

## **AGREEMENT**

**THIS AGREEMENT** is entered into as of \_\_\_\_\_, between the **COUNTY OF TULARE**, referred to as COUNTY, and **BAYFRONT YOUTH AND FAMILY SERVICES**, a California Corporation, referred to as CONTRACTOR, with reference to the following:

A. COUNTY wishes to retain the services of CONTRACTOR for the purpose of providing a residential program for emotionally disturbed adolescents identified by Tulare County Department of Mental Health as needing an intensive mental health treatment setting; and

B. CONTRACTOR has the experience and qualifications to provide the services COUNTY requires pertaining to the COUNTY'S Mental Health Program; and

C. CONTRACTOR is willing to enter into this Agreement with COUNTY upon the terms and conditions set forth herein.

### **ACCORDINGLY, IT IS AGREED:**

1. **TERM:** This Agreement shall become effective as of July 1, 2011 and shall expire at 11:59 PM on June 30, 2012 unless otherwise terminated as provided in this Agreement.

2. **SERVICES TO BE PERFORMED:** See attached **EXHIBIT A**

3. **PAYMENT FOR SERVICES:** See attached **EXHIBITS B and B-1.**

### **4. INDEPENDENT CONTRACTOR STATUS:**

(a) This Agreement is entered into by both parties with the express understanding that CONTRACTOR will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute the CONTRACTOR or any of its agents, employees or officers as an agent, employee or officer of COUNTY.

(b) CONTRACTOR agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of COUNTY. Subject to any performance criteria contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means and methods of performing the specified services

and COUNTY shall have no right to control or exercise any supervision over CONTRACTOR as to how the services will be performed. As CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required state and federal taxes. In particular, COUNTY will not:

1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
2. Make state or federal unemployment insurance contributions on CONTRACTOR'S behalf.
3. Withhold state or federal income tax from payments to CONTRACTOR.
4. Make disability insurance contributions on behalf of CONTRACTOR.
5. Obtain unemployment compensation insurance on behalf of CONTRACTOR.

(c) Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

5. **COMPLIANCE WITH LAW:** CONTRACTOR shall provide services in accordance with applicable Federal, State, and local laws, regulations and directives. With respect to CONTRACTOR'S employees, CONTRACTOR shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

6. **GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Tulare County, California.

7. **RECORDS AND AUDIT:** CONTRACTOR shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In addition, CONTRACTOR shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CONTRACTOR shall make such records available within Tulare County to the Auditor of Tulare County and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

8. **CONFLICT OF INTEREST:**

(a) CONTRACTOR agrees to, at all times during the performance of this Agreement, comply with the law of the State of California regarding conflicts of interests and appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CONTRACTOR for this purpose, from making any decision on behalf of COUNTY in which such officer, employee or consultant/contractor has a direct or indirect financial interest. A violation can occur if the public officer, employee or consultant/contractor participates in or influences any COUNTY decision which has the potential to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR has an interest, with certain narrow exceptions.

(b) CONTRACTOR agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interests laws, it will immediately inform the COUNTY designated representative and provide all information needed for resolution of this question.

9. **INSURANCE:** Prior to approval of this Agreement by COUNTY, CONTRACTOR shall file with the Clerk of the Board of Supervisors evidence of the required insurance as set forth in **EXHIBIT C** attached.

10. **INDEMNIFICATION:** CONTRACTOR shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CONTRACTOR or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CONTRACTOR under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CONTRACTORS failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

11. **TERMINATION:**

(a) Without Cause: County will have the right to terminate this Agreement

without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. County will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR in accordance with this Agreement. No sanctions will be imposed.

(b) With Cause: This Agreement may be terminated by either party should the other party:

- (1) be adjudged a bankrupt, or
- (2) become insolvent or have a receiver appointed, or
- (3) make a general assignment for the benefit of creditors, or
- (4) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- (5) materially breach this Agreement.

In addition, COUNTY may terminate this Agreement based on:

- (6) material misrepresentation, either by CONTRACTOR or anyone acting on CONTRACTOR's behalf, as to any matter related in any way to COUNTY's retention of CONTRACTOR, or
- (7) other misconduct or circumstances which, in the sole discretion of the COUNTY, either impair the ability of CONTRACTOR to competently provide the services under this Agreement, or expose the COUNTY to an unreasonable risk of liability.

County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR by the date of termination in accordance with this Agreement. County will not pay lost anticipated profits or other economic loss, nor will the County pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination. If this Agreement is terminated and the expense of finishing the CONTRACTOR's scope of work exceeds the unpaid balance of the agreement, the

CONTRACTOR must pay the difference to the County. Sanctions taken will be possible rejection of future proposals based on specific causes of non performance.

(c) Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities. Where CONTRACTOR's services have been terminated by the County, said termination will not affect any rights of the County to recover damages against the CONTRACTOR.

(d) Suspension of Performance: Independent of any right to terminate this Agreement, the authorized representative of COUNTY for which CONTRACTOR's services are to be performed, may immediately suspend performance by CONTRACTOR, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by CONTRACTOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

12. **LOSS OF FUNDING:** It is understood and agreed that if the funding is either discontinued or reduced for this project for the COUNTY, that the COUNTY shall have the right to terminate this Agreement. In such event, the affected party shall provide the other party with at least thirty (30) days prior written notice of such termination.

13. **FORM DE-542:** If CONTRACTOR is an individual, CONTRACTOR acknowledges that this Agreement is subject to filing obligations pursuant to Unemployment Insurance Code Section 1088.8. Accordingly, COUNTY has an obligation to file a report with the Employment Development Department, which report will include the CONTRACTOR's full name, social security number, address, the date this contract was executed, the total amount of the contract, the contract's expiration date or whether it is ongoing. CONTRACTOR agrees to cooperate with COUNTY to make such information available and to complete Form DE- 542. Failure to provide the required information may, at COUNTY's option, prevent approval of this Agreement, or be grounds for termination by COUNTY.

14. **NOTICES:**

(a) Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

**COUNTY:**

CONTRACT UNIT

TULARE COUNTY HEALTH & HUMAN SERVICES AGENCY

5957 S. Mooney Boulevard

Visalia, CA 93277

Fax No.: 559-737-4059  
Phone No.: 559-624-7456

**BAYFRONT YOUTH & FAMILY SERVICES:**

324 E. Bixby Road  
Long Beach, CA 90807

Fax No.: 562-595-8148  
Phone No.: 562-595-8111

(b) Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. **ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, COUNTY is relying on the personal skill, expertise, training and experience of CONTRACTOR and CONTRACTOR'S employees and no part of this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of COUNTY.

16. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties; otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

17. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts that may be reasonably required to effect the purposes of this Agreement.

18. **CONSTRUCTION:** This Agreement reflects the contributions of all undersigned parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

19. **HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

20. **NO THIRD-PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

21. **WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

22. **EXHIBITS AND RECITALS:** The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

23. **CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

24. **ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between CONTRACTOR and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

25. **ASSURANCES OF NON-DISCRIMINATION:** CONTRACTOR shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

(a) It is recognized that both the Contractor and the County have the responsibility to protect County employees and clients from unlawful activities, including discrimination and sexual harassment in the workplace. Accordingly, Contractor agrees to provide appropriate training to its employees regarding discrimination and sexual harassment issues, and to promptly and appropriately investigate any allegations that any of its employees may have engaged in improper discrimination or harassment activities.

The County, in its sole discretion, has the right to require Contractor to replace any employee who provides services of any kind to County pursuant to this Agreement with other employees where County is concerned that its employees or clients may have been or may be the subjects of discrimination or harassment by such employees. The right to require replacement of employees as aforesaid shall not preclude County from terminating this Agreement with or without cause as provided for herein.

**26. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA):**

(a) CONTRACTOR shall comply with the Health Insurance Portability and Accountability Act (HIPAA) Business Associate exhibit, as set forth in **EXHIBIT D** attached.

(b) At termination of this Agreement, CONTRACTOR shall, if feasible, return or destroy all protected health information received from, or created or received by, CONTRACTOR on behalf of the COUNTY that CONTRACTOR still maintains in any form, and retain no copies of such information; or, if such return or destruction is not feasible, extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.

(c) COUNTY may immediately terminate this Agreement if COUNTY determines that CONTRACTOR has violated a material term of this provision.



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**THE PARTIES**, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

**COUNTY OF TULARE**

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

BY \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST: JEAN M. ROUSSEAU  
County Administrative Officer/Clerk of the Board  
of Supervisors of the County of Tulare

By \_\_\_\_\_  
Deputy Clerk

**BAYFRONT YOUTH & FAMILY SERVICES**

Date: 5/12/11

By Walt Brown  
TITLE chairman

Date: 5/13/2011

By Nicholas Eaton  
TITLE secretary

Corporations Code section 313 requires that contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president, and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer, unless the contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

Approved as to Form  
County Counsel

By J. Menifee  
Deputy (2601482)

Date 05/31/11

**EXHIBIT A**  
**BAYFRONT YOUTH & FAMILY SERVICES**  
**FY 2011-2012**  
*Scope of Work*

**Describe the PURPOSE, METHODS, and GOALS of the program.**

**Program Purpose:**

The purpose of the Bayfront Youth & Family Services program is to provide an intensively structured program for those adolescents aged 11 1/2-17 who have not been able to be treated in existing community care facilities within Los Angeles County as well as counties outside of Los Angeles.

This program services those emotionally disturbed adolescents identified by Tulare County Department of Mental Health as needing an intensive mental health treatment setting. The program is funded by AFDC (Aid to Families with Dependent Children). In addition, the program provides a non-public school for adolescents funded by the Long Beach Unified School District.

**The program includes the following treatment types: individual, family, group and multifamily counseling.**

**Assessment, Evaluation and Treatment:**

Evaluation is a continuing process and takes place in staff meetings, case conferences, treatment team meetings, supervision meetings, consultative meetings, chart reviews, peer reviews and utilization review committee meetings.

Upon admission, an initial history is taken by the admitting staff. A child psychiatrist then obtains a complete psychiatric history. A physician does a complete physical examination and obtains a medical history. Other assessments include a nutritional assessment, rehabilitation assessment, educational assessment and a dental assessment.

Upon admission, each adolescent receives a physical examination and a preliminary psychiatric assessment. Within 30 days of admission, a treatment and educational plan is established by a multidisciplinary team. The plan is reassessed and progress noted, reviewed and updated monthly.

A multidisciplinary evaluation team, which includes the child Psychiatrist, Physician, Primary Therapist, Rehabilitation Therapists/Counselors (RT, NHRS, and MTBC), Registered Nurses, Teachers, Educational Counselors and Youth Counselors, assesses each adolescent's treatment needs within thirty days of admission. An initial treatment plan which reflects the clinical assessment, diagnostic appraisal and the individual adolescent's needs is prepared immediately following the assessment. This treatment plan includes goals, the process employed to attain goals and a discharge/permanency plan.

### **Outcome Monitoring:**

The facility provides a written bi-annual report to the placement agencies on its achievement of contract objectives.

Resident outcomes are reviewed individually every 45 days by the multidisciplinary Treatment Team assigned to each resident, or more frequently if the need arises and, every 90 days the resident's Service Plan (Rehab Option) is reviewed and updated as needed. Residents receiving psychotropic medication are evaluated monthly by a psychiatrist and modified as needed. Written Progress reports on each resident are provided to the referring agency's case worker or probation officer, documenting the progress, or lack thereof, of goals set upon admission.

Additionally, satisfaction surveys are utilized at various times during a resident's stay to ensure quality outcomes. The consumer satisfaction surveys are completed by residents, family members or significant others.

Regular monitoring of treatment outcomes is also accomplished through multidisciplinary utilization Review Committee which reviews every resident chart every six weeks or earlier if needed, to ensure that the treatment provider meets a standard of "medical necessity".

Quality Assurance procedures, as developed by the County, State and facility include, but are not limited to, peer review, medication monitoring and utilization procedures. The facility adheres to County reporting requirements and participates in County's automated management information system. Medication Monitoring: All Medications are monitored both on an ongoing basis by the Medical Director, and on a quarterly basis in Quality Assurance Committee, for appropriateness, interaction, effectiveness and sensitivities. Physicians are provided with information and counseling regarding their adolescents and their use of medication as it relates to the program and community standards. The County requirements for Short-Doyle medication monitoring are followed and submitted to the County as required. Los Angeles County court procedures for administering psychotropic drugs are followed.

Utilization Review/Chart Review: All adolescent charts are reviewed within two weeks of admission against admission criteria and an estimated length of stay will be assigned, depending upon diagnosis and acuity. The Treatment Plan is reviewed for appropriateness. Charts are reviewed every 30 days. The review is performed more frequently if there are treatments or level of care issues pending. Attending Psychiatrists, Medical Director, Clinical Director/Administrator and appropriate Social Workers, Department of Mental Health Case Managers are involved in the review of charts of adolescents. All staff take action to correct any problems identified through this process, and the information is reviewed by the multidisciplinary treatment team. The data is collected as part of utilization reviews, compiled monthly, and reviewed by the entire treatment team each quarter. Any actions required to solve problems identified in this process, including individual performance, is taken and is evaluated for effectiveness the following quarter.

Peer Review: Physicians meet regularly with the psychiatric medical director, Primary Therapists meet regularly with the Director of Social Services, Rehabilitation Therapists and Counselors meet regularly with the Director of Rehabilitation, nursing staff meet regularly with the Director of Nursing, and

School staff meet regularly with the Principal to review cases with current program status. The Clinical Director/Administrator meets a minimum of once weekly with clinical department heads to review for coordination and effectiveness of treatment of the adolescent. Ongoing education and feedback is provided. Quality assurance and peer review activities are also the responsibility of the multidisciplinary team/ they develop quality assurance monitors to assess the appropriateness, completeness, and time lines of assessment, treatment planning, the treatment process and discharge planning.

**EXHIBIT B  
COMPENSATION  
FISCAL YEAR 2011-2012  
BAYFRONT YOUTH & FAMILY SERVICES**

**COMPENSATION**

The monthly rate is all-inclusive for intensive residential services that are not billable to Medi-Cal.

- A. The monthly rates for the term of this Agreement, unless otherwise amended and agreed to by both parties in writing are:
  - 1. COUNTY agrees to pay CONTRACTOR for the following services and specified rates for the following services:
    - a. Residential rate: \$8,974.00 per month
    - b. Pharmaceutical costs for children placed by COUNTY in their facility.
    - c. Other doctor bills incurred by children placed by COUNTY in their facility
- B. These above rates times the number of months utilized by clients in the program will determine the reimbursement to CONTRACTOR. This contract will not exceed total reimbursement to CONTRACTOR of ONE HUNDRED AND SIXTY THOUSAND DOLLARS (\$160,000.00) for Fiscal Year 2011-2012.
- C. The COUNTY MHP will reimburse CONTRACTOR for covered services rendered to beneficiaries only when the beneficiary is rendered by the CONTRACTOR and when prior authorization was received by the CONTRACTOR from COUNTY MHP.
- D. The COUNTY MHP will reimburse CONTRACTOR at a prorated monthly rate based on the admission and discharge date of the youth being served.
- E. In the event the CONTRACTOR fails to comply with any provisions of this Agreement, COUNTY shall withhold payment until such noncompliance has been corrected. COUNTY will not fund services that have not been approved in advance by the Director of Mental Health

## **FEES**

CONTRACTOR, with input from various sources, include the State and County, will determine the cost of services and will use this information to formulate the monthly cost. COUNTY and CONTRACTOR mutually agree to follow all established regulations regarding this funding.

## **INVOICING**

CONTRACTOR understands that COUNTY will only pay for services actually rendered on a monthly basis. CONTRACTOR understands that COUNTY cannot make payment until all services are actually rendered and an invoice is submitted at the end of each monthly billing cycle. At the close of a monthly billing cycle, an invoice shall be submitted within ten (10) days. Invoice shall contain the name of the individual beneficiary, type of service and supporting documentation for all services provided along with the person(s) providing services, time and date of service, COUNTY MHP billing code, and duration of service. COUNTY MHP shall have the right to deny payment if the invoice is not submitted along with supporting documentation, as required by COUNTY MHP, then, payment shall be withheld until COUNTY MHP is in receipt of a complete and correct invoice and such invoice has been reviewed and approved by COUNTY MHP. All monthly invoices shall be subject to adjustments based upon the COUNTY MHP data systems reports. An Explanation of Benefits (EOB) data; and/or CONTRACTORS Annual Cost Report, which shall supersede and take precedence over all invoices.

CONTRACTOR shall submit invoices monthly to:

Tulare County Health & Human Services Agency  
Attention: Children's Managed Care Division  
5957 S. Mooney Blvd.  
Visalia, CA 93277

Invoices shall be in the format approved by Tulare County Health & Human Services Agency, Director of Mental Health. All payments made under this agreement shall be made within thirty (30) days of submission of all required documentation in accordance with the COUNTY's payment cycle. Neither COUNTY nor the patient shall be responsible for billings which represent services rendered, if billings are presented more than sixty (60) days after the patients discharge date.

**EXHIBIT B-1**  
**COST REPORT, RECONCILIATION, AND SETTLEMENT**  
**FISCAL YEAR 2010-2011**  
**BAYFRONT YOUTH & FAMILY SERVICES**

**A. ANNUAL COST REPORT**

CONTRACTOR shall submit an annual Mental Health Cost Report on or before the last day of the fourth month following the close of each COUNTY fiscal year, or on or before the last day of the fourth month following the termination of this Agreement. Extensions of time to file the cost report at any later date must be approved in writing by the Assistant Agency Director- Mental Health Services, the Deputy Director- Clinical Services, or the Assistant Director of Administration. Such cost report shall be prepared in accordance with the requirements set forth in the California Department of Mental Health's Cost Reporting/Date Collection Manual and must be submitted on appropriate California Department of Mental Health fiscal year forms.

**B. RECONCILIATION/INTERIM RATE ADJUSTEMENT**

COUNTY will reconcile the Annual Cost Report and settlement will be based on the lower of cost or Standard Maximum Allowance (SMA) rate, and shall be considered payment in full. SMA rates are updated annually in November. Within ninety (90) days thereafter, COUNTY will make payment, or receive reimbursement from CONTRACTOR, as appropriate. If the Annual Cost Report is submitted late, the CONTRACTOR understands and agrees that COUNTY may not make further payments to CONTRACTOR until Annual Cost Report is submitted.

**C. REPAYMENT OR REIMBURSEMENT TO STATE OR OTHERS**

CONTRACTOR agrees that any repayment or reimbursement that must be made by COUNTY to the State of California or others as a result of an audit or conduct by CONTRACTOR, its agents, officers or employees of the programs or services provided under this Agreement shall be paid by CONTRACTOR, out of its own funds, within thirty (30) days after the parties are notified that repayment or reimbursement is due. For purposes of this provision, it is agreed that offsets made by the state are included within the phrase "repayment or reimbursement".

**D. EXCEPTIONS RE: REPAYMENT OR REIMBURSEMENT**

The reimbursement provisions set forth above will not be applicable if any action or direction by COUNTY with regard to the program is the principal reason for repayment or reimbursement being required. The reimbursement provisions shall also not be applicable if COUNTY fails to give timely notice of any appeal, which results in the termination or barring of any appeal and thereby causes prejudice to CONTRACTOR. COUNTY shall have no obligation to appeal or financially undertake the cost of any appeal, but it shall be able to participate in every stage of any appeal if it desires to do so. Any action or failure to act by CONTRACTOR or its officers, employees and subcontractors, past or present, including a failure to make a diligent effort to resolve an audit exception with the state, which has resulted in a required repayment or reimbursement to the state or to others shall be paid by CONTRACTOR in accordance with this Exhibit.

**Exhibit "C"**  
**INSURANCE REQUIREMENTS**

*CONTRACTOR shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by the CONTRACTOR, his agents, representatives, employees or subcontractors, if applicable.*

**A. Minimum Scope & Limits of Insurance**

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$2,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law.
4. Professional Errors and Omissions Insurance of \$1,000,000.

**B. Specific Provisions of the Certificate**

1. The Certificate of Insurance for General Liability, Comprehensive Automobile Liability Insurance and Professional Errors and Omissions Insurance have to meet the following requirements:
  - a. *Name the COUNTY, Its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
  - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by COUNTY shall be excess.*
  - c. *Provide that coverage shall not be suspended, voided, canceled, reduced In coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County.*
2. The Certificate of Insurance for Workers Compensation, should include the following:
  - a. *Waiver of Subrogation. Contractor waives all rights against the County and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

**C. Deductibles and Self-Insured Retentions**

The COUNTY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

**D. Acceptability of Insurance**

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California, any waiver of these standards are subject to approval by the County Risk Manager or County Risk Manager's designee.

**E. Verification of Coverage**

Prior to approval of this Agreement by the COUNTY, the CONTRACTOR shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in



a form acceptable to the COUNTY. The COUNTY reserves the right to require certified copies of all required insurance policies at any time.



P.O. BOX 420807, SAN FRANCISCO, CA 94142-0807

## CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 03-17-2011

GROUP: 000638  
POLICY NUMBER: 0001301-2011  
CERTIFICATE ID: 24  
CERTIFICATE EXPIRES: 02-15-2012  
02-15-2011/02-15-2012

COUNTY OF TULARE  
HEALTH AND HUMAN SERVICES AGENCY  
5957 S MOONEY BLVD  
VISALIA CA 93277-9394

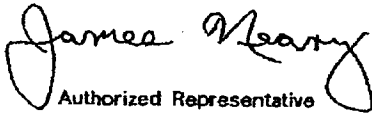
SJ

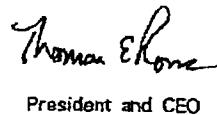
This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 10 days advance written notice to the employer.

We will also give you 10 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

  
Authorized Representative

  
President and CEO

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

ENDORSEMENT #2570 ENTITLED WAIVER OF SUBROGATION EFFECTIVE 2011-03-17 IS  
ATTACHED TO AND FORMS A PART OF THIS POLICY. THIRD PARTY NAME:  
COUNTY OF TULARE

EMPLOYER

BAYFRONT YOUTH AND FAMILY SERVICES (A NON  
PROFIT CORP)  
324 E BIXBY RD  
LONG BEACH CA 90807

[B19,SJ]



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/28/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> 1-800-733-4474 Arthur J. Gallagher Risk Management Services, Inc. Gallagher Healthcare 9821 Katy Freeway Suite 700 Houston, TX 77024 Janice M. Garic		<b>CONTACT NAME:</b> Bibi Wadsworth <b>PHONE (A/C, No. Ext):</b> 713-935-2450 <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b> bibi_wadsworth@ajg.com <b>PRODUCER CUSTOMER ID #:</b>																						
<b>INSURED</b> Sun Healthcare Group, Inc.  101 Sun Avenue, NE  Albuquerque, NM 87109		<table border="1"><thead><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td colspan="2">INSURER A: Chartis Specialty Insurance Company</td><td></td></tr><tr><td colspan="2">INSURER B:</td><td></td></tr><tr><td colspan="2">INSURER C:</td><td></td></tr><tr><td colspan="2">INSURER D:</td><td></td></tr><tr><td colspan="2">INSURER E:</td><td></td></tr><tr><td colspan="2">INSURER F:</td><td></td></tr></tbody></table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A: Chartis Specialty Insurance Company			INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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**COVERAGES****CERTIFICATE NUMBER:** 16796613**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Retro Date: Various  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC		RMGL/PL 583-6004	08/01/10	08/01/11	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 3,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 300,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 5,000</td></tr><tr><td>PERSONAL &amp; ADV INJURY</td><td>\$ 3,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 3,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 3,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 3,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 3,000,000	GENERAL AGGREGATE	\$ 3,000,000	PRODUCTS - COMP/OP AGG	\$ 3,000,000		\$
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	\$																			
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$		\$		
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	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				<table border="1"><tr><td>WC STATU-TORY LIMITS</td><td>OTH-ER</td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$</td></tr></table>	WC STATU-TORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$						
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A	<b>Medical Professional Liab</b> Retro Date: Various		RMGL/PL 583-6004	08/01/10	08/01/11	<table border="1"><tr><td>Each Med. Incident</td><td>3,000,000</td></tr><tr><td>*Aggregate Limit</td><td>3,000,000</td></tr></table>	Each Med. Incident	3,000,000	*Aggregate Limit	3,000,000										
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

\*GL and MPL policy subject a combined \$3,000,000 policy aggregate and is inclusive of the applicable policy deductible.

Facility #1541 Bayfront Youth and Family Services, 324 E Bixby Road, Long Beach, CA 90807. Tulare County Health & Human Services Agency is included as an Additional Insured as respects to General Liability, where required by written Contract, MNSC Endt #1.

**CERTIFICATE HOLDER****CANCELLATION 30 days**

<b>Tulare County Health &amp; Human Services Agency</b>  5957 S. Mooney Blvd.  Visalia, CA 93277  USA	<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b>  <b>AUTHORIZED REPRESENTATIVE</b>  <i>Janice M. Garic</i>
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**Exhibit "D"**  
**HIPAA REQUIREMENT**

The Health insurance Portability and Accountability Act of 1996 (HIPAA)

A. Definitions: Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule.

1. *Business Associate.* "Business Associate" shall mean CONTRACTOR.
2. *Covered Entity.* "Covered Entity" shall mean COUNTY.
3. *Individual.* "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
4. *Privacy Rule.* "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
5. *Protected Health Information.* "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
6. *Required By Law.* "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.
7. *Secretary.* "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

B. Obligations and Activities of CONTRACTOR

1. CONTRACTOR agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
2. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
3. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of Protected Health Information by CONTRACTOR in violation of the requirements of this Agreement.
4. CONTRACTOR agrees to report to COUNTY any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
5. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by CONTRACTOR on behalf of COUNTY agrees to the same restrictions and conditions that apply through this Agreement to CONTRACTOR with respect to such information. CONTRACTOR agrees to provide access, at the request of COUNTY, and in the time and manner requested by COUNTY, to Protected Health Information 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

6. CONTRATOR agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the COUNTY directs or agrees to pursuant to 45 CFR 164.526 at the request of COUNTY or an Individual, and in the time and manner requested by COUNTY
7. CONTRACTOR agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by CONTRACTOR on behalf of, COUNTY to the COUNTY, in a time and manner requested by COUNTY for purposes of determining CONTRACTOR'S and/or COUNTY'S compliance with the Privacy Rule.
8. CONTRACTOR agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for COUNTY to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528
9. CONTRACTOR shall provide to COUNTY or an individual, in time and manner designated by COUNTY, information collected in accordance with Title 45, CFR, Section 164.528, to permit the Department to respond to a request by the individual for an accounting of disclosures of PHI in accordance with Title 45, CFR, Section 164.528

C. General Use and Disclosure Provisions: Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information on behalf of, or to provide services to, COUNTY, if such use or disclosure of Protected Health Information would not violate the Privacy Rule if done by COUNTY or the minimum necessary policies and procedures of the COUNTY.

D. Specific Use and Disclosure

1. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information for the proper management and administration of the CONTRACTOR or to carry out the legal responsibilities of the CONTRACTOR.
2. Except as otherwise limited in this Agreement, CONTRACTOR may disclose Protected Health Information for the proper management and administration of the CONTRACTOR, provided that disclosures are Required By Law, or CONTRACTOR obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the CONTRACTOR of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information to provide Data Aggregation services to COUNTY as permitted by 42 CFR 164.504(e)(2)(i)(B)

4. CONTRACTOR may use Protected Health Information to report violations of law to appropriate Federal and State authorities consistent with § 164.502(j)(1)

E. Obligations of COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in its notice of privacy practices of COUNTY in accordance with 45 CFR 164.520, to the extent that such limitation may affect CONTRACTOR'S use or disclosure of Protected Health Information.
2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect CONTRACTOR'S use or disclosure of Protected Health Information
3. COUNTY shall notify CONTRACTOR of any restrictions to the use or disclosure of Protected Health Information 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 Protected Health Information.

- F. Permissible Requests by COUNTY: Except as otherwise provided herein, COUNTY shall not request CONTRACTOR to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by COUNTY

G. Miscellaneous

1. *Regulatory References.* A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
2. *Amendment.* The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for COUNTY to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub L. No. 104-191.
3. *Survival.* The respective rights and obligations of CONTRACTOR under this Exhibit shall survive the termination of this Agreement.
4. *Interpretation.* Any ambiguity in this Agreement shall be resolved to permit COUNTY to comply with the Privacy Rule.