

AGREEMENT

THIS AGREEMENT is entered into as of _____, between the **COUNTY OF TULARE**, referred to as **COUNTY**, and **PSYNERGY PROGRAMS, INC. d/b/a NUEVA VISTA**, 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 comprehensive and balanced range of Mental Health Services. **COUNTY** has determined the need among severely and persistently mentally disabled patients for Mental Health services in a closely structured rehabilitation program to improve their basic functioning.; and

B. **CONTRACTOR** has the experience and qualifications to provide the services **COUNTY** requires pertaining to **COUNTY'S** Mental Health Rehabilitation 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 **EXHIBIT B**.

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 submitting department evidence of the required insurance as set forth in **EXHIBIT C** attached. Insurance policies shall not be used to limit CONTRACTOR'S liability or to limit the indemnification provisions and requirements of this contract or act in any way to reduce the policy coverage and limits available from the insurer(s)

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 CONTRACTOR'S failure to provide form DE-542,

when applicable.

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.: 559-737-4572

Phone No.: 559- 624-7445

CONTRACTOR:

PSYNERGY PROGRAMS, INC. d/b/a NUEVA VISTA

18225 Hale Avenue

Morgan Hill, CA. 95037

Fax No.: _____

Phone No.: (408) 465-8280

(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

**PSYNERGY PROGRAMS, INC.
d/b/a NUEVA VISTA**

Date: 6/2/2011

By [Signature]
TITLE CEO

Date: 6/2/11

By [Signature]
TITLE CEO

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 [Signature]
Deputy (2011 010)

Date 06/07/11

PSYNERGY PROGRAMS, INC.
EXHIBIT A
SCOPE OF SERVICES
RESIDENTIAL SERVICES
FISCAL YEAR 2011-2012

CONTRACTOR shall provide services in accordance with the following provisions:

SERVICE LOCATION(S)

Services rendered pursuant to this Agreement shall be provided at the following location:

Psynergy Programs	Psynergy Programs
Nueva Vista	Cielo Vista
18225 Hale Avenue	806 Elm Avenue
Morgan Hill, CA 95037	Greenfield, CA 95037

A. Program Intent and Goals

Psynergy Program staff possesses adequate language and cultural understanding of the target populations. Psynergy Programs has over 100 years combined experience providing mental health treatment and residential services. The agency is quite capable of managing difficult client behaviors and conditions in community settings. Our key personnel have maintained a network of support and continue to access local community services for our client population, including ethnic community resources. We remain well connected to crisis residential and local psychiatric hospitals and when necessary can assess when a resident needs a higher level of care. Psynergy collaborates and coordinates with local mental health contractors and other health and human service providers. Psynergy Programs was founded on a philosophy that individuals have the potential to do better when everyone works together. We strive to share our vision of a future filled with personal and community transformation.

Psynergy Programs believes that together, we can achieve more. The prospect of community integration for individuals experiencing mental difficulties can be a reality - we offer a New Vision of community life. By expanding opportunities for a meaningful life in the community, Psynergy creates hope, embraces diversity, models integrity, demonstrates fortitude, and shares our vision of a future filled with personal and community transformation.

B. Staffing

Psynergy Programs provides highly qualified, competent, caring, and compassionate staffing 24 hours a day, 7 days a week in order to help with difficult situations or other disruptions in the resident's lives that could lead to acute hospitalization, loss of housing, or loss of employment. Our goal is to keep clients on track toward mental and physical health improvement. The staff levels exceed the required staffing levels as needed to meet Title 22.

PSYNERGY PROGRAMS, INC.
EXHIBIT A
SCOPE OF SERVICES
RESIDENTIAL SERVICES
FISCAL YEAR 2011-2012

The staff that has direct client contact will possess skills and knowledge in:

1. Confidentiality
2. Adequate language capability and cultural understanding according to the needs of Vendor's target population.
3. How to manage difficult behaviors and to make referrals for additional crisis assessment and intervention services.
4. Capability to collaborate and coordinate with local Vendors of health and human services.

C. Scope of Services

Referrals and Discharges: Referrals can be accepted from higher levels of care such as Institutions for Mental Disease (IMD), acute psychiatric services, subacute settings, or less restrictive community settings.

Once, a written authorization from Tulare County Mental Health is received by Psynergy Programs, an assessment will be completed within three (3) business days from the date the written referral. Within 24 hours after the assessment has been conducted, Psynergy Programs will contact the referral source and will either, approve the client for placement, or will continue to work with the referral source until the client can be approved for placement into Psynergy Programs. Psynergy Programs will reassess those clients not initially approved at regular intervals.

Once a client is approved into Psynergy Programs, admission should occur within five (5) business days. In order for the admission to occur, Tulare County Mental Health will need to provide Psynergy Programs with a complete written authorization for placement and an admissions packet in accordance with Community Care licensing requirements:

1. An application
2. Signed consents and releases
3. A physician's report
4. A copy of a recent TB test

Assessment and Level of Care: To ensure that Psynergy Programs can meet the needs of the client being referred and to help determine if the client would benefit from the current milieu, receives a thorough assessment. The assessment includes the following:

1. Medical Assessment
2. Mental Health Intake Assessment, and Functional Capabilities Assessment prior to completing their Needs and Services Plan.
3. A levels of care assessment is incorporated into the facility's intake procedures to assure that the placement is appropriate for Psynergy Programs. The levels of care

PSYNERGY PROGRAMS, INC.

EXHIBIT A

SCOPE OF SERVICES

RESIDENTIAL SERVICES

FISCAL YEAR 2011-2012

are consistent with the criteria established by the American Association of Community Psychiatrists (AAP) Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS).

Basic Services: Residents are provided with clean, comfortable, functional, and non-institutional living quarters as well as attractive living areas. This contributes to the improvement of mental and physical health and the resident's ability to function in the community.

Specialized Program Services

1. Clients who have severe psychiatric conditions that require additional temporary assistance in monitoring medical issues or that need continued support and education to manage chronic medical conditions.

Additional professional staffing to assist with the development of Restricted Health Care Plans will be hired. Special health education topics will be incorporated into the Morning Program. This set of services will be directed by the Program Director. Staff is responsible for providing linkage to community resources, care coordination with primary medicine and mental health case managers, and monitoring of health conditions. Chronic illness management will be reframed with recovery principles for clients to improve self-care and wellness. All health education will be predicated on cognitive assessments performed by an occupational therapist to ensure that residents can actually achieve self efficacy. Cultural considerations related to the resident's progress will also be noted, and appropriate modifications made to support these needs will be made. Basic reports will be made available to care providers that detail the resident's current medical condition and progress. Special focus will be made to help diabetics in particular maintain the least restrictive placement possible. Consultation with a nutritionist will be available to clients that continue to have dietary compliance issues that complicate their health. Lastly, staff will assist with special medication and monitoring (insulin, finger sticks, etc.) when necessary, but always with the goal of self-monitoring and efficacy.

2. Clients with co-occurring disorders such as substance abuse or developmental delays that require linkage to community resources and may need various behavioral supports including frequent one-to-one attention and prompting to maintain a community placement.

Additional professional staffing to assist with the behavioral focus of this specialized service will be hired. New health education topics will be incorporated into the Morning Program. This set of services will be directed to the Program Director. Staff is responsible for providing linkage to community resources, care coordination with mental health case managers, vocational and regional center resources. Staff

PSYNERGY PROGRAMS, INC.

EXHIBIT A

SCOPE OF SERVICES

RESIDENTIAL SERVICES

FISCAL YEAR 2011-2012

will be trained in motivation interviewing techniques and methods to support stage-wise behavior changes for these individuals. Recovery principles will be further incorporated into the assessment and monitoring of the clients residential experience. All health education will be predicated on cognitive assessments performed by an occupational therapist to ensure that residents can actually achieve self-efficacy. Special focus will be made to help young adults in particular maintain their sobriety in the least restrictive placement possible. Consultation with a licensed staff will be available to clients that continue to have behavioral compliance issues that threaten their community placement.

PSYNERGY PROGRAMS, INC.
EXHIBIT B
COMPENSATION
RESIDENTIAL SERVICES
FISCAL YEAR 2011-2012

A. RATES

COUNTY agrees to compensate CONTRACTOR based on the level of care authorized for each day that each authorized COUNTY client is in CONTRACTOR'S facility as follows:

1. General Program Rates

General community services and supports for COUNTY clients living in a residential setting experiencing mental distress.

Nueva Vista:

- a. 1st through and including 90th day rate is \$90 per client per day
- b. 91st through and including discharge day rate is \$60 per client per day

Cielo Vista:

- a. Rate is \$45.00 per client day.

2. Specialized Program Rates

- a. COUNTY clients who have severe psychiatric conditions that require additional temporary assistance in monitoring medical issues or that need continued support and education to manage chronic medical conditions:

Rate is \$90 per client per day

- b. COUNTY clients with co-occurring disorder, such as substance abuse or developmental delays, which require linkage to community resources and may need various behavioral supports including frequent one-to-one attention and prompting to maintain a community placement:

Rate is \$120 per client per day

3. Day rates may be modified by written amendment to this Agreement.

4. Fee for Service Rate – Transportation Services

Rate is \$60 per trip plus mileage reimbursed at published federal rate.

- a. Transportation Service charges are not for routine or local transportation. These charges are strictly for transportation of COUNTY clients to specialty

PSYNERGY PROGRAMS, INC.

EXHIBIT B

COMPENSATION

RESIDENTIAL SERVICES

FISCAL YEAR 2011-2012

medical care, court, or conservatorship appointments and **MUST** have prior approval from COUNTY.

5. Bed Hold

Requests for bed holds will be made on an individual basis by COUNTY with a maximum hold of five (5) days.

B. MAXIMUM FINANCIAL OBLIGATION

1. The maximum financial obligation of this Agreement shall not exceed **ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000.00)** for services as defined in this AGREEMENT and all applicable Exhibits.
2. CONTRACTOR is not obligated to provide services for which no reimbursement will be made when the Maximum Financial Obligation has been fully exhausted.

C. PRIOR AUTHORIZATIONS

1. All COUNTY clients eligible for services as defined in Exhibit A of this Agreement and who are being referred for placement into CONTRACTOR'S facility must be authorized by Tulare County Authorization Team prior to placement into the CONTRACTOR'S facility. **Payment will not be made, nor will any client be placed without prior authorization from Tulare County Authorization Team.**
2. At the time of referral, CONTRACTOR will determine the level of care that is required for the specific COUNTY client and will notify COUNTY as to the daily rate (see Section A, RATES above) that will be required in order for CONTRACTOR to be able to admit the COUNTY client into CONTRACTOR'S facility.
3. COUNTY will provide CONTRACTOR with written confirmation of the authorization within 24-hours of admission into CONTRACTOR'S facility.
4. Exhibit A defines the services that are provided in the inclusive rates as defined in Section A, RATES above. If COUNTY clients need services that are not included in Exhibit A of this Agreement, CONTRACTOR will obtain prior authorization from Tulare County Authorization Team before the services are provided. If the services are in addition to those defined in Exhibit A, a written amendment to this Agreement will be executed.
5. Under no circumstances shall the CONTRACTOR make unilateral direct placements to IMD's or other facilities without prior authorization from COUNTY.

PSYNERGY PROGRAMS, INC.

EXHIBIT B

COMPENSATION

RESIDENTIAL SERVICES

FISCAL YEAR 2011-2012

D. RE-AUTHORIZATIONS

1. Placements of Non-Medi-Cal beneficiaries must be re-authorized every thirty (30) days by the Tulare County Authorization Team.
2. Placements of Medi-Cal beneficiaries must be re-authorized every three (3) months.
3. Re-authorization will be the responsibility of the COUNTY and, a 30-day notice will be provided to CONTRACTOR if COUNTY client is no longer going to be re-authorized for services at CONTRACTOR'S facility.

E. REQUIRED REPORTS: PAYMENT WITHHOLDINGS

Should CONTRACTOR fail to provide any report in accordance with this Agreement by the date specified in this Agreement or otherwise agreed upon by both COUNTY and CONTRACTOR, COUNTY may withhold any payments otherwise due to CONTRACTOR pursuant to this Agreement, and any other agreement between CONTRACTOR and COUNTY, until such report is properly submitted as determined by the Director.

F. INVOICING

1. COUNTY will pay CONTRACTOR only for services actually rendered on a monthly basis. COUNTY will not make payment until all services are actually rendered and an invoice is submitted in accordance with the invoicing requirements of this Agreement.
2. Invoices shall be in the format approved by the Tulare County Health & Human Services Agency, Director of Mental Health.
3. CONTRACTOR will submit a claim for actual services rendered and authorized by COUNTY within ten working days from the end of the previous month.
4. Invoices will include the following information:
 - a. Client Name
 - b. Number of Days
 - c. Beginning and Ending Billing Period
 - d. Daily Rate
 - e. Description of level of care
 - f. Extended Amount
5. CONTRACTOR shall develop internal process to monitor and ensure accurate claims are submitted to CONTRACTOR'S business.

PSYNERGY PROGRAMS, INC.

EXHIBIT B

COMPENSATION

RESIDENTIAL SERVICES

FISCAL YEAR 2011-2012

6. CONTRACTOR shall submit a monthly claim to:

Tulare County Health & Human Services Agency
Department of Mental Health
Attn: Billing
3300 S. Fairway
Visalia, CA 93277

7. All payments made under this Agreement shall be made within thirty (30) days of submission of all required documentation and in accordance with the COUNTY'S payment cycle. Neither COUNTY nor the client, shall be responsible for claims which represent services rendered, if billings are presented more than sixty (60) days after the client's discharge date.

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 insured by endorsement to the policy.*
 - 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 by endorsement to the policy.*

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.

Client#: 417970

PSYNEPRO

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
06/16/2010

PRODUCER USI Southern California Lic # 0351162 21600 Oxnard Street, 8th Floor Woodland Hills, CA 91367		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Psynergy Programs, Inc. 18225 Hale Avenue Morgan Hill, CA 95037		INSURERS AFFORDING COVERAGE INSURER A: Philadelphia Insurance Company INSURER B: INSURER C: INSURER D: INSURER E:	NAIC # 23850

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	PHPK576177	06/08/2010	06/08/2011	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPIOP AGG \$3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	PHPK576177	06/08/2010	06/08/2011	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$ AUTO ONLY: AGG \$
A	EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10000	PHUB309071	06/08/2010	06/08/2011	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$ \$ \$ WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under SPECIAL PROVISIONS below				
A	OTHER Prof Liab	PHPK576177	06/08/2010	06/08/2011	\$1,000,000/\$3,000,000
A	Abuse/Molestation	PHPK576177	06/08/2010	06/08/2011	\$1,000,000/\$1,000,000


DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS OF POLICY CONTRACT

30 Day Notice of Cancellation Applies Except 10 Day Notice for Nonpayment of Premium

Cert holder is named as additional insured as respects to the business

(See Attached Descriptions)

CERTIFICATE HOLDER County of Tulare Purchasing Department 221 South Mooney Blvd., Room 3 Visalia, CA 93291-4593	CANCELLATION 10 Days for Non-Payment SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

operations of the named insured at the following location(s):
Loc# 1 - 18225 Hale Avenue; Morgan Hill, CA

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 Protected Health Information in accordance with Title 45, CFR, Section 164.528

C. General Use and Disclosure Provisions: Except as otherwise limited in this Agreement, CONTRACTOR 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.