

## AGREEMENT

**THIS AGREEMENT** is entered into as of \_\_\_\_\_, between the **COUNTY OF TULARE**, referred to as COUNTY, and **EMQ FAMILIES FIRST, INC.**, a California Corporation, referred to as CONTRACTOR, with reference to the following:

A. COUNTY wishes to obtain the provision of mental health services in conformance with the Mental Health Services Act guidelines as set forth by the State of California Department of Mental Health, the Welfare & Institutions Code, Division 5, Titles 9 and 22 of the California Code of Regulations, the Cost Reporting/Data Collection Manual of the State Department of Mental Health and the Tulare County Mental Health Annual Plan; and

B. CONTRACTOR has the experience and qualifications COUNTY requires to operate the service(s) applied for and deal with mentally ill persons with persistent needs; 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, B-2, B-3 and B-4.**

### **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:**

EMQ Families First, Inc.  
317 W. Tulare Avenue  
Visalia, CA. 93277

**Fax No.:** \_\_\_\_\_

**Phone No.:** (559) 248-8550

(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

**EMQ FAMILIES FIRST, INC.**

Date: 6/1/11 By [Signature]  
TITLE CEO

Date: 6/1/11 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 (200737)

Date 06/21/11

**Exhibit "A"**  
**Fiscal Year 2011/2012**  
**Services**

**Contractor: EMQ FAMILIES FIRST, INCORPORATED**  
**Program: Crossroads Transitional Age Youth Housing**

**I. DESCRIPTION OF SYSTEM-WIDE SERVICES, INTENT, GOALS, SERVICES AND TREATMENT METHODS:**

- A. Collaborate with Housing Authority for rental/lease options;
- B. Provide group counseling sessions on-site with an emphasis on living skills;
- C. Provide on-site case manager;
- D. Develop partnership with educational institutions;
- E. Develop (in collaboration with OneStop Center programs) employment training and job skills leading to employment;
- F. Collaborate with OneStop Center programs to receive referrals and deliver services;
- G. Develop youth-peer mentoring;
- H. Include youth in planning and service development particularly youth with prior experience with the justice system and out-of-home placements;
- I. Provide education to other service providers on issues specific to transitional age youth, and
- J. Develop ethnic-specific strategies to eliminate disparities in care of racial and ethnic populations.

**II. POPULATION SERVED**

- A. Area Client Demographics – Age, Gender and Ethnic Profiles

As part of the requirements of the Mental Health Services Act (Welfare and Institutions Code, Division 5, Part 3), the CONTRACTOR must identify priority populations (children/youth, transitional age youth) in both unincorporated, and rural incorporated areas. Characteristics of Tulare County priority populations include co-occurring disorders; those at risk of criminal justice involvement; domestic violence; and individuals that are institutionalized or at-risk of institutionalization. Priority populations also include individuals from Hispanic, African-American, and Native American communities; and communities that are traditionally unserved and/or underserved and lower income.

The base population and characteristics such as unserved and underserved consumers will also have Severe Emotional Disturbance (SED) and/or Serious Mental Illness (SMI). These priority populations must be taken into consideration when accepting consumers into the Crossroads Transitional Age Youth Housing program.

- B. Active Caseload

CONTRACTOR will maintain a capacity of ten (10) residents to be housed at the Visalia location, and ten (10) residents to be housed at the Porterville location for FY 2011/2012.

C. Hours of Operation

Hours of operation will be dictated by the needs of the consumer as defined in the Tulare County MHSA Community Services and Supports Three-Year Expenditures Summary; services and activities will be available during non-traditional hours.

D. Emergency and Crisis Procedure

CONTRACTOR agrees that a twenty-four (24) hour per day, seven (7) day per week crisis process will be instituted in collaboration with OneStop Center programs. CONTRACTOR shall work with Personal Service Coordinators in the coordination of service delivery.

**III. PROGRAM PERFORMANCE STANDARDS**

- A. CONTRACTOR shall provide all services; documentation, electronic data and operating procedures will be reviewed to ensure compliance with HIPAA regulations. CONTRACTOR will consult with County to ensure that facilities and equipment to be obtained and set up will meet County and MHSA expectations and corresponds to submitted budget.
- B. The CONTRACTOR will render services in accordance with the Tulare County Mental Health Plan and MHSA CSS Plan requirements to adequately serve the priority populations
- C. The CONTRACTOR will respond to emergency and urgent care situations as defined by California Code of Regulations (CCR) Title 9, Chapter 11.
- D. Services will be delivered within the Tulare County HHSA, Department of Mental Health and the State Department of Mental Health standards of care.
- E. Consumers shall be discharged when they meet any one of the following criteria: 1) Upon client's, or legally responsible adult's, refusal of services; 2) Upon client's or legally responsible adult's unilateral decision to terminate treatment; 3) Upon transfer to another program has been mutually agreed upon; 4) Upon mutual agreement that the goals of treatment have been met. Appropriate follow-up or other services linkage will be made.
- H. The Mental Health Services Act mandates that programs emphasize strategies that reduce seven negative outcomes: suicide, incarceration, prolonged suffering, school failure or dropout, unemployment, homelessness and removal of children from their homes. CONTRACTOR's services will result in the improvement of these seven negative outcomes except for removal of children from their homes. CONTRACTOR will assess, record, and report on all seven of these indicators by using pre, during, and post client assessments. CONTRACTOR will work with the COUNTY during the development and implementation of the COUNTY's Community Services and Supports (CSS) Evaluation Plan.

- F. A suitable representative of the CONTRACTOR shall attend the regularly scheduled meetings, trainings sessions, seminars or other or other meetings as scheduled by the Tulare County Director of Mental Health or his/her designee.
- G. It is expected that the CONTRACTOR will ensure that staff responsible for clinical supervision meet community practice standards, code of ethics as set forth by their professional designation and the Medical Board of California, California Board of Sciences, California Board of Psychology, California Board of Vocational Nursing & Psychiatric Technicians standard and regulations.
- H. CONTRACTOR will be responsible for hiring of culturally competent staff and require existing or newly hired staff to complete training on cultural competency within 90 days of hire. CONTRACTORS will also enable staff to attend trainings on cultural competency performed by HHS Training Department and in coordinated with the HHS Cultural Competency Coordinator.
- I. CONTRACTOR will administer all State required performance measures for Full Service Partnership consumers when contractor is the primary service provider.

#### **IV. MINIMUM STAFF REQUIREMENTS**

- A. Staffing shall be provided at least at the minimum licensing requirement as set forth in State statute under Division 5 of the Welfare and Institutions Code (WIC); Title 9 of the California Code of Regulations; and Title 42, Chapter 4 of the Federal Code of Regulations where applicable or at such higher level as necessary for some programs.
- B. Additional Staffing Requirements  
In addition to the above staffing and licensing requirements, CONTRACTOR staff is expected to possess and be trained in the following background and skills:
  - Knowledge and skills in the principles of psychosocial rehabilitation. Paraprofessional staff are expected to be trained and receive paraprofessional certification within the first six months of employment;
  - Understanding of traditional healing practices within the cultural context of the population served;
  - Capability to address the ethnic and cultural diversity of consumers, to include language;
  - Knowledge of the local community resources available to the client population and capability of strong collaboration and coordination with local providers of health and mental health services in the community;
  - Knowledge of family systems theory and practice;
  - Knowledge of youth, transitional age youth, and adult health and mental health issues;
  - Knowledge of assessment of high-risk indicators in children and youth, transitional age youth, adult and older adult population.
- C. Consumers and Family Members  
Consumer and family members shall be encouraged and welcomed to participate in every aspect of program development, service delivery, implementation and oversight.

**Exhibit "B"**

**Compensation  
Fiscal Year 2011/2012**

**Contractor: EMQ FAMILIES FIRST, INCORPORATED**

**Program: Crossroads Transitional Age Youth Housing**

**1. REIMBURSEMENT**

- a. COUNTY agrees to compensate CONTRACTOR for allowed cost incurred as detailed in Exhibit "B-3" subject to any maximums and annual cost report reconciliation.
- b. COUNTY shall not be obligated to compensate CONTRACTOR for services rendered at CONTRACTOR clinic during a non-authorized period (e.g. after a Service Block has expired), or for unauthorized services, i.e., scheduling for services in excess of what is set forth in Exhibit "A", no shows, or for services provided to ineligible individuals. All claims for payment shall be submitted by service type and number of contracts, in minutes/days, provided by CONTRACTOR.  
  
No Uniform Methods of Determining Ability to Pay (UMDAP) is to be completed on clients receiving services for which CONTRACTOR has been funded through private or grant monies.
- c. CONTRACTOR shall maintain and make available to COUNTY records of all revenue and grant reimbursement paying for all or part of staff assigned to the Mental Health Services Act Crossroads Transitional Age Youth Housing program.
- d. It is COUNTY's expectation that required reports or notes will be submitted within 30 days of the end of each month. CONTRACTOR may not be paid if required reports or notes are not submitted in a timely manner.
- e. County agrees to make all payments under this Agreement to CONTRACTOR within thirty (30) days of CONTRACTOR's submission of all required documentation and in accordance with COUNTY's normal payment cycle.

**2. REIMBURSEMENT CATEGORIES:**

- a. Mental Health Services Act Crossroads Transitional Age Youth Housing.
  - o Non-Medi-Cal Operational/Administration expenditure cost may be reimbursed up to a maximum of \$451,000. The CONTRACTOR understands and agrees that the COUNTY may not make payments to the CONTRACTOR above the Mental Health Services Act Crossroads Transitional Age Youth Housing maximum unless an amendment to the contract maximum is authorized by the County.

**3. INVOICING:**

- a. CONTRACTOR shall submit invoices using the format described as Exhibit "B-4" to the COUNTY once each month, no later than fourteen (14) days following the month in which costs were incurred.
- b. Line-Item Changes: In order to accommodate normal market fluctuations in costs of products and services, CONTRACTOR may make adjustments to its line item budget without COUNTY's approval, up to a 10% difference from amounts budgeted, so long as the contract maximum amount is not exceeded. For any changes over 10% of line item budgeted amounts, CONTRACTOR must request approval of COUNTY by submitting a letter requesting the specific change.

**Exhibit "B-2"**

**Cost Report, Reconciliation, and Settlement  
Fiscal Year 2011/2012**

**Contractor: EMQ FAMILIES FIRST, INCORPORATED**

**Program: Crossroads Transitional Age Youth Housing**

**A. ANNUAL COST REPORT / RECONCILIATION**

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 the Agreement. Extension of time to file the cost report at any later date must be approved in writing by the Director of Mental Health Services, the Deputy Director of 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 ADJUSTMENT**

COUNTY will reconcile the Annual Cost Report and settlement will be based upon the lower of cost or Standard Maximum Allowance (SMA) rates, 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 program 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 REGARDING REPAYMENT OR REIMBURSEMENT**

The reimbursement provisions set forth above will not be applicable if any actions or direction by COUNTY with regard to the program is the principle 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 "B3"**  
**Fiscal Year 2011/2012**  
**Budget**

**Contractor: EMQ FAMILIES FIRST, INCORPORATED**  
**Program: Crossroads Transitional Age Youth Housing**

	<u>No. of FTE's</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Annual</u>
<b>PERSONNEL (staff)</b>						
Administrative Staff (by job class)						
Regional Manager	0.20	4,249	4,249	4,249	4,249	16,996
Clinical staff (by job class)						
Program Supervisor	1.00	10,120	10,120	10,120	10,120	40,480
Family Specialist	0.90	6,749	6,749	6,749	6,749	26,996
Family Services Coordinator	2.00	17,909	17,909	17,909	17,909	71,636
Support staff (by job class)						
Regional Support Pool		4,637	4,637	4,637	4,637	18,548
Benefits (percentage)	31.00%	13,536	13,536	13,536	13,536	54,143
<b>Total Personnel</b>		<b>57,200</b>	<b>57,200</b>	<b>57,200</b>	<b>57,200</b>	<b>228,799</b>
<b>OPERATING EXPENSES</b>						
Staff Supports (direct services)						
Mileage (staff vehicle use)		5,224	5,224	5,224	5,224	20,896
General Office Expense						
Program Supplies		1,500	1,500	1,500	1,500	6,000
Occupancy Pool		4,400	4,400	4,400	4,400	17,600
<b>Total Operating Expenses</b>		<b>11,124</b>	<b>11,124</b>	<b>11,124</b>	<b>11,124</b>	<b>44,496</b>
<b>OTHER OPERATING EXPENSES</b>						
Prof Services (contracted services)						
Interpreter		150	150	150	150	600
Program Oversight and Evaluation						
Indirect Expense (percentage of Personnel)		11,511	11,511	11,511	11,512	46,045
FSP Expenses						
Apartment Rent		21,000	21,000	21,000	21,000	84,000
Apartment Set-up		1,250	1,250	1,250	1,250	5,000
Apartment Maintenance & Repair		750	750	750	750	3,000
Apartment Utilities		7,750	7,750	7,750	7,750	31,000
Education / Jobs training		1,765	1,765	1,765	1,765	7,060
Clothing / Food		250	250	250	250	1,000
<b>Total Other Operating Expenses</b>		<b>44,426</b>	<b>44,426</b>	<b>44,426</b>	<b>44,427</b>	<b>177,705</b>
<b>Total Expenses</b>		<b>112,750</b>	<b>112,750</b>	<b>112,750</b>	<b>112,751</b>	<b>451,000</b>

**Exhibit "B3"**  
**Fiscal Year 2011/2012**  
**Budget Narrative**

**Contractor: EMQ FAMILIES FIRST, INCORPORATED**  
**Program: Crossroads Transitional Age Youth Housing**

**PERSONNEL**

Annual salaries have been budgeted consistent with EMQ FamiliesFirst salary scales. To ensure the Agency's ability to attract and retain qualified and committed employees available to serve the needs of our clients and the Agency, and to support the desire to be the employer of choice, the Agency maintains a market-driven, pay-for-performance based compensation program that is designed to ensure competitive and equitable pay for all employees.

Employee's salary may increase in subsequent years as a result of a performance increase, promotional increase, or pay adjustment.

FTE's based on 12 months:

Regional Manager = .20 FTE @ an annual salary of \$16,996

Program Supervisor = 1.0 FTE @ an annual salary of 40,480

Family Specialist = .90 FTE @ an annual salary of \$26,996

Family Services Coordinator = 2.0 FTE @ an annual salary of \$35,818 each = \$71,636

Regional Support Pool = an annual cost of \$18,548 (includes 2.0 FTE Administrative Assistants, 1.0 FTE Regional Executive Director, 1.0 FTE Regional Trainer, 1.0 FTE Quality/Outcomes Staff, 1.0 FTE Regional Research Assistant and 1.0 FTE Regional Operations Manager. These positions provide support services to all FamiliesFirst programs in the Valley Region and their cost is allocated to all programs on the basis of payroll dollars.)

Benefits are calculated at 31%. Annual salary and benefit costs equal \$228,799 with monthly personnel costs equaling to \$57,200.

**Total personnel expense - \$228,799**

**OPERATING EXPENSE**

**Travel & Mileage**

This amount reflects the following:

- The Mileage Reimbursement Rate of \$0.50 per hour that EMQ FamiliesFirst currently provides to staff for business related travel expenses; matches current federal rate
- Visalia and Porterville are separated by 30 miles and staff will be shared between the two sites
- Staff travel within Tulare County for meetings and to transport consumers to appointments
- Occasional travel to our regional office in Fresno, CA for meetings and trainings
- Occasional travel to nearby cities for trainings

**Program Supplies**

- Purchase of supplies associated with the on-going operation and development of program. (i.e. curriculum, reference materials, office supplies and incidentals)



**Occupancy Pool:**

Regional occupancy costs are pooled and allocated to all programs in the Valley Region on the basis of payroll dollars; includes, but is not limited to the following:

- Office Rent
- Equipment Leases
- Postage
- Janitorial
- Telecommunication
- Office Repairs and Maintenance
- Liability Insurance
- Office Supplies

**Total operating expense = \$44,496**

**OTHER OPERATING EXPENSE****Professional/Contract Services****Interpreter**

- While every attempt is made to hire bi-lingual staff, interpreter services are sometimes required.

**Indirect Expense**

The agency allocates the indirect costs (general & administrative) of shared support departments such as finance & accounting, billing, human resources, clinical administration, executive management, information technology, quality assurance and outcomes/evaluation. Indirect costs have been budgeted at approx 20% of total personnel costs. Monthly administrative costs equate to \$11,511. General & administrative expenses include such costs as liability and director's insurance, professional fees, quality management oversight, billing, risk management and program fidelity, MIS infrastructure & QI/UM department support and oversight as well as executive management. Costs that cannot be specifically identified as supporting one particular program are pooled and allocated to all programs relative to the direct labor costs in each program.

**FSP Expense**

- **Rent**
  - Rent for 10 Two-Bedroom Apartments Units (5 in Visalia and 5 in Porterville)
- **Apartment Setup**
  - Replacement of household furnishings, appliances and incidentals in apartments due to extreme wear and tear, theft or neglect and/or purposeful damage done by consumers.
  - Occasional truck rental when consumers enroll/graduate from program and need assistance with moving.
  - Upon successful graduation from the program – to provide an award/stipend to purchase household supplies or provide deposit assistance.
- **Apartment Maintenance & Repair**
  - Repair costs for physical damage to apartments caused by consumers
  - Costs for occasional professional cleaning due to consumer behaviors/actions

- Costs associated with need for minor repairs arising from consumer behaviors
- **Utilities**
  - To pay for utilities associated with 10 Apartment Units
- **Education/Job Training/Community Building Activities**
  - To fund activities designed to promote and facilitate positive socialization and skills building amongst residents in addition to the occasional group recreational activity.
- **Clothing/Food**
  - To purchase clothing or food for residents who are not yet connected with Food Stamps or other Public Benefits upon enrollment.

**Other operating expense = \$177,705**

Exhibit "B4"  
INVOICE TEMPLATE

**TULARE COUNTY MHSA**  
**Fiscal Year 2011/2012 Invoice**

<b>Invoice Date:</b>		<b>Service Period:</b>	
<b>Provider Name:</b>		<b>Program:</b>	
<b>Mailing Address:</b>		<b>Contact Person:</b>	
<b>Agreement Number:</b>		<b>Phone Number:</b>	
<b>Provider Number:</b>		<b>Make Checks Payable To:</b>	

		FTE's	Budget Remaining at Beginning of Month	Month's Expense	Budget Remaining at End of Month
		Number of FSP Served			
		Number of SD Served			
<b>PERSONNEL</b>					
Staff					
	Program Director		\$ -	\$ -	\$ -
	Family/Personal Service Coordinator		\$ -	\$ -	\$ -
	Family Specialist		\$ -	\$ -	\$ -
	Unlicensed Staff		\$ -	\$ -	\$ -
	Program Supervisor		\$ -	\$ -	\$ -
	Case Managers		\$ -	\$ -	\$ -
	Other Clinician		\$ -	\$ -	\$ -
	Peer Counselors		\$ -	\$ -	\$ -
	Education / Employment		\$ -	\$ -	\$ -
	Regional Management Pool		\$ -	\$ -	\$ -
	Driver		\$ -	\$ -	\$ -
	Clerical		\$ -	\$ -	\$ -
	Benefits		\$ -	\$ -	\$ -
<b>PERSONNEL TOTAL</b>			\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>					
	<b>Mobile Unit</b>				
	Gas		\$ -	\$ -	\$ -
	Maintenance		\$ -	\$ -	\$ -
	Repairs		\$ -	\$ -	\$ -
	Insurance		\$ -	\$ -	\$ -
	<b>Staff Supports (direct services)</b>				
	Mileage (staff vehicle use)		\$ -	\$ -	\$ -
	Cars (lease/owned & gas)		\$ -	\$ -	\$ -
	Vehicle Maintenance		\$ -	\$ -	\$ -
	Car insurance		\$ -	\$ -	\$ -
	Cell phones & plan fees		\$ -	\$ -	\$ -
	<b>General Office Expense</b>				
	Office / Rent		\$ -	\$ -	\$ -
	Computers, software, supplies		\$ -	\$ -	\$ -
	Copier, fax, printer expenses		\$ -	\$ -	\$ -
	Postage		\$ -	\$ -	\$ -
	Janitorial/Housekeeping		\$ -	\$ -	\$ -
	phone / comm. (land lines)		\$ -	\$ -	\$ -
	Utilities / Maintenance		\$ -	\$ -	\$ -
	Office/Admin supplies		\$ -	\$ -	\$ -
	Program Supplies		\$ -	\$ -	\$ -
	Fees, Insurance		\$ -	\$ -	\$ -
	Staff meetings		\$ -	\$ -	\$ -
	<b>Flex Funding</b>				
	Medical / Medications		\$ -	\$ -	\$ -
<b>OPERATING EXPENSES TOTAL</b>			\$ -	\$ -	\$ -
<b>GSD HOUSING</b>					
	<b>Outreach &amp; Engagement</b>				
	Temporary shelter		\$ -	\$ -	\$ -
<b>GSD HOUSING TOTAL</b>			\$ -	\$ -	\$ -

Exhibit "B4"  
INVOICE TEMPLATE

	FTE's	Budget Remaining at Beginning of Month	Month's Expense	Budget Remaining at End of Month
<b>OTHER OPERATING EXPENSES</b>				
<b>Prof Services</b>				
AOD Treatment		\$ -	\$ -	\$ -
Healthcare Providers		\$ -	\$ -	\$ -
TYSB Contract		\$ -	\$ -	\$ -
Interpreter		\$ -	\$ -	\$ -
Psychiatry Support		\$ -	\$ -	\$ -
Telepsychiatry Hrs/Wk		\$ -	\$ -	\$ -
<b>Training &amp; Conferences</b>				
Course Expense / Fees		\$ -	\$ -	\$ -
Travel Expenses		\$ -	\$ -	\$ -
Per Diem		\$ -	\$ -	\$ -
<b>Program Oversight and Evaluation</b>				
Audit expense		\$ -	\$ -	\$ -
Corporate Allocation		\$ -	\$ -	\$ -
Evaluation expense		\$ -	\$ -	\$ -
Indirect Expense		\$ -	\$ -	\$ -
<b>FSP Expenses</b>				
Community Building Activities		\$ -	\$ -	\$ -
Rent		\$ -	\$ -	\$ -
Utilities		\$ -	\$ -	\$ -
Apartment Set-up		\$ -	\$ -	\$ -
Apartment Maintenance & Repair		\$ -	\$ -	\$ -
Housing & Utilities		\$ -	\$ -	\$ -
Education / Jobs		\$ -	\$ -	\$ -
Clothing / Food		\$ -	\$ -	\$ -
Travel		\$ -	\$ -	\$ -
Other Expenses		\$ -	\$ -	\$ -
<b>Telepsychiatry</b>				
Equipment lease, maintenance		\$ -	\$ -	\$ -
Satellite / Line fees		\$ -	\$ -	\$ -
Translation service		\$ -	\$ -	\$ -
<b>Outreach &amp; Engagement</b>				
Food, clothing, supplies		\$ -	\$ -	\$ -
Occupancy Pool		\$ -	\$ -	\$ -
<b>OTHER OPERATING EXPENSES TOTAL</b>		\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>		\$ -	\$ -	\$ -

Due from MediCal FFP: \_\_\_\_\_  
Due from MHSAs Funds: \$ -

<b>Authorized Signature:</b>	
[Signature Line]	
<b>Program/Division:</b>	
<b>MHSA Approval:</b>	
<b>County Approval:</b>	

**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.



# CERTIFICATE OF LIABILITY INSURANCE

OP ID ZB  
EMQCH-1

DATE (MM/DD/YYYY)

03/04/11

<b>PRODUCER</b> (PA) Heffernan Insurance Brkrs 1808A Embarcadero Road Palo Alto CA 94303 Phone: 650-842-5200 Fax: 650-842-5201	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.	
	<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>
<b>INSURED</b> FamiliesFirst Inc, dba EMQ FamiliesFirst Inc. 251 Llewellyn Ave. Campbell, CA 95008	INSURER A: <b>Lexington Insurance Co.</b>	
	INSURER B: <b>HANOVER INSURANCE CO.</b>	
	INSURER C: <b>EVEREST NATIONAL INS. CO.</b>	10120
	INSURER D:	
	INSURER E:	

## 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	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	X	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>Prof Liab</b> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	2004801	03/01/11	03/01/12	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 50,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
B		<b>AUTOMOBILE LIABILITY</b> <input checked="" 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	AWF9012014	03/01/11	03/01/12	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC AGG \$
A		<b>EXCESS / UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	2004802	03/01/11	03/01/12	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ \$ \$
C		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under SPECIAL PROVISIONS below	6600000276111	01/01/11	01/01/12	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A		<b>Professional Liab on Claims Made</b> RETROACTIVE DATE 12/1/88	2004801	03/01/11	03/01/12	<b>Agg/Occur 3MM/1MM</b> <b>Deductible 25,000</b>

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

Cert Holder Cont: Mental Health Department - Re: Crossroads Contract #22801  
 County of Tulare HHS, its officers, agents, employees & volunteers, individually and collectively are named as Additional Insured on the General Liability policy per the attached endorsement. Such Insurance is primary.  
 \*Except 10 days notice for non-payment of premium.

### CERTIFICATE HOLDER

### CANCELLATION

TULARE2

County of Tulare HHS  
 Attn: Mary Stine  
 Administrative Specialist  
 5957 So. Mooney Blvd.  
 Visalia, CA 93277-9394

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

**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. CONTRACTOR 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.