractor may adopt and comply with an alternate Compliance Plan and Code of Conduct if granted written approval by the Health Agency Compliance Officer. Contractor shall adopt effective measures to enforce compliance with the Compliance Plan by its employees, contractors and agents.
- b. Within 30 calendar days of hire, and annually thereafter, Contractor, its employees, contractors and agents shall read the latest edition of the Health Agency Compliance Plan and Code of Ethics and complete related training provided by Contractor or the Health Agency.
- c. Contractor shall maintain records providing signatures (either actual or electronic) from each employee, contractor and agent stating that they read the Compliance Plan, completed the related training and agree to abide by its contents. (Relias Learning or equivalent E-learning records are sufficient to comply with this requirement)

**8. Compliance with County Cultural Competence Plan.**

- a. Consistent with the County Cultural Competence Plan, Contractor will provide services that meet the cultural, ethnic and linguistic backgrounds of their clients, including but not limited to, access to services in the appropriate language and/or reflecting the appropriate culture or ethnic group. Contractor will use professional skills, behaviors, and attitudes in its system that ensures that the system, or those being seen in the system, will work effectively in a cross

cultural environment. Contractor shall adopt effective measures to enforce compliance with the Cultural Competence Plan by its employees, contractors and agents.

- b. The Cultural Competence Plan may be found here: <http://www.sierracounty.ca.gov/DocumentCenter/View/3897/SIERRA-COUNTY-DRAFT-CULTURAL-COMPETENCY-PLAN-?bidId=>

#### **9. Health Information Privacy and Security Policy and Training Program.**

- a. Contractor shall provide health information privacy and security training to all employees as required by Title 22 of the California Code of Regulations, the Health Information Portability and Accountability Act of 1996, the California Medical Information Act, and as required by County.
- b. Within 15 calendar days of hire, and annually thereafter, Contractor, its employees, contractors and agents shall read the latest edition of the Confidentiality Agreement and HIPAA primer for Contractor Use, and complete related training provided by the Health Agency. Contractor may adopt and comply with an alternate Confidentiality Agreement, HIPAA Policy, and related training if granted written approval by the Health Agency Compliance Officer.
- c. Contractor shall maintain records providing signatures (either actual or electronic) from each employee, contractor and agent stating that they read the Health Information Privacy and Security Policy, completed the related training and agree to abide by its contents. (Relias Learning or equivalent E-learning records are sufficient to comply with this requirement)

#### **10. Confidentiality.**

Contractor shall abide by all applicable local, State and federal laws, rules, regulations, guidelines, and directives regarding the confidentiality and security of patient information, including without limitation, Welfare and Institutions Code sections 14100 et seq, and 5328 et seq.; section 431.300 et seq. of Title 42 of the Code of Federal Regulations; the Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations, including but not limited to Title 45 CFR Parts 142, 160, 162 and 164; and the provisions of Exhibit F of this Contract , (the Business Associate Agreement). Any conflict between the terms and conditions of this Contract and Exhibit F (the Business Associate Agreement) are to be read so that the more legally stringent terms and obligations of the Contractor shall control and be given effect. Contractor shall not disclose any client/patient identifying information, except as otherwise authorized by law.

#### **11. Disclosures.**

- a. Pursuant to 42 CFR § 455.104 and 42 CFR § 455.106, Contractor shall submit the disclosures described in this section regarding the Contractor's ownership and control and convictions of crimes. Contractor must submit new or updated disclosures to the Health Agency prior to entering into or renewing the Contract. Contractor shall submit an updated disclosure to the Health Agency within 35 calendar days of any change of ownership, conviction of crime by a Contractor employee, or upon request of the Department. Disclosures as provided herein:
- b. For disclosure of 5% or More Ownership Interest, Contractor shall provide in writing the following:
  - 1) The name and address of any person (individual or corporation) with an ownership or control interest in the contractor/network provider. The address for corporate entities shall

include, as applicable, a primary business address, every business location, and a P.O. Box address;

- 2) Date of birth and Social Security Number (in the case of an individual);
  - 3) Other tax identification number, in the case of a corporation or other entity that uses a tax identification number for tax purposes;
  - 4) Whether the person (individual or corporation) with an ownership or control interest in the contractor/network provider is related to another person with ownership or control interest in the same or any other network provider of the Health Agency as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the managed care entity has a 5 percent or more interest is related to another person with ownership or control interest in the managed care entity as a spouse, parent, child, or sibling;
  - 5) The name of any other disclosing entity in which the Contractor or subcontracting network provider has an ownership or control interest; and
  - 6) The name, address, date of birth, and Social Security Number of any managing employee of the managed care entity.
- c. For disclosure of Conviction of Crime(s), Contractor shall provide in writing the following:
- 1) The identity of any person who is a managing employee of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a)(1), (2).)
  - 2) The identity of any person who is an agent of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a)(1), (2).)
  - 3) The Contractor shall supply the written disclosures to the County before entering into the Contract and at any time upon the County's request.
  - 4) Network providers should submit the same disclosures to the County regarding the network providers' criminal convictions. Network providers shall supply the disclosures before entering into the Contract and at any time upon the Department's request.

## **12. Record keeping and reporting of services.**

- a. Contractor shall keep complete and accurate records for each client treated pursuant to this Contract, which shall include, but not be limited to, diagnostic and evaluation studies, treatment plans, medication log, progress notes, program compliance, outcome measurement and records of services provided in sufficient detail to permit an evaluation of services, including timely access to such services, without prior notice. Such records shall comply with all applicable Federal, State, and County record maintenance requirements.
- b. Contractor shall submit informational reports as required by County on forms provided by or acceptable to County with respect to Contractor's program, major incidents, and fiscal activities of the program.
- c. Contractor shall collect and provide County with all data and information County deems necessary for County to satisfy State reporting requirements, which shall include, without limitation, Medi-Cal Cost reports in accordance with Welfare and Institutions Code 5651(a)(4),

5664(a) and (b), 5705(b)(3), 5718(c) and guidelines established by DHCS. Said information shall be due no later than 90 days after close of fiscal year of each year, unless a written extension is approved by the County. Contractor shall provide such information in accordance with the requirements of the Short-Doyle/Medi-Cal Cost Reporting System Manual, applicable state manuals and/or training materials, and other written guidelines that may be provided by County to Contractor.

### **13. State Audits.**

Pursuant to California Code of Regulations, title 9, section 1810.380, Contractor shall be subject to State oversight, including site visits and monitoring of data reports and claims processing; and reviews of program and fiscal operations to verify that medically necessary services are provided in compliance with said code and the contract between the State and County. If the Contractor is determined to be out of compliance with State or Federal laws and/or regulations, the State may require actions of the County to rectify any out of compliance issue, which may include financial implications. Contractor agrees to be held responsible for their portion of any action the State may impose on the County.

### **14. Equipment.**

- a. Contractor shall furnish all personnel, supplies, equipment, telephone, furniture, utilities, and quarters necessary for the performance of services pursuant to this Contract with the exception of:
  - 1) All required Behavioral Health forms;
  - 2) County may at its option and at County's sole discretion, elect to provide certain equipment which shall remain County property and be returned to the County upon earlier demand by or in no event later than the termination of the Contract. Contractor may at its option use County provided equipment for non-County clients as long as the equipment in any given instance is not for the sole use of non-County clients.

### **15. Other Employment.**

- a. Contractor shall retain the right to provide services at another facility or to operate a separate private practice; subject, however, to the following prohibitions:
  - 1) No such private practice shall be conducted or solicited on County premises or from County-referred clients.
  - 2) Such other employment shall not conflict with the duties, or the time periods within which to perform those duties, described in this Contract.
  - 3) The insurance coverage provided by the County or by the Contractor for the benefit of the County herein is in no way applicable to or diminished by any other employment or services not expressly set forth in this Contract.

### **16. State Department of Health Care Services Contract.**

Contractor agrees that this Contract shall be governed by and construed in accordance with the laws, regulations and contractual obligations of County under its agreement with the State Department of Health Care Services to provide specialty mental health services to Medi-Cal beneficiaries of Sierra County. (Medi-Cal Specialty Mental Health Services, Welfare and Institutions Code section 5775).

### **17. Use of Information Provided by the Social Security Administration.**

Contractor shall comply with all conditions required under the Social Security Administration agreement with the California Department of Health Care Services

### **18. Placement Authority.**

County shall have sole and exclusive right to screen and approve or disapprove clients prior to placement in Contractor's facility. Approval must be obtained in writing by client's case manager or designee prior to placement under this Contract.

### **19. License Information.**

Contractor agrees that all facilities and staff including, but not limited to, all professional and paraprofessional staff used to provide services will maintain throughout the term of this Contract, such qualifications, licenses, registrations, certifications, and/or permits as are required by state or local law. Contractor shall provide County a written list of all licensed/registered/waivered or certified persons who may be providing services under this Contract. The list shall include the name, title, professional degree, license number, and NPI number.

### **20. Professional Licensing Waiver Requirements.**

Contractor shall comply with Department of Mental Health (DMH) Letter No 02-09 regarding waivers for professional licensing of all psychologists, clinical social workers, licensed professional clinical counselors, or marriage and family therapists employed by, or under contract to, County.

### **21. Gifts.**

Gifts may not be charged to this Contract, whether to Contractor staff or anyone else. However, incentive items for youth clients used in a clinical behavioral modification program are allowed with clinical documentation and compliance with established County procedures.

### **22. Violations and Deviations.**

- a. If the County discovers any practice, procedure, or policy of the Contractor which deviates from the requirements of this Contract, violates federal or state law, threatens the success of the program conducted pursuant to this Contract, jeopardizes the fiscal integrity of such program, or compromises the health or safety of recipients of service, County may require corrective action, withhold payment in whole or in part, or terminate this Contract immediately. If County notifies Contractor that corrective action is required, Contractor shall promptly initiate and correct any and all discrepancies, violations or deficiencies to the satisfaction of the County within thirty (30) days, unless County notifies Contractor that it is necessary to make corrections at an earlier date in order to protect the health and safety of recipients of service. If Contractor is an in-patient facility, Contractor shall submit its patient admissions and length of stay requests for utilization review through existing hospital systems or professional standards review organizations.
- b. Contractor shall notify the County immediately should Contractor or its agents be investigated for, charged with, or convicted of a health care related offense. During the pendency of any such proceedings, Contractor shall keep the County fully informed about the status of such proceedings and shall consult with the County prior to taking any action which will directly impact the County. This Contract may be terminated immediately by County upon the actual exclusion, debarment, loss of licensure, or conviction of Contractor or its agents of a health care offense. Contractor shall indemnify, defend, and hold harmless the County for any loss or damage resulting from the conviction, debarment, or exclusion of Contractor or its agents.

**23. Reports of Death, Injury, Damage, or Abuse.**

- a. Reports of Death, Injury, or Damage. If death, serious personal injury, or substantial property damage occur in connection with the performance of this Contract and involving County's clients, Contractor shall immediately notify the County's Behavioral Health Administrator by telephone. In addition, Contractor shall promptly submit to County a written report including: (1) the name and address of the injured /deceased person; (2) the time and location of the incident; (3) the names and addresses of Contractor's employees and/or agents who were involved with the incident; (4) the names of County employees, if any, involved with the incident; and (5) a detailed description of the incident.
- b. Child Abuse Reporting. Contractor shall ensure that all known or suspected instances of child abuse or neglect are promptly reported to proper authorities as required by the Child Abuse and Neglect Reporting Act, Penal Code § 11164, et seq. Contractor shall require that all of its employees, consultants, and agents performing services under this Contract, who are mandated reporters under the Act, sign statements indicating that they know of and will comply with the Act's reporting requirements
- c. Elder Abuse Reporting. Contractor shall ensure that all known or suspected instances of abuse or neglect of elderly people 65 years of age or older and dependent adults age 18 or older are promptly reported to proper authorities as required by the Elder Abuse and Dependent Adult Protection Act (Welfare and Institutions Code § 15600 Code, et seq.). Contractor shall require that all of its employees, consultants, and agents performing services under this Contract, who are mandated reporters under the Act, sign statements indicating that they know of and will comply with the Act's reporting requirements

**24. Trafficking Victims Protection Act of 2000.**

- a. Contractor shall comply with Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000 as amended (22 U.S.C. 7104(g)) as amended by section 7102. For full text, see:  
<http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title22-section7104d&num=0&edition=prelim>
- b. Contractor, Contractor's employees, and subcontractors shall not:
  - 1) Engage in severe forms of trafficking in persons during the period of time that the Contract is in effect.
  - 2) Procure a commercial sex act during the period of time that the Contract is in effect.
  - 3) Use forced labor in the performance of the award or sub-awards under the Contract.
- c. Contractor shall:
  - 1) Immediately notify the County's Behavioral Health Administrator, by telephone, in the event they receive any information from any source alleging a violation of a prohibition in Section 9a. of this Exhibit.
  - 2) Include the requirements of paragraph a. of this section in any Subcontract awarded under this Contract.
- d. Violation of any of these provisions is cause for immediate termination of the Contract.

**25. Disclosure of Unusual Incidents.**

Contractor shall notify the County's Behavioral Health Administrator, by telephone, of the violation of any provision of this Contract within 24 hours of obtaining reasonable cause to believe such a violation occurred. Notice of such violation shall be confirmed by delivering to the County's Behavioral Health Administrator, within 72 hours of obtaining a reasonable cause to believe that such violation occurred, a written notice which shall describe the violation in detail. Contractor shall comply with state law and the County's policies and requirements concerning the reporting of unusual occurrences and incidents.

**26. Standard for Security Configurations, if applicable.**

- a. Contractors accessing County's electronic health records system shall abide by and implement the standard Security Configurations below. The Contractor shall configure its computers with the applicable United States Government Configuration Baseline (USGCB) and ensure that its computers have and maintain the latest operating system patch level and anti-virus software level.
- b. The Contractor shall ensure IT applications operated on behalf of the County are fully functional and operate correctly on systems configured in accordance with the above configuration requirements. The Contractor shall test applicable product versions with all relevant and current updates and patches installed. The Contractor shall ensure currently supported versions of information technology products meet the latest USGCB major version and subsequent major versions.
- c. The Contractor shall ensure IT applications designed for end users run in the standard user context without requiring elevated administrative privileges.
- d. The Contractor shall ensure hardware and software installation, operation, maintenance, update, and patching will not alter the configuration settings or requirements specified above.
- e. The Contractor shall ensure that its subcontractors (at all tiers) which perform work under this Contract comply with the requirements contained in this clause.
- f. The Contractor shall ensure that computers which store Protected Health Information (PHI) and/or Personally Identifiable Information (PII) locally have hard drive encryption installed and enabled.
- g. For those Contractors accessing County's electronic health records system, County shall not provide the Contractor with computer hardware support in connection with the performance of this Contract. The County shall provide the Contractor with necessary electronic health records software support in connection with the performance of this Contract. The County and Contractor shall be aware of and exclusively responsible for all legal implications of the County providing the Contractor with any Computer support in connection with the performance of this Contract.

**27. Charitable Choice.**

- a. Contractor shall not use any money provided under this Contract for any inherently religious activities such as worship, sectarian instruction, and proselytization. In regard to rendering assistance, Contractor shall not discriminate against an individual on the basis of religion, a

religious belief, or refusal to actively participate in a religious practice. If an individual objects to the religious character of a program, Contractor shall provide a secular alternative at no unreasonable inconvenience or expense to the individual or the County.

- b. Contractor shall comply by 42 Code of Federal Regulations, Part 54.
- c. Contractor shall submit documentation annually showing the total number of referrals necessitated by religious objection to other alternative substance use disorder activities. This information must be submitted to the County by September 1st of each year, including the September 1st after the termination of this Contract. The annual submission shall contain all substantive information required by the County and be formatted in a manner prescribed by Department of Health Care Services (DHCS).

**28. No Unlawful Use or Unlawful Use Messages Regarding Drugs.**

Contractor agrees that information produced through funds allocated under this Contract, and which pertains to drug and alcohol related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-1199.3). Contractor agrees that it shall enforce, and shall require its agents, including contractors, to enforce these requirements.

**29. Restriction on Distribution of Sterile Needles.**

Contractor agrees that no Substance Abuse Prevention and Treatment (SAPT) Block Grant funds made available through this Contract shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless DHCS chooses to implement a demonstration syringe services program for injecting drug users.

**EXHIBIT F**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**  
**BUSINESS ASSOCIATE AGREEMENT**

**1. General Provisions and Recitals.**

**A.** All terms used, but not otherwise defined below herein, have the same meaning as in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (“HITECH”), and their implementing regulations at 45 CFR Parts 160 through 165 (“HIPAA regulations”) (collectively along with state law privacy rules as “HIPAA laws”) as they may exist now or be hereafter amended.

**B.** A business associate relationship under the HIPAA laws between Contractor and County arises to the extent that Contractor performs, or delegates to subcontractors to perform, functions or activities on behalf of County under the Agreement.

**C.** County wishes to disclose to Contractor certain information pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”), as defined by the HIPAA laws, to be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the Agreement.

**D.** The parties intend to protect the privacy and provide for the security of PHI that may be created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement in compliance with the applicable standards, implementation specifications, and requirements of the HIPAA laws.

**E.** The HIPAA Privacy and Security rules apply to Contractor in the same manner as they apply to County. Contractor agrees therefore to be in compliance at all times with the terms of this Business Associate Agreement and the applicable standards, implementation specifications, and requirements of the Privacy and the Security rules with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement.

**2. Definitions.**

**A.** “Administrative Safeguards” are administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic PHI and to manage the conduct of Contractor’s workforce in relation to the protection of that information.

**B.** “Agent” shall have the meaning as determined in accordance with the federal common law of agency.

**C.** “Breach” means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA laws which compromise the security or privacy of the PHI.

**(1)** Breach excludes:

(a) Any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of Contractor or County, if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule.

(b) Any inadvertent disclosure of PHI by a person who is authorized to access protected health information at the County or the Contractor, to another person authorized to access protected health information at the County, the Contractor, other covered entity or business associate, that has not been used or disclosed except in compliance with law.

(c) A disclosure of PHI where Contractor or County has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

(2) Except as provided in paragraph (a) of this definition, an acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

**D.** "County PHI" means either: (1) PHI disclosed by County to Contractor; or (2) PHI created, received, maintained, or transmitted by Contractor pursuant to executing its obligations under the Contract.

**E.** "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

**F.** "Minimum Necessary" shall mean the Privacy Rule Standards in 45 CFR §164.502(b) and §164.514(d)(1).

**G.** "Physical Safeguards" are physical measures, policies, and procedures to protect Contractor's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion required by the HIPAA laws.

**H.** "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.

### **3. Obligations and Activities of Contractor as a Business Associate.**

**A.** Contractor agrees not to use or further disclose County PHI other than as permitted or

required by this Business Associate Agreement or as required by law.

**B.** Contractor agrees to use appropriate safeguards and other legally-required safeguards to prevent use or disclosure of County PHI other than as provided for by this Business Associate Agreement.

**C.** Contractor agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR Part 164 with respect to electronic County PHI.

**D.** Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of County PHI by Contractor in violation of the requirements of this Business Associate Agreement or HIPAA laws.

**E.** Contractor shall ensure that any Subcontractors that create, receive, maintain, or transmit PHI on behalf of Contractor agree to the same restrictions and conditions that apply through this Business Associate Agreement to Contractor with respect to such information.

**F.** Contractor agrees to provide access, within ten (10) calendar days of receipt of a written request by County, to PHI in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under 45 CFR § 164.524 or any other provision of the HIPAA laws.

**G.** Contractor agrees to make any amendment(s) to PHI in a Designated Record Set that County directs or agrees to pursuant to 45 CFR § 164.526 at the request of County or an Individual, within fifteen (15) calendar days of receipt of said request by County. Contractor agrees to notify County in writing no later than ten (10) calendar days after said amendment is completed.

**H.** Contractor agrees to make internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, County available to County and the Secretary in a time and manner as determined by County or as designated by the Secretary for purposes of the Secretary determining County's compliance with the HIPAA laws.

**I.** Contractor agrees to document any Disclosures of County PHI that Contractor creates, receives, maintains, or transmits on behalf of County, and to make information related to such Disclosures available as would be required for County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.

**J.** Contractor agrees to provide County or an Individual, as directed by County, in a time and manner to be determined by County, any information collected in accordance with the Agreement, in order to permit County to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with the HIPAA laws.

**K.** Contractor agrees that to the extent Contractor carries out County's obligation under the HIPAA laws Contractor will comply with the requirements of the HIPAA laws that apply to County in the performance of such obligation.

**L.** Contractor shall honor all restrictions consistent with 45 C.F.R. §164.522 that the County or the Individual makes the Contractor aware of, including the Individual's right to restrict certain disclosures of PHI to a health plan where the individual pays out of pocket in full for the healthcare item or service, in accordance with HITECH Act Section 13405(a).

**M.** Contractor shall train and use reasonable measures to ensure compliance with the requirements of this Business Associate Agreement by employees who assist in the performance of functions or activities on behalf of County under this Contract and use or disclose protected information; and discipline employees who intentionally violate any provisions.

**N.** Contractor agrees to report to County immediately any Use or Disclosure of PHI not provided for by this Business Associate Agreement of which Contractor becomes aware. Contractor must report to County Breaches of County PHI in accordance with the HIPAA laws.

**O.** Contractor shall notify County within twenty-four (24) hours of discovering any Security Incident, including all data Breaches or compromises of County PHI, however, both parties agree to a delay in the notification if so advised by a law enforcement official pursuant to 45 CFR § 164.412.

(1) A Breach shall be treated as discovered by Contractor as of the first day on which such Breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor.

(2) Contractor shall be deemed to have knowledge of a Breach, if the Breach is known, or by exercising reasonable diligence would have known, to any person who is an employee, officer, or other Agent of Contractor, as determined by federal or state common law of agency.

(3) Contractor's initial notification shall be oral and followed by written notification within 24 hours of the oral notification.

(4) Oral notification shall be made to the HIPAA Privacy Officer Lea Salas, Administrative Director of Behavioral Health. Written notification shall be sent to the following address:

**Sierra County Behavioral Health**

**Attention: Lea Salas, Administrative Director of Behavioral Health**

**PO Box 265**

**Loyalton, CA 96118**

HIPAA Privacy Officer  
Lea Salas, Administrative Director of Behavioral Health  
Or by Email at: [lsalas@sierracounty.ca.gov](mailto:lsalas@sierracounty.ca.gov)

(5) Contractor's notification shall include, to the extent possible:

(a) The identification of each Individual whose County PHI has been, or is reasonably believed by Contractor to have been, accessed, acquired, used, or disclosed during the Breach;

(b) Any other information that County is required to include in the

notification to Individual under 45 CFR §164.404 (c) at the time Contractor is required to notify County or promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

- (i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;
- (ii) A description of the types of County PHI that were involved in the Breach (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);
- (iii) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;
- (iv) A brief description of what Contractor is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and
- (v) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

**P.** County may require Contractor to provide notice to the Individual as required in 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the County.

**Q.** In the event that Contractor is responsible for a Breach of County PHI in violation of the HIPAA Privacy Rule, Contractor shall have the burden of demonstrating that Contractor made all notifications to County consistent with Paragraph O and as required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or disclosure of PHI did not constitute a Breach.

**R.** Contractor shall maintain documentation of all required notifications to County of a Breach or its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

**S.** Contractor shall provide County all specific and pertinent information about the Breach, including the information listed above, if not yet provided, to permit County to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as practicable, but in no event later than ten (10) calendar days after Contractor's initial notice of the Breach to County.

**T.** Contractor shall continue to provide all additional pertinent information about the Breach to County as it may become available, in reporting increments of five (5) business days after the last report to County. Contractor shall also respond in good faith to any reasonable requests for further information, or follow-up information after report to County, when such request is made by County.

**U.** Contractor shall bear all expense or other costs associated with the Breach and shall reimburse County for all expenses County incurs in addressing the Breach and consequences thereof, including costs of investigation, notification, remediation, documentation or other

costs associated with addressing the Breach.

V. Contractor shall train and use effective measures to ensure compliance with the requirements of this Exhibit by employees who assist in the performance of functions or activities on behalf of County under this Contract and use or disclose protected information; and discipline employees who intentionally or repeatedly violate any provisions.

**4. Permitted Use and Disclosure by Contractor.**

A. Contractor may use or further disclose County PHI as necessary to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by County.

(1) Contractor may use County PHI, if necessary, for the proper management and administration of Contractor or to carry out legal responsibilities of Contractor.

(2) Contractor may disclose County PHI for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor, if:

(a) The Disclosure is required by law; or

(b) Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person and the person immediately notifies Contractor of any instance of which it is aware in which the confidentiality of the information has been breached.

(3) Contractor may use or further disclose County PHI to provide Data Aggregation services relating to the Health Care Operations of Contractor.

B. Contractor shall make Uses, Disclosures, and requests for County PHI consistent with the Minimum Necessary principle as defined herein.

C. Contractor may use or disclose County PHI as required by law.

**5. Obligations of County.**

A. County shall notify Contractor of any limitation(s) in County's notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Contractor's Use or Disclosure of PHI.

B. County shall notify Contractor of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect Contractor's Use or Disclosure of PHI.

C. County shall notify Contractor of any restriction to the Use or Disclosure of PHI that County has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's Use or Disclosure of PHI.

D. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by County.

**6. Business Associate Termination.**

A. Upon County's knowledge of a material breach or violation by Contractor of the requirements of this Business Associate Agreement, County shall:

- (1) Provide an opportunity for Contractor to cure the material breach or end the violation within thirty (30) business days; or
- (2) Have the discretion to unilaterally and immediately terminate the Agreement, if Contractor is unwilling or unable to cure the material breach or end the violation within (30) calendar days.

B. Upon termination of the Agreement, Contractor shall either destroy or return to County all PHI Contractor received from County or Contractor created, maintained, or received on behalf of County in conformity with the HIPAA Privacy Rule.

- (1) This provision shall apply to all PHI that is in the possession of Subcontractors or Agents of Contractor.
- (2) Contractor shall retain no copies of the PHI.
- (3) In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon determination by County that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Business Associate Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as Contractor maintains such PHI.

C. The obligations of this Business Associate Agreement shall survive the termination of the Contract.

**EXHIBIT G**  
**CONTRACT FOR BEHAVIORAL HEALTH SERVICES**

**QUALIFIED SERVICE ORGANIZATION AGREEMENT**

1. Contractor agrees that it is a Qualified Service Organization to the County within the meaning of 42 Code of Federal Regulations sections 2.11 and 2.12.
2. Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any patient records from County or through performing its obligations per this Contract, Contractor is fully bound by 42 Code of Federal Regulations Part 2 and analogous state laws.
3. Contractor further agrees that if necessary, it will resist in judicial proceedings any efforts to obtain access to patient records except as permitted by 42 Code of Regulations Part 2.



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

DATE: June 10, 2020

Behavioral Health Information Notice No: 20-028

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Consortium of Addiction Programs and Professionals  
California Council of Community Behavioral Health Agencies  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators

SUBJECT: Drug Medi-Cal Reimbursement Rates for Fiscal Year 2020-21

REFERENCE: Sections 51516.1, Title 22, California Code of Regulations  
Sections 14021.51, 14021.6 and 14021.9, Welfare and Institutions Code  
Section 51516.1, Title 22, California Code of Regulations

**PURPOSE**

This Information Notice transmits Fiscal Year (FY) 2020-21 reimbursement rates for Drug Medi-Cal (DMC) services, effective July 1, 2020 through June 30, 2021.

**DISCUSSION**

The Department of Health Care Services (DHCS) developed the reimbursement rates in accordance with Welfare and Institutions Code Sections 14021.51, 14021.6, and 14021.9. These rates reflect analyses of costs for DMC services. A component of the FY 2020-21 analyses included use of a cumulative 26.4 percent Implicit Price Deflator. The rates are applicable to DMC services provided under the DMC State Plan regulations. The rates also apply to Narcotic Treatment Program providers operating under the DMC Organized Delivery System Section 1115 Waiver.

In addition, the rate for residential services provided to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) beneficiaries is equal to the current State rate for perinatal residential services. See [MHSUDS Information Notice 16-063](#) for billing policies for EPSDT clients.

For DMC billing for service dates on or after July 1, 2020, please refer to the following tables when populating the procedure and modifiers on the 837P electronic claim file of DMC claims submitted for adjudication.

**Non-Perinatal Service Groups, Types and Billing Codes**

Service Group	Service Type	Billing Codes		
		Procedure Code	Modifier	Modifier
IOT	Intensive Outpatient Treatment	H0015		
NAL	Naltrexone (NAL) generic	S5000	HG	
NAL	Naltrexone (NAL) brand name	S5001	HG	
NTP	NTP – Individual Counseling	H0004	HG	
NTP	NTP – Group Counseling	H0005	HG	
NTP	NTP - Methadone	H0020	HG	
ODF	ODF – Individual Counseling	H0004		
ODF	ODF – Group Counseling	H0005		
RES	Residential- Short –Term – EPSDT	H0018		
RES	Residential- Long-Term – EPSDT	H0019		

**Perinatal Service Groups, Types and Billing Codes**

Service Group	Service Type	Billing Codes		
		Procedure Code	Modifier	Modifier
IOT	Intensive Outpatient Treatment	H0015	HD	
NTP	NTP – Individual Counseling	H0004	HD	HG
NTP	NTP – Group Counseling	H0005	HD	HG
NTP	NTP - Methadone	H0020	HD	HG
ODF	ODF – Individual Counseling	H0004	HD	
ODF	ODF – Group Counseling	H0005	HD	
RES	Residential - Short-Term	H0018	HD	
RES	Residential – Long-Term	H0019	HD	

BEHAVIORAL HEALTH INFORMATION NOTICE NO.: 20-028  
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June 10, 2020

**QUESTIONS**

Questions regarding the DMC rates may be directed to MEDCCC at [MEDCCC@dhcs.ca.gov](mailto:MEDCCC@dhcs.ca.gov).

Sincerely,

Rafael Davtian, Chief  
Local Government Financing Division

Enclosure

**Department of Health Care Services  
Local Governmental Financing Division  
Drug Medi-Cal (DMC) Rates for Fiscal Year 2020-21**

**Non Perinatal DMC**

Description	Unit of Service (UOS)	FY 2020-21 UOS Rate**
Narcotic Treatment Program (NTP) - Methadone	Daily	\$14.20
NTP - Individual Counseling	One 10-minute Increment	\$16.65
NTP - Group Counseling	One 10-minute Increment	\$3.80
Intensive Outpatient Treatment	Face-to-Face Visit	\$76.43
Naltrexone (*)	Face-to-Face Visit	\$19.06
Residential - for EPSDT Beneficiaries	Daily	\$112.55
Outpatient Drug Free (ODF) Individual Counseling	Face-to-Face Visit (Per Person)	\$83.30
ODF Group Counseling	Face-to-Face Visit (Per Person)	\$33.90

**Perinatal DMC**

Description	Unit of Service (UOS)	FY 20-21 UOS Rate**
NTP - Methadone	Daily	\$15.29
NTP - Individual Counseling	One 10-minute Increment	\$23.84
NTP - Group Counseling	One 10-minute Increment	\$6.09
Intensive Outpatient Treatment	Face-to-Face Visit	\$91.45
Perinatal Residential	Daily	\$112.55
ODF Individual Counseling	Face-to-Face Visit (Per Person)	\$119.23
ODF Group Counseling	Face-to-Face Visit (Per Person)	\$54.25

\* From FY 2002-03 through FY 2008-09, Naltrexone was frozen at the \$21.19 (FY 1999-2000) approved rate. Counties and service providers have not provided, submitted claims, nor reported cost for this service since FY 1997-98. For FY 2009-10, the \$21.19 frozen rate was reduced by 10 percent to \$19.07. Excluding county administration from the cost data used to produce the \$21.19 frozen approved rate decreased it to \$19.06. Drug Medi-Cal used \$19.06 as the FY 2020-21 developed rate.

\*\* FY 2009-2010 rates were adjusted by a 26.4 percent cumulative growth in the Implicit Price Deflator (IDP), in accordance with Welfare & Institutions Code Section 14021.9(b). The change from year to year are as follows: 0% for FY 2009-10, 3.2% for FY 2010-11, 2.5% for FY 2011-12, 1.9% for FY 2012-13, 2.1% for FY 2013-14, 1.2% for FY 2014-15, 0.4% for FY 2015-16, 1.9% for FY 2016-17, 2.4% for FY 2017-18, 2.3% for FY 2018-19, 2.9% for FY 2019-20 and 1.9% for FY 2020-21.