COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
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YVONNE B. BURKE
ZEV YAROSLAVSKY
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MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.info

Reply To: (213) 738-4601
Fax: (213) 386-1297

September 21, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF STATE CONTRACT NO. 06-76191-000 WITH THE STATE OF CALIFORNIA, DEPARTMENT OF MENTAL HEALTH AND APPROVAL OF REQUEST FOR APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2006-2007 (ALL SUPERVISORIAL DISTRICTS) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Accept and approve the State of California, Department of Mental Health's (State) Contract No. 06-76191-000, with the County of Los Angeles - Department of Mental Health (DMH), to enable the State to use the services of Ms. Kirsten Deichert, the Legislative and Public Information Officer for DMH. The term of the Contract is October 20, 2006 through October 20, 2008 and will be effective upon Board approval. The cost of the contract is $81,997 for Fiscal Year (FY) 2006-2007, $111,998 for FY 2007-2008, and $28,000 for FY 2008-2009 for a total cost of $221,995 over the three-year term of the contract. The cost of the contract will be 100% reimbursed by the State.

2. Instruct the Director of Mental Health or his designee to sign two copies of the State Contract, substantially similar to Attachment I, and forward them to the State.

3. Authorize DMH to fill one (1) ordinance position, Legislation and Public Information Officer, in excess of what is provided for in DMH's staffing ordinance, pursuant to Section 6.06.020 of the County Code and subject to allocation by the

Chief Administrative Office (CAO). Continued funding for this item through October 20, 2008 will be provided through reimbursement by the State for Ms. Deichert's services. It is expected that Ms. Deichert will become a State employee by October 20, 2008, and DMH will eliminate the additional ordinance position.

4. Approve the Request for Appropriation Adjustment (Attachment II) for FY 2006-2007 in the amount of $82,000. The Appropriation Adjustment, fully funded by the State, will provide funding for the reimbursement of services provided by Ms. Deichert and enable DMH to backfill the Legislation and Public Information Officer position.

5. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the Contract to reflect any changes in the salary and benefits of Ms. Deichert, provided that: 1) approval of County Counsel and the Chief Administrative Officer (CAO) or their designee is obtained prior to such Amendment; 2) the Director of Mental Health shall notify the Board of Supervisors of the changes in writing within 30 days after execution of each Amendment; and 3) the period of the Contract shall remain the same.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The requested actions will enable DMH to assist the State in responding to its increasing need for external communications related to the Mental Health Services Act (MHSA) (Proposition 63). Since the State will fully reimburse the County for Ms. Deichert's services, there will be no negative fiscal impact on the County. Additionally, during Ms. Deichert's tenure at the State Department of Mental Health, she will bring the unique perspective and experience of Los Angeles County to bear on the State's planning and implementation of the MHSA and its related communication projects.

Since passage of the MHSA, the State is required to make significant efforts to engage community members in its decision-making processes for the new funds that will become available. Additionally, the MHSA requires the State to use various communication methods to diminish the stigma associated with mental illness in the minds of the general public. Finally, the MHSA requires California to increase access to mental health services among individuals with severe mental illness. For example, the State DMH is currently developing draft regulations and requirements for the Early Intervention & Prevention funding component of the MHSA (20% of the approximately $1 billion annual revenue from the MHSA). Increasing the State's

understanding of Los Angeles County's perspective on Early Intervention & Prevention activities may result in State requirements that better reflect this County's priorities (e.g., public education about mental illness that targets underserved populations, including Latinos and Asian/Pacific Islanders).

Due to the new MHSA requirements, the State requested the services of Ms. Deichert to design and implement a new and diverse set of public communication activities. As the largest and one of the most diverse counties in California, Los Angeles County's unique needs may be better understood and represented at the State level by providing the services of Ms. Deichert to the State Department of Mental Health.

Without approval of the recommended action, the State will be unable to improve its dissemination of information to the public about the MHSA and will be unable to improve the understanding and awareness of the public about mental health services that will newly be available.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan, Organizational Goal No. 6, "Community Services." The approved action will allow the State to keep the State's residents, including Los Angeles County residents, informed about the policies and actions of the State, specifically the policies relating to the MHSA.

FISCAL IMPACT/FINANCING

There is no net County cost.

The cost of the Contract is $81,997 for FY 2006-2007, $111,998 for FY 2007-2008, and $28,000 for FY 2008-2009 for a total cost of $221,995 over the three-year term of the Contract.

The Appropriation Adjustment (Attachment II) for FY 2006-2007 in the amount of $82,000, fully funded by the State, will provide funding for the reimbursement of services provided by Ms. Deichert and enable DMH to backfill the Legislation and Public Information Officer position. Ongoing funding for the reimbursement of Ms. Deichert's services in FYs 2007-2008 and 2008-2009 will be included in DMH's Annual Budget process.

It is expected that Ms. Deichert will become a State employee by October 1, 2008, and DMH will eliminate the additional ordinance position.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has reviewed and approved the Contract as to form, and the CAO and County Counsel have reviewed and approved the Board letter.

The term of the Contract will be three fiscal years, i.e., FYs 2006-2007, 2007-2008, and 2008-2009. The Contract was prepared by the State to authorize the State to use the services of Ms. Deichert. As a contracted employee to the State, Ms. Deichert will play a major role in the dissemination of information about the policies and actions of the State to the public via the media, provide general support to the Assistant Director, External Affairs, and perform other communications related duties. Ms. Deichert will not be asked to perform services that exceed the contract amount, scope of work, or the contract period.

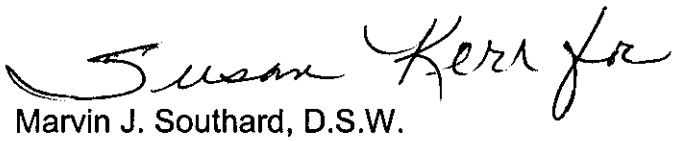
IMPACT ON CURRENT SERVICES

Approval of the recommended action will have no impact on current services since the State will fully reimburse the County for the services to be provided. Additionally, the Legislative and Public Information Officer position of the Department will be backfilled.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's actions. It is requested that the Executive Officer of the Board notify the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when these documents are available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:SK:RK:MI

Attachments (2)

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Chairperson, Mental Health Commission

KT:MI:H\Kristen Deichert\Board Letter Draft 8 September 21, 2006

State of California

STANDARD AGREEMENT

STD. 213 (NEW 02/98)

ATTACHMENT I

Agreement Number	Amendment Nbr.
06-76191-000	

1. This Agreement is entered into between the State Agency and the Contractor name below:

State Agency's Name:

Department of Mental Health

Contractor's Name:

Los Angeles County Department of Mental Health

2. The Term of this Agreement is: **October 20, 2006 Through October 20, 2006**

3. The maximum amount of this agreement is: **$221,995.00**
Two Hundred Twenty One Thousand Nine Hundred Ninety Five Dollars And No Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A - Scope of Work	Page(s)	2
Exhibit B - Budget Detail and Payment Provision	Page(s)	3
* Exhibit C - General Terms and Conditions	Form:	GTC 306 Dated 3/23/2006
Exhibit D - Special Terms and Conditions	Page(s)	2
Exhibit E - Additional Provision	Page(s)	5

*View at: http://www.ols.dgs.ca.gov/Standard+Language/default.htm

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(If other than an individual, state whether a corporation, partnership, etc.)*

Los Angeles County Department of Mental Health

BY *(Authorized Signature)* | DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

Susan Kerr, Chief Deputy Director

ADDRESS **550 South Vermont Avenue**
Los Angeles, CA 90020

STATE OF CALIFORNIA

AGENCY NAME

Department of Mental Health

BY *Authorized Signature* | DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

Terrie Tatosian
Procurement and Contracting Officer

ADDRESS **1600 9th Street**
Sacramento, CA 95814

California
Department of General Services
Use Only

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. The Los Angeles County Department of Mental Health, hereafter referred to as the Contractor, agrees to provide to the California State Department of Mental Health through this interjurisdictional exchange the services of Kirsten A. Deichert, currently employed with the Contractor as Legislative and Public Information Officer.

2. The services shall be performed at the California State Department of Mental Health, 1600 9th St., Sacramento, CA 95814.

3. The services shall be provided during normal working hours (8 a.m. to 5 p.m.), Monday through Friday, except holidays).

4. The project representatives during the term of this agreement will be:

State Agency: CA Department of Mental Health	Contractor: LA Co. Department of Mental Health
Section/Unit: External Affairs	Section/Unit: Contracts Development & Admin.
Attention: Kirsten Y. Macintyre	Attention: Richard Kushi
Address: 1600 9th St., Ste. 151 Sacramento, CA 95814	Address: 550 South Vermont Ave. Los Angeles, CA 90020
Phone: (916) 654-2441	Phone: (213) 738-4684
Fax: (916) 654-3198	Fax: (213) 381-7092

5. Duties and Responsibilities

Kirsten A. Deichert will act as a public information officer for the state DMH, playing a major role in the dissemination of information to the public via the media, in regard to the policies and actions of the state Department of Mental Health and the Mental Health Services Act specifically. She will provide general support to the Assistant Director, External Affairs and perform various communications-related duties as needed, including helping to establish and carry out the objectives of the department's information program, coordinating DMH's public outreach and marketing efforts related to the Mental Health Services Act, responding to media representatives' queries for information, and evaluating the extent of public understanding of the programs administered by the department and recommending changes to the department's public information outreach efforts as appropriate.

Other duties include:

a. Serves as a mental health advocate by planning and participating in community awareness activities and public events such as press conferences, health fairs, and other events.
b. Participates in statewide consumer and family member conferences, forums and meetings, particularly those related to the implementation of the Mental Health Services Act, representing DMH and the Administration on consumer-related issues and speaking on behalf of the Director when appropriate. Advises the Director on matters relating to consumer and family member involvement and mental health constituency input. Serves as

EXHIBIT A
(Standard Agreement)

a liaison to various consumer groups throughout state and local government for the purpose of policy development on mental health issues. Makes presentations to mental health constituency groups statewide, speaking on a wide variety of mental health issues.

c. Maintains DMH "library" and manages request for brochures and other materials from mental health providers or the public. Designs, updates and improves outdated public relations materials for the Department. Creates new materials related to the Mental Health Services Act.
d. Researches and makes recommendations for appointments to the Mental Health Planning Council.
e. Responds to public inquiries on consumer and family member mental health issues. Responds to, researches and directs constituents to the appropriate sources of information. Initiates correspondence on behalf of the Director. Independently drafts letters responding to constituents' concerns.

In the absence of the Assistant Director, External Affairs, the contractor's employee will also be responsible for completing Week Ahead and Communication Review Reports for the California Health and Human Services Agency, and coordinating and delivering the DMH news summary.

The Contractor's employee will not be immediately responsible for any staff in a supervisory capacity.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. **Invoicing and Payment**

   A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.

   B. Invoices shall include the Agreement Number and shall be submitted not more frequently than monthly in arrears.

   C. Payment shall not be due until the later of: (a) The date of acceptance of goods or performance of services; or (b) receipt of an accurate invoice.

   D. For contracts which allow partial payments to be made, partial payments of the contract price during the progress of the work shall have a minimum 10% of the gross payment withheld pending satisfactory final completion of the entire Contract.

2. **Instructions to Contractor**

   A. To expedite the processing of invoices submitted to the Department of Mental Health (DMH) for payment, all invoice(s) will be submitted to the DMH Contract Manager for review and approval at:

   Department of Mental Health
   Attention: Kirsten Macintyre
   California Department of Mental Health
   External Affairs
   1600 Ninth Street, Room 150
   Sacramento, CA 95814

   B. Invoices shall be submitted as one original and three copies.

   C. The following items are required on all invoices:

      1. On pre-printed bill head with Contractor name, address and phone number
      2. DMH Contract Manager's name
      3. Services or Products provided should be properly itemized
      4. Dates of Services provided
      5. DMH Contract Number
      6. Invoice Date
      7. Invoice Total
      8. Attachments: If travel expenses are authorized in the contract, the Contractor shall provide documentation as described in section 7, "Travel Reimbursement".
      9. Authorizing Signature

3. **Budget Contingency Clause**

   A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall

EXHIBIT B

no longer be in full force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

4. **Budget**

Charges/rates shall be computed in accordance with the following budget on page 2 of Exhibit B. The cost of each major budget category may vary up to 15% within each Fiscal Year (FY) without DMH approval so long as the total amount budgeted for the FY is not exceeded.

5. **Budget Disclaimer**

If this Contract overlaps State fiscal years, should funds not be appropriated by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract or reduce funding and make appropriate line item changes upon providing reasonable notice thereof.

If this Contract overlaps Federal and State fiscal years, should funds not be appropriated by Congress and approved by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract.

In addition, this Contract is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature which may affect the provisions or terms of funding of this Contract in any manner.

6. **Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

DMH will reimburse Contractor for Contractor's employee salary and benefits via this agreement. Reimbursement of salary and benefits is based on current (actual) salary/benefits Contractor's employee could receive as County employee.

A contract amendment shall be required if funds are added from the original contract.

7. **Travel Reimbursement**

Since the Contractor is not a State employee, travel reimbursement rates will be calculated in accordance with the Department of Personnel Administration (DPA) Rules 599.619, 599.631 and 599.722 for non-represented employees. Travel must be pre-approved by the Contract Manager. The contractor will be reimbursed for actual expenses up to the maximum prescribed in the aforementioned DPA rules. In most cases, a receipt is needed to verify the cost of such expenses. The contractor must retain copies of all Travel Expense Claim (TEC) forms and receipts for at least three years from the final payment of this contract in case of an audit. The time an individual leaves his/her office or residence and returns to his/her office or residence will be used in calculating per diem allowances. TECs must contain these times in order to be processed for payment. For an overview of DPA's travel reimbursement program go to http://www.dpa.ca.gov/jobinfo/statetravel.shtm.

EXHIBIT B

Budget Detail

Budget Category	**Fiscal Year 2006/07**	**Fiscal Year 2007/08**	**Fiscal Year 2008/09**
Personal Services			
Salary	$61,113	$83,495	$20,874
Benefits @ 32.7%	19,984	27,303	6,826
Travel	900	1,200	300
TOTALS	**$81,997**	**$111,998**	**$28,000**
GRAND TOTAL CONTRACT AMOUNT			**$ 221,995**

Numbers rounded up to the nearest whole dollar

EXHIBIT D
INTERAGENCY AGREEMENT

SPECIAL TERMS AND CONDITIONS

Disputes

Any dispute concerning a question of fact arising under this contract, that is not disposed of by agreement, shall be decided by the Deputy Director of Administration. All issues pertaining to this dispute will be submitted in written statements and addressed to the Deputy Director of Administration, Division of Administration, Department of Mental Health, 1600 Ninth Street, Room 150, Sacramento, CA 95814. Such written notice must contain the Contract Number. The Deputy Director's decision shall be final and binding to all parties. Within ten days of receipt of such notice, the Deputy Director, Division of Administration shall advise the Contractor of his/her findings. These findings do not preclude Contractor from any other resolution allowed by the laws of the State of California. (Public Contract Code Section 10381)

Neither the pendency of a dispute nor its consideration by the Deputy Director of Administration will excuse the Contractor from full and timely performance in accordance with the terms of the contract.

Law Governing

It is understood and agreed that this Contract shall be governed by the laws of the State of California both as to interpretation and performance.

Changes in Time for Performance of Tasks

The time for performance of the tasks and items within the budget, but not the total contract price, may be changed with the prior written approval of the Contract Manager. However, the date for completion of performance and the total contract price, as well as all other terms not specifically accepted may be altered only by formal amendment of this Contract.

Approval of Product

Each product to be approved under this Contract shall be approved by the Contract Manager. The Department of Mental Health's determination as to satisfactory work shall be final absent fraud, mistake or arbitrariness.

Contract is Complete

Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Contract.

Captions

The clause headings appearing in this Contract have been inserted for the purpose of convenience and ready reference. They do no purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

Public Hearings

If public hearings on the subject matter dealt with in this Contract are held within one year from the contract expiration date, Contractor will make available to testify the personnel assigned to this Contract at the hourly rates specified in the Contractor's proposed budget.

Force Majeure

Neither the State nor the Contractor shall be deemed to be in default in the performance of the terms of this Contract if either party is prevented from performing the terms of this Contract by causes beyond its control, including without being limited to: acts of God, interference, rulings or decision by municipal, Federal, State or

other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Contract.

Severability

If any provision of this Contract is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Contract and remainder of this Contract shall remain in full force and effect. Therefore, the provisions of this Contract are and shall be deemed to be severable.

Client Confidentiality

1. For contract involving clients and information regarding clients, the Contractor shall protect from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this contract, except for statistical information not identifying any client. Client is defined as "those persons receiving services pursuant to a Department of Mental Health funded program." Contractor shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this contract.

2. Contractor shall promptly transmit to the Department of Mental Health all requests for disclosure of such identifying information not emanating from the client.

3. Contractor shall not disclose, except as otherwise specifically permitted by this contract or authorized by the client, any such identifying information to anyone other than the Department of Mental Health without prior written authorization from DMH.

4. For purposes of this section, identity shall include but not be limited to name, identifying number, symbol or other identifying piece of information assigned to the individual, such as a finger or voice print or a photograph which can be used to identify the individual person.

Exhibit E
HIPAA Provisions

1. The parties to this agreement shall comply with applicable laws and regulations, including but not limited to Sections 14100.2 and 5328 et seq. of the Welfare and Institutions Code, Section 431.300 et seq. of Title 42, Code of Federal Regulations, and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320 D et seq, of Title 42, United States Code and it's implementing regulations (including but not limited to Title 45, CFR, Parts 142, 160, 162 and 164) regarding the confidentiality and security of patient information.
2. The Contractor shall protect, from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this Contract, except for statistical information. This pertains to any and all persons receiving services pursuant to a DMH-funded program. The Contractor shall not use such identifying information for any purpose other than carrying out The Contractor's obligations under this Contract.
3. The Contractor shall not disclose, except as otherwise specifically permitted by this Contract, authorized by law or authorized by the client/patient, any such identifying information to anyone other than the State without prior written authorization from the State in accordance with State and Federal Laws.
4. For purposes of the above paragraphs, identifying information shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print, or a photograph.
5. Notification of Electronic Breach or Improper Disclosure: During the term of this Agreement, Contractor shall notify DMH, immediately upon discovery of any breach of Medi-Cal Protected Health Information (PHI) and/or data, where the information and/or data is reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to the DMH Information Security Officer, within two business days of discovery, at (916) 651-6776. Contractor shall take prompt corrective action to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations. Contractor shall investigate such breach and provide a written report of the investigation to the DMH Information Security Officer, postmarked within thirty (30) working days of the discovery of the breach to the address below:

   Information Security Officer
   Office of HIPAA Compliance
   California Department of Mental Health
   1600 9th Street, Room 150
   Sacramento, CA 95814

6. *Safeguards.* To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information, including electronic PHI, that it creates, receives, maintains or transmits on behalf of DMH; and to prevent use or disclosure of PHI other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities. Contractor will provide DMH with information concerning such safeguards as DMH may reasonably request from time to time.

   Contractor will implement strong access controls and other security safeguards and precautions as noted in the following to restrict logical and physical access to confidential, personal (e.g., PHI) or sensitive data to authorized users only.

   Contractor will enforce the following administrative and technical password controls on all systems used to process or store confidential, personal, or sensitive data:

a. Passwords must not be:
   i. shared or written down where they are accessible or recognizable by anyone else, such as taped to computer screens, stored under keyboards, or visible in a work area
   ii. a dictionary word
   iii. stored in clear text
b. Passwords must be:
   i. 8 characters or more in length
   ii. changed every 90 days
   iii. changed immediately if revealed or compromised
   iv. composed of characters from at least three of the following four groups from the standard keyboard:
      (1) Upper case letters (A-Z);
      (2) Lower case letters (a-z);
      (3) Arabic numerals (0 through 9); and
      (4) Non-alphanumeric characters (punctuation symbols)

Contractor will implement the following security controls on each workstation or portable computing device (e.g., laptop computer) containing confidential, personal, or sensitive data:

a. network-based firewall and/or personal firewall
b. continuously updated anti-virus software
c. patch management process including installation of all operating system/software vendor security patches

Contractor will utilize a commercial encryption solution that has received FIPS 140-2 validation to encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, CDs and thumb drives) and on portable computing devices (including, but not limited to, laptop and notebook computers).

Contractor will not transmit confidential, personal, or sensitive data via e-mail or other internet transport protocol unless the data is encrypted by a solution that has been validated by the National Institute of Standards and Technology (NIST) as conforming to the Advanced Encryption Standard (AES) Algorithm.

7. *Mitigation of Harmful Effects.* To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor or its subcontractors in violation of the requirements of these Provisions.

8. *Contractor's Contractors.* To ensure that any contractors, including subcontractors, to whom Contractor provides PHI received from or created or received by Contractor on behalf of DMH, agree to the same restrictions and conditions that apply to Contractor with respect to such PHI; and to incorporate, when applicable, the relevant provisions of these Provisions into each subcontract or sub award to such agents or subcontractors.

9. *Employee Training and Discipline.* To train and use reasonable measures to ensure compliance with the requirements of these Provisions by employees who assist in the performance of functions or activities on behalf of DMH under this Agreement and use or disclose PHI; and discipline such employees who intentionally violate any provisions of these Provisions, including termination of employment.

Exhibit E
HIPAA Provisions

10. *Termination for Cause.* Upon DMH's knowledge of a material breach of these Provisions by Contractor, DMH shall either:

    (1) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by DMH; or

    (2) Immediately terminate this Agreement if Contractor has breached a material term of these Provisions and cure is not possible.

    (3) If neither cure nor termination is feasible, the DMH Privacy Officer shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

11. *Judicial or Administrative Proceedings.* DMH may terminate this Agreement, effective immediately, if (i) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA Privacy or Security Rule or (ii) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of HIPAA, or (iii) other security or privacy laws is made in an administrative or civil proceeding in which the Contractor is a party.

12. *Effect of Termination.* Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all PHI received from DMH (or created or received by Contractor on behalf of DMH) that Contractor still maintains in any form, and shall retain no copies of such PHI or, if return or destruction is not feasible, it shall continue to extend the protections of these Provisions to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Contractor.

13. *Disclaimer.* DMH makes no warranty or representation that compliance by Contractor with these Provisions, HIPAA or the HIPAA regulations will be adequate or satisfactory for Contractor's own purposes or that any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized use or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.

14. *Amendment.* The parties acknowledge that Federal and State laws relating to electronic data security and privacy are rapidly evolving and that amendment of these Provisions may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DMH's request, Contractor agrees to promptly enter into negotiations with DMH concerning an amendment to these Provisions embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA regulations or other applicable laws. DMH may terminate this Agreement upon thirty (30) days written notice in the event (i) Contractor does not promptly enter into negotiations to amend these Provisions when requested by DMH pursuant to this Section or (ii) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DMH in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

15. *No Third-Party Beneficiaries.* Nothing express or implied in the terms and conditions of these Provisions is intended to confer, nor shall anything herein confer, upon any person other than DMH or Contractor and their respective successors or assignees, any rights, remedies,

obligations or liabilities whatsoever.

16. *Interpretation.* The terms and conditions in these Provisions shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of these Provisions shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA regulations.

17. *Regulatory References.* A reference in the terms and conditions of these Provisions to a section in the HIPAA regulations means the section as in effect or as amended.

18. *Survival.* The respective rights and obligations of Contractor under Section 6.C of these Provisions shall survive the termination or expiration of this Agreement.

19. *No Waiver of Obligations.* No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

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ATTACHMENT II

BOARD OF SUPERVISORS OFFICIAL COPY

76R 352M (11/83)

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 435

DEPARTMENT OF Mental Health

19

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTES

Sources:
Department of Mental Health
State Other
A01-MH-20500-8831
$82,000

Uses:
Department of Mental Health
Salaries & Employee Benefits
A01-MH-20500-1000
$82,000

The request for appropriation adjustment will increase Salaries & Employee Benefits to provide funding for the reimbursement of Ms. Deichert's services and enable the Department of Mental Health to backfill the Legislation and Public Information Officer position. This appropriation adjustment is fully funded by the State Department of Mental Health. There will be no impact on net County cost.

Susan Kerr for

MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR — ACTION

✓ RECOMMENDATION

AUDITOR-CONTROLLER BY Barbara Harshaw

APPROVED AS REQUESTED AS REVISED

September 21 2006 Gregory C. Pell
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): 19
BOARD OF SUPERVISORS