



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles Health and Mental Health Services

DATE: Wednesday, April 8, 2020
TIME: 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,
MEETING WILL BE HELD VIA TELECONFERENCE.
TO PARTICIPATE IN THE MEETING, PLEASE CALL:
TELECONFERENCE +1 (323) 776-6996 CONFERENCE ID#: 75351524#**

AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **Presentation Item(s):**
 - a. **CEO:** Five-year lease for the Department of Health Services, Department of Human Resources and short-term extensions for the Chief Executive Office and the Department of Consumer and Business Affairs at 222 S. Hill Street, Los Angeles.
 - b. **DHS:** Approval of Various Actions in Support of the COVID-19 Response by the Department of Health Services
 - c. **DMH:** Approval to Execute Patient/Client Transportation Contracts for the Provision of Emergency and Non-Emergency Transportation Services for Three Fiscal Years
 - d. **DPH:** Authorization to Accept and Sign Standard Agreement Number 20-10012 and Future Agreements and Provider Participation Agreements and/or Amendments from the California Department of Health Care Services and Execute Host County Agreements and/or Amendments, Claim Reimbursement Agreements, and Memoranda of Understanding for the Countywide Medi-Cal Administrative Activities and/or Targeted Case Management Programs for the Period of July 1, 2020 through June 30, 2026

- III. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- IV. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda
- V. Public Comment
- VI. Adjournment

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

April 21, 2020

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:

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

**FIVE-YEAR LEASE AMENDMENT
DEPARTMENT OF HEALTH SERVICES
CHIEF EXECUTIVE OFFICE
DEPARTMENT OF HUMAN RESOURCES
CONSUMER AND BUSINESS AFFAIRS
222 SOUTH HILL STREET, LOS ANGELES
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed five-year lease amendment consolidating three existing leases into one lease that shall provide the Department of Health Services with use of 16,769 rentable square feet and the Chief Executive Office, the Department of Human Resources, and the Department of Consumer and Business Affairs with the continued use of 18,628 rentable square feet for a total of 35,397 of rentable square feet of office space, and 120 parking spaces.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed five-year lease amendment with CRJ, LLC a California limited liability company (Landlord), at 222 South Hill Street, Los Angeles, for approximately 35,397 square feet of office space and parking, at an annual first year rental cost not to exceed \$1,199,190. The following departments will be responsible for their percentage share of the lease payments as follows: Department of Health Services (DHS) -

\$569,070 (16,769 square feet); Chief Executive Office (CEO) - \$282,720 (8,368 square feet); Department of Human Resources (DHR) - \$282,720 (8,368 square feet); and Department of Consumer and Business Affairs (DCBA) - \$64,680 (1,892 square feet). The rental costs for DHS, CEO, DHR, and DCBA are 100 percent net County cost.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment, including, without limitation, early termination rights and exercising any options to reduce space.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County currently has three existing leases at 222 South Hill Street, Los Angeles, which collectively cover a suite on the second floor, the entire third, fourth, and fifth floors, and the sixth floor with exception of the common area. These three leases are currently on month-to-month holdover with no penalty. The existing primary lease space has been in continuous use since March 2000, when it was initially built-out for County use. The facility provides office space in close proximity to existing management and administrative support operations at the Kenneth Hahn Hall of Administration.

During the County's tenancy, the facility has primarily housed offices on the third and fourth floors for the CEO, Real Estate Division, which recently moved to the Hall of Records (HOR). Teams within the CEO's Strategic Integration Branch currently occupy the fifth floor and the DCBA currently occupies a suite on the second floor. Both groups are currently planned to move to the HOR once their new space is built-out and ready for occupancy. The CEO and DCBA offices will be backfilled by DHS Population Health Management upon vacancy and the rental costs associated with their space will then be assumed by DHS. DHR occupies space on the sixth floor for its Mediation Services and County Equity Investigation units and intends to remain at this location. The proposed lease amendment will consolidate all the existing premises into the primary lease.

The Office of Diversion and Reentry (ODR) of DHS has backfilled the recently vacated office space on the third floor and plans to backfill the recently vacated office space on the fourth floor. ODR, as the proprietor department under the proposed backfill scenario, was created by the Board in September 2015. Its mission is to develop and implement County-wide criminal justice diversion for persons with mental and/or substance use disorders, to provide reentry support services based on individuals' needs, and to reduce youth involvement within the justice system. ODR collaborates with community-based agencies to leverage resources, improve systems, and to ultimately enhance the health and social outcomes of justice-involved populations.

Entering into this new, consolidated lease of the facility, will allow the current departments to continue their operations without interruption. Backfilling the recently vacated space provides ODR with needed space, while avoiding the expense of major tenant improvements (TI) at an alternative location.

Approval of the recommended action will find that the proposed lease amendment is exempt from CEQA.

We have conferred with co-working office space companies about office space for the applicable programs and they have informed us that their co-working office space does not have available space to accommodate the required space needs.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 - *"Make Investments That Transform Lives"* - provides that we will aggressively address society's most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex social challenges – one person at a time. The proposed lease amendment supports this goal with a facility that provides proper accommodations for office space, in a conveniently located facility with adequate space for employees, collaborators, and clients. The proposed lease amendment conforms with the Asset Management Principles outlined in Attachment A.

FISCAL IMPACT/FINANCING

There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will be billed back to DHS, CEO, DHR, and DCBA as applicable. DHS, CEO, DHR, and DCBA have sufficient funding in their FY 2019-20 operating budget to cover these costs for the first year. Beginning in FY 2020-21, ongoing funding for the proposed lease amendment will continue to be part of the budget for the departments. The rental costs for DHS, CEO, DHR, and DCBA are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- The total cost for the first year of the proposed lease, including rent and parking, is \$1,199,190. This cost would be allocated between the departments as follows: DHS - \$569,070; CEO - \$282,720; DHR - \$282,720; and DCBA - \$64,680, if evaluated on an annual basis. The aggregate cost over the five-year term is estimated at approximately \$6,438,049, which includes annual rent increases for the office space based on the Consumer Price Index (CPI) capped at 4 percent per annum. Attachment B provides an overview of the proposed rental costs.

- The base rent for office space in the first year of the extension term is approximately \$30 per square foot on an annual basis. The County will have complete control over of the entire sixth floor, so the 287 square foot common area is now included in the overall square footage.
- The proposed lease amendment includes 120 parking spaces, of which 68 spaces are included in the rental rate, and 52 will be charged at \$220 per space per month, for a total annual cost of \$137,280. Parking will be allocated, as needed, to the departments.
- The Landlord is responsible for all operating and maintenance expenses associated with the premises.
- A cancellation provision that allows the County, to reduce or terminate the proposed lease space any time after the 36th month of the proposed lease amendment term, with 180 days prior written notice, without penalty.
- The Landlord shall provide a base TI allowance of up to \$10 per square foot of office space, i.e., \$353,970, for minor improvements to the premises including carpet, paint, and related upgrades.
- The proposed lease amendment will become effective, and the new term and rent will commence upon full execution of the lease amendment.

The CEO conducted a market search within the project area to determine the availability of comparable office space options. Based upon a review of available industry data, it was established that the annual rental range for similar space is between \$31.20 and \$46.20 per square foot per year. In comparison, the base rent of \$30 per square foot per year for the proposed lease amendment, excluding parking, is below the market range for the area.

Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for this requirement.

The Department of Public Works inspected this facility and found it suitable for the County's occupancy. A notification letter to the City of Los Angeles has been sent as required by Government Code Section 25351. County Counsel has reviewed the attached proposed lease amendment and approved it as to form.

The proposed lease amendment will continue to provide an appropriate location for the programs, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the California Environmental Quality Act (CEQA), as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will continue to adequately provide the necessary office space for this County requirement. DHS, CEO, DHR, and DCBA concur with the proposed recommendations.

The Honorable Board of Supervisors
April 21, 2020
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CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return one certified copy of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 W. Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SAH:FAD:DPH:DL
JLC:MN:NH:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Consumer and Business Affairs
Health Services
Human Resources

ATTACHMENT A

**DEPARTMENTS OF HEALTH SERVICES/CHIEF EXECUTIVE OFFICE/
HUMAN RESOURCES/CONSUMER AND BUSINESS AFFAIRS
222 SOUTH HILL STREET, LOS ANGELES
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions?			X
B	Does lease co-locate with other functions to better serve clients?			X
C	Does this lease centralize business support functions?			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Ratio is approx. 260 sf per person due to existing conference rooms, file areas and offices.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 3.5/1000 – based on availability.		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C (aka "Space Search")?	X		
G	Was build-to-suit or capital project considered? ² County already occupies facility and a capital project was not considered.		X	
3.	<u>Portfolio Management</u>			
A	Did departments utilize CEO Space Request Evaluation (SRE)? DHS - two backfill programs	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			X
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease?	X		
F	Has growth projection been considered in space request?			X
G	Has the Dept. of Public Works completed seismic review/approval? ¹	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

COMPARISON OF PROPOSED LEASE AMENDMENT AND EXISTING LEASE

222 S. Hill Street, Los Angeles	Existing Lease(s)	Proposed amendment	Change
Area (Square Feet)	Office: 35,110sf	Office: 35,397sf*	Office: +287sf
Term (years)	Five years (1/12/2014-1/13/2019) currently on month-to-month holdover	Five years	None
Annual Base Rent	\$906,088	\$1,061,910	+\$155,822
Annual Parking Cost	\$31,200 (20 on-site parking passes at \$130/mo.)	\$137,280 (52 off-site spaces at \$220/mo.)	+\$106,080
Cancellation	County after 36 months with 180 days' notice	County after 36 months with 180 days' notice	None
Rental adjustment	Annual CPI increases capped at 5 percent	Annual CPI increases capped at 4 percent	-1 percent

*Increase in square footage pertains to absorption of common area for all of sixth floor.

OVERVIEW OF THE PROPOSED LEASE AMENDMENT COST

222 South Hill Street

Office Space (sq.ft.)	35,397	
Term (months)	60	
Annual Rent Adjustment	CPI 4% Cap	
Base Rent	Cost Per RSF Per Month	Cost Per RSF Per Year
	\$2.50	\$30
Parking (120 total - 52 offsite parking spaces and 68 on-site included)	Cost Per Space Per Month	Cost Per Space Per Year
	\$220	\$2,640

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
Annual Base Rent Costs ¹	1,061,910	1,104,387	1,148,562	1,194,505	1,242,285	5,751,649
Parking Costs ²	137,280	137,280	137,280	137,280	137,280	686,400
Subtotal Annual Lease Costs	1,199,190	1,241,667	1,285,842	1,331,785	1,379,565	6,438,049

¹ Annual base rent includes rent increases based on the Consumer Price Index (CPI) capped at 4 percent per annum.

² The cost per parking space is approximately \$220 per month and \$2640 per year.

* **Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

ATTACHMENT C

**DEPARTMENT OF HEALTH SERVICES/CHIEF EXECUTIVE OFFICE
DEPARTMENT OF HUMAN RESOURCES/CONSUMER AND BUSINESS AFFAIRS
SPACE SEARCH – FIVE-MILE RADIUS OF HALL OF ADMINISTRATION**

LACO	Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant
A405	BOS/Arts Commission - Wilshire - Bixel Building	1055 Wilshire Blvd Ste. 800 Los Angeles 90017	Leased	9,906	9,410	NONE
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933 S Broadway Los Angeles 90007	Leased	148,483	141,059	NONE
A683	Service Integration Pilot Project	1910 Magnolia Ave Los Angeles 90007	Leased	1,035	984	NONE
A216	DPSS - Appeals & State Hearings	811 Wilshire Blvd Suite 1118 Los Angeles 90017	Leased	5,665	5,439	NONE
A046	Sheriff - City Terrace Substation	4100 City Terrace Dr Los Angeles 90063	Leased	1,076	1,022	NONE
A205	DMH - Skid Row Management Team	420 E 3rd St. Los Angeles 90013	Leased	8,526	8,100	NONE
A588	Sheriff's AB 109 Parole Compliance Team	301 S Central Ave Los Angeles 90013	Leased	3,100	2,945	NONE
B915	Star Skid Row Office	238 E 6th St. Los Angeles 90014	Leased	1,882	1,788	NONE
A578	Auditor - Shared Services Initiative	3470 Wilshire Blvd Los Angeles 90010	Leased	21,500	20,425	NONE
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	Leased	68,314	65,511	NONE
A632	Office of Inspector General	312 S Hill St. Grand Central Market Los Angeles 90012	Leased	9,782	9,293	NONE
A369	DCFS - Headquarters Annex	501 Shatto Pl Los Angeles 90020	Leased	17,751	15,976	NONE
A384	Ag Comm/Wts & Measures - Downtown Market Office	1320 E Olympic Blvd Los Angeles 90021	Leased	776	776	NONE
A413	Human Resources - Wilshire Square Two Building	3333 Wilshire Blvd Los Angeles 90010	Leased	85,991	72,804	NONE
A425	DCFS - Headquarters Building	425 Shatto Pl Los Angeles 90020	Leased	81,912	77,816	NONE
A336	Sheriff - Wilshire Centre Building	3055 Wilshire Blvd Los Angeles 90010	Leased	7,755	7,115	NONE
A360	DPSS - Metro North AP/Cal Works District Office	2601 Wilshire Blvd Los Angeles 90057	Leased	62,000	60,140	NONE
A429	CEO - Real Estate Division/Service Integration	222 S Hill St. Los Angeles 90012	Leased	34,737	30,798	NONE
A424	DPSS - Equitable Plaza Building	3435 Wilshire Blvd Los Angeles 90010	Leased	65,871	62,577	NONE
A532	PH Health - Wilshire Metroplex Building	3530 Wilshire Blvd Los Angeles 90010	Leased	113,027	101,920	NONE
B426	DMH - Adult Systems of Care - FSP	426 S San Pedro St. Los Angeles 90013	Leased	6,500	6,175	NONE
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	Leased	46,228	42,065	NONE
B695	PH – Immunization & Environ Health/Mental Health	695 S Vermont Ave Los Angeles 90010	Leased	125,622	118,605	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed sublease renewal: Lease amendment for existing offices for DHS, the CEO, DHR and DCBA offices at 222 S. Hill Street, Los Angeles – First Supervisorial District.

A. Establish Service Function Category – Regional and local public service function.

B. Determination of the Service Area – The proposed lease amendment will provide a lease extension for DHS, CEO, DHR and DCBA programs.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continuing need for existing operation in the greater downtown region in support of existing County operations.
- Need for proximity to existing County facilities: Close to Kenneth P. Hahn Hall of Administration and other County facilities and collaborators.
- Need for proximity to Los Angeles Civic Center: Close to existing County programs.
- Economic Development Potential: N/A
- Proximity to public transportation: The facility is located near the 110 and 101 freeways, the Dash public transit line as well as local bus routes and Metro stations.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to accommodate the Departmental needs. This office works closely with functions at the Hall of Administration and has been in continuous use by the CEO since March 2000.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The amended base rental cost of \$1,061,910 will be subject to ongoing annual increases based on CPI capped at 4 percent for the extension term, plus annual parking cost of \$137,280, for a total of \$1,199,190.

D. Analyze results and identify location alternatives

Based upon the space and service needs of the impacted programs, CEO surveyed the service area and was unable to identify any other alternative sites in the surveyed area that could accommodate this same requirement.

Based upon a review of available industry data, we have established that the annual rental range for similar space including parking costs is between \$31.20 and \$46.20 per square foot per year on a full-service gross basis. In comparison, the base rental rate of \$30 per square foot per year, full-service gross, including parking, for the proposed lease represents a rate within the market range for the area. Attachment C indicates County-owned and leased facilities within the surrounding service area and there are no County-owned or leased facilities available for the programs.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The existing facility provides proper accommodations for the applicable DHS, CEO, DHR and DCBA programs within the indicated service area. The proposed amendment conforms with the Asset Management Principles outlined in Attachment A. The consolidation of services for these programs within the existing facility will continue to provide an appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

**AMENDMENT NO. 1 TO COUNTY LEASE NO. 78107
222 SOUTH HILL STREET, LOS ANGELES**

This Amendment No. 1 to Lease No. 78107 ("Amendment No. 1" or "Amendment") is made and entered into this _____ day of _____, 2020, by and between CRJ, LLC, a California limited liability company ("Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

RECITALS:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated January 14, 2014 ("Lease No. 78107", hereinafter referred to as the "Original Lease") for approximately 30,905 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Original Premises"), for a term of five (5) years;

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated August 1, 2017 ("Lease No. L-1278", hereinafter referred to as the "Suite 600 Lease") for approximately 3,832 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Suite 650 Premises"), for a term of eighteen (18) months;

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated September 1, 2017 ("Lease No. L-1279", hereinafter referred to as the "Suite 650 Lease") and thereafter amended on February 23, 2018, for approximately 1,491 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Suite 650 Premises");

WHEREAS, the original five (5) year Term of the Original Lease expired on January 13, 2019 and Original Lease continues in Holdover on month-to-month basis;

WHEREAS, the original eighteen (18) months Term of the Suite 600 Lease expired on January 13, 2019 and Suite 600 Lease continues in Holdover on month-to-month basis;

WHEREAS, the amended Term of the Suite 650 Lease expired on February 28, 2020 and Suite 650 Lease continues in Holdover on month-to-month basis;

WHEREAS, the storage space will no longer be a part of the leased Premises under this Lease Amendment;

WHEREAS, Landlord and Tenant desire to amend the Original Lease, for the purpose of combining the Original Premises, Suite 600 Premises (Lease No. L-1278), and Suite 650 Premises (Lease No. L-1279), for a new total which will consist of 29,787, 3,832, and 1,491 rentable square feet, respectively, and 287 square feet of common area, for a new combined total of approximately 35,397 rentable square feet, extend the Term of the Original Lease, adjust the rent, and effectuate certain improvements; and,

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Landlord and Tenant hereby covenant and agree to amend the Original Lease as follows:

1. PREMISES. Section 1.1(c) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(c) Premises: Approximately 35,397 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.

2. PREMISES. Paragraph 2(a) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 of approximately 35,397 rentable square feet of office space consisting of approximately 1,892 rentable square feet on the second floor, approximately 8,401 rentable square feet on the third floor, approximately 8,368 rentable square feet on the fourth floor, approximately 8,368 rentable square feet on the fifth floor, and approximately 8,368 rentable square feet on the sixth floor.

3. EXTENSION OF TERM. Landlord and Tenant acknowledge that the Tenant's original term of the Original Lease for the Premises expired on January 13, 2019, and that the Original Lease is currently valid and in Holdover, as allowed under Section 7 of the Original Lease, on a month-to-month Term. Notwithstanding anything to the contrary in the Original Lease, Section 1.1(e) of the Original Lease is hereby amended to extend the Original Lease term for another five (5) years commencing upon the Effective Date of this Amendment No. 1 (the "Extension Commencement Date") and terminating five (5) years thereafter, ("Lease Expiration Date") subject to earlier termination as provided in the Original Lease, as hereby amended. The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred herein as the "Extension Term".

4. RENT. As of the Extension Commencement Date, the Base Rent as set forth in Section 1.1(i) of the Original Lease is amended as follows: Eighty-Eight Thousand Four Hundred Ninety-Two Dollars and 50/100 (\$88,492.50) per month (i.e., \$2.50 per square foot per month), herein after referred to as the "Extension Term Basic Rent". Parking for Fifty-Two (52) off-site spaces are provided at Eleven-Thousand Four Hundred Forty Dollars and 00/100 (\$11,440.00) per month for the Extension Term.

5. RENT. As of the Extension Commencement Date, Section 5 of the Original Lease shall be amended, whereby the following paragraphs shall be added to the Original Lease:

(e) Rent Adjustment Extension Term. At the beginning of the 13th month of the Extension Term (the "Extension Term Rent Adjustment Date") and on every anniversary of the Extension Term Adjustment Date thereafter, Base Rent shall be adjusted to the New Monthly Base Rent by applying the CPI Formula set forth below. The "Extension Term Basic Index" shall be the Base Index published for the month the Extension Term commences.

(f) CPI Formula. The Base Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Extension Term Base Rent multiplied by a fraction, the numerator being the Base Index published for the month

immediately preceding the month the adjustment is to be effective ("New Base Index"), and the denominator being the Base Index. If the Base Index is changed so that the Base Index differs from that used as of the Commencement Date of the Lease, the Base Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Base Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(g) Illustration of CPI Formula. The formula for determining the New Monthly Base Rent shall be as follows:

$$\frac{\text{New Base Index}}{\text{Extension Term Basic Index}} \times \$88,492.50 \left(\begin{smallmatrix} \text{Extension Term} \\ \text{Basic Rent} \end{smallmatrix} \right) = \begin{smallmatrix} \text{New Monthly} \\ \text{Base Rent} \end{smallmatrix}$$

(h) Limitations on CPI Adjustment. In no event shall the New Monthly Base Rent adjusted by CPI Formula result in increase that is more than four percent (4%) annually. In no event shall the New Monthly Base Rent be adjusted by the CPI Formula to result in a lower New Monthly Base Rent than was payable during the previous year.

6. COMMENCEMENT DATE. Paragraph 1.1(g) of the Original Lease is hereby amended and following paragraph shall be added to the end of Paragraph 1.1(g):

The Extension Commencement Date shall be the date Amendment No. 1 is approved by the Los Angeles County Board of Supervisors and fully executed by the parties.

7. EARLY TERMINATION NOTICE DATE. Paragraph 1.1(j) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

At or any time after the last day of the 36th full calendar month of the Extension Term with 180 days prior written notice to Landlord by Tenant as provided in Section 4(c) hereof.

8. TENANT IMPROVEMENTS. Notwithstanding anything to the contrary in the Original Lease, Section 1.2, Base Tenant Improvement Allowance, is replaced in its entirety with the following: Within 60 days of the Extension Commencement Date, Landlord, with Tenant's prior approval shall provide a Base Tenant Improvement Allowance of up to \$10 per rentable square foot of the office space (i.e., \$353,970) for minor improvements to the Premises including carpet, paint and related upgrades as needed upon a mutually agreed period of time from the Extension Commencement Date. The Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by the Landlord and Tenant in accordance with the Original Lease.

9. PARKING. The first paragraph of Section 20(a), Parking, of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(a) Tenant's Rights. Tenant shall have the right to the number of parking stalls set forth in Section 1 without charge for the Term of this Lease described as follows: twelve (12) exclusive off-street parking stalls in the Building Second Floor, and fifty-six (56) non-exclusive off-street stalls in the Building Levels Second, P-1 and P-2 for a total of sixty-eight (68) parking spaces on-site. Tenant shall also have the right to the number of non-exclusive parking stalls set forth in this Section for the Term of this Lease described as follows: fifty-two (52) off-street in-and-out parking spaces in an off-site parking lot adjacent to the building or within the Times Mirror building located on South Broadway. No tandem parking shall be permitted, and Tenant shall be entitled to full in/out privileges. Tenant is not given the right to leave vehicles parked overnight without prior written consent. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees, and permittees of the Building.

10. **PARKING SPACES.** Section 1.1(n) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(n) Parking Spaces: 120 parking spaces as defined in Section 20.

11. **RIGHT TO REDUCE THE PREMISES.** The first paragraph of Section 34, Right to Reduce the Premises, of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

At or any time after the last day of the 36th full calendar month of the Extension Term, Tenant, upon 180 days prior written notice by the Chief Executive Office to Landlord shall have the right to reduce a portion of the leased Office Space of the Premises.

12. **CASP INSPECTION.** The Original Lease shall be amended to insert as a new Section 35 the following paragraphs:

CASP INSPECTION. In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: [Check the appropriate box]

☐ Have undergone inspection by a Certified Access Specialist (a "CASP") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

☐ Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the

execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☒ Have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease.

Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 35.

13. All undefined terms when used herein shall have the same respective meanings as set forth in the Original Lease, as amended, unless expressly provided otherwise in this Amendment No. 1. Each of the signatories for the Landlord covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein, and agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a breach of this representation.

14. Notwithstanding anything to the contrary herein, except as specifically amended or modified herein, each and every term, covenant, and condition of the Original Lease as amended hereby is ratified and shall remain in full force and effect. Landlord represents and warrants as of the date hereof that (a) no defenses or offsets exist to the enforcement of the Original Lease by Landlord, (b) neither Tenant nor Landlord is in default in the performance of the Original Lease or any provisions contained therein, (c) neither Tenant nor Landlord has committed any breach of the Original Lease, nor has any default occurred which, with the passage of time or the giving of notice or both, would constitute a default or a breach by Tenant or Landlord under the Original Lease. In the event of a conflict between the Original Lease and the prior amendments to the Original Lease and this Amendment No. 1, the terms of this Amendment No. 1 shall control.


[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Landlord's duly authorized representative, and Tenant's duly authorized representative, have executed this Amendment No. 1 to Lease No. 78107 or caused it to be executed, on the Effective Date first above written.

LANDLORD:

CRJ, LLC

a California Limited Liability Company

By: 
Name: NATSUO KAWANA
Its: MANAGING MEMBER

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

SACHI A. HAMAI
Chief Executive Officer

By: _____
DEAN LEHMAN
Senior Manager, Real Estate Division

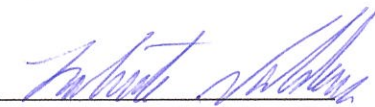
ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Deputy

April 8, 2020

DRAFT

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 VARIOUS ACTIONS IN SUPPORT OF
THE DEPARTMENT OF HEALTH SERVICES' EFFORTS TO RESPOND TO
THE NOVEL CORONAVIRUS (COVID-19)
(ALL SUPERVISORIAL DISTRICTS)
(3 Votes)**

SUBJECT

Approval of delegated authority to the Director of Health Services (Director), or designee, to take various actions in support of the response to the COVID-19 pandemic.

The Department of Health Services recommends:

1. Delegate authority to the Director or designee, to extend the term of the emergency waiver that was provided to the 52 My Health LA Program (MHLA) Community Partners on March 27, 2020, from 30-days to the time at which the COVID-19 Proclamation is lifted by the Board of Supervisors (Board) and, if necessary, expand the scope of services authorized under the waiver and the existing contracts, as applicable,, to support the Community Partners' ability to safely continue providing services under the MHLA Agreements.
2. Delegate authority to the Director or designee, to negotiate and amend the County's Agreements with Urgent Care Associates, Inc. (UCA) and Premier Emergency Physicians of California Medical Group (Premier) for patient care services in the County jails, to temporarily increase rates for physicians and mid-level providers (medical staff) and, as necessary, modify the scope of work in each Agreement, to provide the Department of Health Services' (DHS') Correctional Health Services (CHS) the ability to obtain additional medical staff to support the

County jails during the COVID-19 pandemic, at an estimated monthly cost of up to \$700,000.

3. Delegate authority to the Director, or designee, to negotiate and enter into (per provider/per patient) letters of agreement (LOA) with Lower Level of Care (LLOC) providers, including but not limited to Skilled Nursing Facilities (SNF), Custodial Care, and Home Health, in response to the immediate need for DHS to decompress its hospitals and create surge capacity in response to the COVID-19 pandemic, at an estimated monthly cost of up to \$600,000.
4. Delegate authority to the Director or designee, to negotiate and enter into non-standard agreement(s) with Lyft and/or Uber, or any subsidiary thereof, and other vendors to provide non-medical transportation services for the clients/patients of DHS, Department of Mental Health (DMH) and Department of Public Health (DPH) clients, at an estimated total cost of up to \$500,000.
5. Delegate authority to the Director or designee, to negotiate and enter into non-standard agreement(s) with Airbnb and/or other vendors, to provide temporary housing for the DHS, DMH and DPH frontline medical personnel and workers in disaster preparedness and response roles, inclusive of County and non-County workforce, who: a) need to live separate from family or shared domicile arrangements due to exposure to COVID-19 in the work environment; b) are needing to be readily accessible to their work site(s) or c) meet other criteria as may be determined by the Director, at an estimated total cost of up to \$2,000,000.
6. The delegations of authority proposed in Recommendations 2 through 5 shall become effective upon approval and shall continue until the COVID-19 Proclamation is lifted by the Board of Supervisors and until the needs of the County have been mitigated as they relate to the impact of COVID-19, with all contractual actions subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommendations above represent DHS' most immediate needs to prepare for and address a surge in COVID-19 cases in the County of Los Angeles. These recommendations are organized in two categories: 1) Immediate and Short Term – a delegation of authority that is needed until the COVID-19 Proclamation is lifted; and 2) Surge and Stabilizing – a delegation of authority that is needed until the COVID-19 Proclamation is lifted and until the needs of the County have been stabilized pursuant to the impact of COVID-19.

IMMEDIATE AND SHORT TERM NEED

My Health LA Waiver Extension

DHS provided a 30 day waiver to the 52 Community Partners for County My Health LA Program that will expire on April 26, 2020. The waiver currently allows for enrollment/renewal activities to temporarily be performed remotely rather than in-person. Approval of this Recommendation 1 will provide DHS the ability to extend the waiver and expand the permissible scope of services during the current “Safer-at-Home” orders and social distancing recommendation under the COVID-19 Proclamation. There is no fiscal impact to the County.

SURGE AND STABILIZING DELEGATIONS OF AUTHORITY

Medical Staffing for County Jails

UCA and Premier provide the physician and mid-level providers (collectively medical staff) for the Correctional Treatment Center and Urgent Care Center, respectively, at the Twin Towers Correctional Facility. In addition, UCA provides supplemental coverage in other designated areas of the County jail system. The Contractors, unlike traditional registries, play a valuable added role for DHS’ CHS by managing their medical staff’s schedules and coverage for areas of the jails designated as their responsibility by the CHS Chief Medical Officer.

CHS reports these Contractors and registries are experiencing difficulties in maintaining adequate medical staff levels because of many current providers being vulnerable based on the criterion for potentially becoming COVID-19 positive. Therefore, by approving Recommendation 2, CHS will have the ability temporarily adjust the rates to attract and retain critically needed medical staff, and benefit from the medical staff management role these Contractors provide in conjunction with providing additional medical staff throughout the County jails.

Letters of Agreement

The use of LOAs for the purposes of discharging patients to LLOCs is a common practice used in the managed care industry, and is one DHS presently performs under its managed care related delegations of authority. To ensure the County’s hospitals have maximum capacity for the sickest and potentially COVID-19 positive patients, DHS is requesting approval of Recommendation 3 in order to further decompress the County operated hospitals’ inpatient wards by also discharging County-responsible patients who no longer meet inpatient criteria to appropriate lower level of care settings.

Transportation

Approval of Recommendation 4 will allow DHS, DMH and DPH to provide non-medical transportation services for its clients. DHS will need to provide transportation for its clients who may otherwise rely on family, friends, or public transportation upon discharge from a County hospital as well as to get to/from their non-emergency appointments. Currently, DHS clients who lack transportation may receive bus tokens, TAP cards, or taxi vouchers.

However, many public transit services have reduced operating hours or have suspended services completely due to COVID-19. In addition, access to partially or fully subsidized transportation resources has become limited. The selected vendor(s) will provide door-to-door or curb-to-curb transportation services on an as-needed basis, 24 hours a day for 7 days a week, including all holidays.

Temporary Housing for Workforce

Healthcare workers are on the frontlines of preparing for and/or combating COVID-19. When they leave the work-place their spouses, parents, partners who, due to their line of work, run the highest risk of being exposed to and contracting this life-threatening virus. In an effort to contain the spread of COVID-19, organizations such as Airbnb and others have implemented programs to provide these workers access to free and/or low cost accommodations that will allow them to isolate or quarantine, or simply rest in between lengthy and exhausting workdays during the anticipated surge of COVID-19 positive cases. DHS has determined that it is in the best interest of the County and its patients/clients to collaborate with these and other entities and enter into agreements to facilitate and, as necessary, assume the financial responsibility for those accommodations that are not free.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities," of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

As to all recommended actions, DHS will seek philanthropic support and/or reimbursement for all costs associated with them from the federal and/or State governments, if and as applicable. In the interim, costs will be absorbed within each Departments' existing resources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 4, 2020, the Board of Supervisors (Board) proclaimed a state of emergency regarding the Novel Coronavirus. The recommendations above are presented in anticipation of the DHS' need to address a surge in COVID-19 cases in the County of Los Angeles.

On March 31, 2020, the Board of Supervisors (Board) approved a motion delegating certain authorities to the Chief Executive Officer (CEO) during declared states of emergency as related to the Novel Coronavirus (COVID-19).

Honorable Board of Supervisors

April 8, 2020

Page 5

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will give DHS the necessary flexibility to be nimble in its response to the COVID-19 pandemic.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:JA

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

BOARD LETTER FACT SHEET

DRAFT

Agenda Review Date: April 8, 2020

Board Meeting Date: April 21, 2020

Sup. Dist. / SPA No.: All

DEPARTMENT: *Mental Health*

SUBJECT:

Approval to execute patient/client transportation contracts for the provision of emergency and non-emergency transportation services for three fiscal years.

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

This is a non-mandated program that provides transportation services for severely and persistently mentally ill adults and seriously emotionally disturbed children and adolescents throughout the County of Los Angeles.

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director or his designee, to execute Patient/Client Transportation Services (PCTS) Contracts for the provision of emergency and non-emergency transportation services. The effective date is July 1, 2020 through June 30, 2023 with two one-year optional extension periods. Delegate authority to the Director to prepare and execute future PCTS Contracts, prepare and execute future amendments to the Contracts to increase the contracted rates; add additional/related services to ensure continuity of care; add, delete, modify, or replace the existing Statement of Work; and/or, reflect federal, State, and County regulatory and/or policy changes provided that: 1) the annual aggregate cost will not exceed an increase of more than 10 percent; 2) funds are available; and 3) the amendments are subject to the prior review and approval as to form by County Counsel. Delegate authority to Director to terminate the contract in accordance with termination provisions.

III. COST AND FUNDING SOURCES

Cost: Total annual aggregate cost for FY 2020-21 is estimated to be \$5,566,886

Funding: 2011 Sales Tax Realignment, MHSA revenues, and an Intrafund Transfer from DCFS

IV. BACKGROUND (critical and/or insightful)

PCTS Contractors provide emergency and non-emergency transportation to severely and persistently mentally ill adults and SED children and adolescents throughout the County of Los Angeles. DMH has worked with DHS to determine the possibility of releasing a joint Master Agreement for PCTS in order to enhance service coordination and achieve cost efficiencies. However, it was determined that the needs and service requirements for DMH clients varied too greatly from those of DHS patients. As such, DMH continues to utilize its own contracted providers for these services. Additionally, a MOU was established in 2017 between DMH and DHS for PCTS for the peak and after-hours of 3:00pm to 7:00pm and 10:00pm to 6:00am, respectively, to help alleviate response time challenges previously experienced by DMH.

V. POTENTIAL ISSUE(S)

N/A

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Miriam Brown, Deputy Director, MBrown@dmh.lacounty.gov, (213) 738-3412
Vicki Kozikoujekian, County Counsel, VKozikoujekian@counsel.lacounty.gov, (213) 972-5717



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer
Clinical Operations

Gregory C. Polk, M.P.A.
Chief Deputy Director
Administrative Operations

April 21, 2020

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

Dear Supervisors:

**APPROVAL TO EXECUTE PATIENT/CLIENT TRANSPORTATION CONTRACTS
FOR THE PROVISION OF EMERGENCY AND NON-EMERGENCY
TRANSPORTATION SERVICES FOR THREE FISCAL YEARS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to execute Patient/Client Transportation Contracts for the provision of emergency and non-emergency transportation services for a term of three Fiscal Years beginning July 1, 2020 through June 30, 2023, with two one-year optional extension periods.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of the Department of Mental Health (Director), or his designee, to execute Patient/Client Transportation Services (PCTS) Contracts, substantially similar to Attachment I, with the seven Contractors listed on Attachment II, for the provision of emergency and non-emergency transportation services. The Contracts will be effective July 1, 2020 through June 30, 2023 with two one-year optional extension periods. The total annual aggregate cost for FY 2020-21, and each subsequent fiscal year including any option years, is estimated to be \$5,566,886, fully funded by 2011 Sales Tax Realignment, State Mental Health Services Act (MHSA) revenues, and an Intrafund Transfer (IFT) from Department of Children & Family Services (DCFS). These Contracts do not have a total contract sum as the PCTS

Contractors are paid on a fee-for-service reimbursement basis, as indicated on Exhibit B (Fee Schedule).

2. Delegate authority to the Director, or his designee, to prepare and execute future PCTS Contracts, substantially similar to Attachment I, with new qualified providers, as necessary, provided that: 1) sufficient funds are available; and 2) any new Contracts are subject to the prior review and approval as to form by County Counsel, with written notification to your Board and Chief Executive Office (CEO).
3. Delegate authority to the Director, or his designee, to prepare and execute future amendments to the Contracts in Recommendations 1 and 2 to increase the contracted rates; add additional/related services to ensure continuity of care; add, delete, modify, or replace the existing Statement of Work; and/or, reflect federal, State, and County regulatory and/or policy changes provided that: 1) the annual aggregate cost will not exceed an increase of more than 10 percent; 2) funds are available; and 3) the amendments are subject to the prior review and approval as to form by County Counsel, with written notification to your Board and CEO.
4. Delegate authority to the Director, or his designee, to terminate the Contracts in Recommendations 1 and 2 in accordance with the termination provisions, including Termination for Convenience with written notification to your Board and CEO of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of Recommendation 1 will enable the Department of Mental Health (DMH) to enter into new Contracts for the continued provision of emergency and non-emergency transportation services for severely and persistently mentally ill adults and seriously emotionally disturbed (SED) children and adolescents throughout the County of Los Angeles.

Board approval of Recommendation 2 will enable DMH to execute contracts with qualified transportation providers to expand the available pool of providers to ensure that service response times are met.

Board approval of Recommendation 3 will enable DMH to amend the Contract as necessary, without interruption to services.

Board approval of Recommendation 4 will enable DMH to terminate services in accordance with the Contract's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

Implementation of Strategic Plan Goals

The recommended actions are consistent with County's Strategic Plan Goal I, Make Investments That Transform Lives, specifically Strategy I.2 – Enhance Our Delivery of Comprehensive Interventions.

FISCAL IMPACT/FINANCING

The FY 2020-21 annual aggregate funding for the seven agreements is \$5,566,886, fully funded by 2011 Sales Tax Realignment, State MHSA revenues, and an IFT from DCFS, and is included in DMH's FY 2020-21 Recommended Budget.

Funding for future years will be requested through DMH's annual budget request process.

There is no impact on net County cost for this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

PCTS Contractors provide emergency and non-emergency transportation to severely and persistently mentally ill adults and SED children and adolescents throughout the County of Los Angeles. The current Contracts expire on June 30, 2020 and to continue serving this population without interruption DMH is executing new contracts with the existing Contractors listed on Attachment II and asking for delegated authority to execute new contracts on an as needed basis with additional qualified PCTS providers.

DMH worked with the Department of Health Services (DHS) to determine the possibility of releasing a joint Master Agreement (MA) for PCTS in order to enhance service coordination and achieve cost efficiencies. However, it was determined that the needs and service requirements for DMH clients varied too greatly from those of DHS patients. Specifically, DHS contracts incorporates provisions requiring lifesaving interventions and the use of specialized equipment for such interventions during transport. As such, DMH continues to utilize its own contracted providers for these services. Additionally, a Memorandum of Understanding (MOU) was established in 2017 between DMH and DHS for PCTS for the peak and afterhours of 3:00 pm to 7:00 pm and 10:00 pm to 6:00 am, respectively, to help alleviate response time challenges previously experienced by DMH.

On March 4, 2020, your Board approved a motion directing the Department of Mental Health and other County departments to assess the current crisis response infrastructure for health and human services within the County. Any relevant recommendations, based

The Honorable Board of Supervisors
April 21, 2020
Page 4

on this assessment that will improve the crisis response system may be incorporated into these contracts.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow the existing seven PCTS Contractors to continue providing uninterrupted transportation services to the County's severely and persistently mentally ill adults and SED children and adolescents.

Respectfully submitted,

JONATHAN E. SHERIN, M.D., Ph.D.
Director

JES:ES:SK:mp

Attachments

c: Executive Officer, Board of Supervisors
Chief Executive Office
County Counsel
Chairperson, Mental Health Commission



Attachment II

County of Los Angeles - Department of Mental Health Patient/Client Transportation Service Provider Listing

NO.	PATIENT/CLIENT TRANSPORTATION PROVIDER	ADDRESS	SUPERVISORIAL DISTRICT
1.	Ambulnz Health, LLC dba Impulse Ambulance	1059 East Bedmar Street Carson, CA 90746	2
2.	American Professional Ambulance Corporation	16945 Sherman Way Van Nuys, CA 91406	3
3.	Dibiassi Corporation dba Southern California	5363 Alhambra Avenue Los Angeles, CA 90032	1
4.	Guardian Medical Transport Inc., dba Guardian Ambulance Service	123 West Bellevue Drive, Ste. 4 Pasadena, CA 91105	5
5.	MedCoast MedServices, Inc. dba MedCoast Ambulance	3951 Medford Street Los Angeles, CA 90063	1
6.	MedReach, Inc. dba MedReach Ambulance	1303 Kona Drive Rancho Dominguez, CA 90220	2
7.	Skori, Inc. dba West Coast Ambulance	647 W. Avenue L-14 Lancaster, CA 93534	5

EXHIBIT A

STATEMENT OF WORK

FOR

PATIENT/CLIENT

TRANSPORTATION SERVICES

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STATEMENT OF WORK (SOW)

1.0 SCOPE OF WORK

Patient/Client Transportation Services (PCTS) provides emergency and non-emergency transportation services for severely and persistently mentally ill adults and seriously emotionally disturbed (SED) children and adolescents throughout the County of Los Angeles.

PCTS personnel will work with County staff to ensure that the transportation services are provided in a timely and professional manner.

2.0 ADDITION AND/OR DELETION SPECIFIC TASKS AND/OR WORK HOURS

2.1 All changes must be made in accordance with sub-paragraph 8.1 Amendments of the Contract.

3.0 QUALITY CONTROL

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the County Contract Project Monitor for review. The plan shall include, but may not be limited to the following:

3.1 Method of monitoring to ensure that Contract requirements are being met;

3.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.

4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in this Contract, Paragraph 8, Standard Terms and Conditions, Paragraph 8.15, County's Quality Assurance Plan.

4.1 Contract Discrepancy Report (See SOW Exhibit B-1)

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The County Contract Project Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Project Monitor within ten (10)

workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Project Monitor within thirty (30) workdays.

4.2 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

5.0 DEFINITIONS

5.1 DMH Access Center (AC) - The Access Center operates 24 hours/day, 7 days/week as the entry point for mental health services in Los Angeles County. Services include deployment of crisis evaluation teams, information and referrals, gatekeeping of acute inpatient psychiatric beds, interpreter services and patient transport.

5.2 Psychiatric Mobile Response Team (PMRT) – PMRT consists of DMH clinicians designated per Welfare and Institutions Code 5150/ 5585 to perform evaluations for involuntary detention of individuals determined to be at risk of harming themselves or others or who are unable to provide food, clothing, or shelter as a result of a mental disorder.

6.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

COUNTY

6.1 Personnel

The County will administer the Contract according to the Contract, Paragraph 6.0, Administration of Contract - County. Specific duties will include:

6.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

6.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

6.1.3 Preparing Amendments in accordance with the Contract, Paragraph 8. Standard Terms and Conditions, Sub-paragraph 8.1 Amendments.

CONTRACTOR

6.2 Project Manager

- 6.2.1 Contractor shall provide a full-time Project Manager or designated alternate. County must have access to the Project Manager during all hours, 365 days per year. Contractor shall provide a telephone number where the Project Manager may be reached on a 24 hours/day, 7 days/week basis.
- 6.2.2 Project Manager shall act as a central point of contact with the County.
- 6.2.3 Project Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

6.3 Personnel

- 6.3.1 Contractor shall maintain all records, including, but not limited to, drivers'/attendants' licenses and certificates. Contractor shall maintain all ambulance/ambulette licenses and permits and business licenses. Such records shall include, but not be limited to, license, permit or certificate numbers and expiration dates.
- 6.3.2 Contractor shall not permit any persons, including, but not limited to, dispatchers, drivers, etc. to perform any services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance that may in any way impair their physical or mental performance.
- 6.3.3 Contractor shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.
- 6.3.4 Contractor shall be required to background check their employees as set forth in sub-paragraph 7.5 – Background and Security Investigations, of the Contract.

6.4 Identification Badges

- 6.4.1 Contractor shall ensure their employees are appropriately identified as set forth in sub-paragraph 7.4 – Contractor's Staff Identification, of the Contract.

6.5 Ambulances and Ambulettes

Ambulances and ambulettes used pursuant to this Contract shall be subject to inspection by the California Highway Patrol and also by County staff in accordance with the provisions of Title 7 of the Los Angeles County Code as the same is now enacted or may hereafter be amended.

Contractor shall maintain a file of reports of all such inspections conducted during the term of this Contract , and such files shall be available for inspection by County pursuant to Paragraph 8.38 (Record Retention and Inspection – Audit Settlement) of the Contract. For each ambulance used by Contractor pursuant to this Contract, a

permit shall be obtained from the California Highway Patrol and kept in force by Contractor for the operation of such vehicles.

Contractor shall maintain all ambulances, amulettes, and other equipment in a sanitary condition at all times.

6.6 Materials and Equipment

The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. As such, all expenses required for operation of PCTS provided under this contract is the responsibility of the Contractor. All Contractors' equipment shall be subject to inspection.

Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee.

6.7 Training

6.7.1 Contractor shall provide training programs for all new employees and continuing in-service training for all employees.

6.7.2 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards.

6.8 Contractor's Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of 8 a.m. to 5 p.m., Monday through Friday, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, (the alternate number shall be called) the Contractor shall answer calls received by the AC within one (1) hour of receipt of the call.

Contractor shall advise County of branch offices or auxiliary companies under control of Contractor's parent company, if any, together with the names, addresses, telephone numbers, the number of ambulances and ambulettes normally available from each address, and such other information as requested by the County.

7.0 SPECIFIC WORK REQUIREMENTS

7.1 Service Calls

Calls for PCTS will be based on the location of a patient/client and best estimated time of arrival (ETA). The AC shall be able to place more than one call to other agencies to ensure an acceptable response time.

Contractor shall provide transportation for County patients/ clients only upon request by telephone of AC within the Los Angeles County. Areas and facilities other than the aforementioned shall require prior authorization of the County Project Manager.

Contractor shall provide accurate estimated times of arrival and report delays and wait times to the AC in real time.

During the initial call, AC shall inform Contractor's transportation dispatcher exactly where the transportation personnel are to report and which County staff person to contact upon arrival. AC staff making the initial call should specify the following:

7.1.1 Designated Parking, if applicable

7.1.2 Whether transportation personnel should wait outside the designated location

7.1.3 Where County staff will meet transportation personnel

7.1.4 A female attendant is required

7.2 Contractor Staff Requirements

7.2.1 Transportation personnel are not required to transport more patients/clients than can reasonably be accommodated in one-trip.

7.2.2 Transportation personnel shall also abide by their own policies regarding the use of restraints in transporting clients.

7.2.3 Transportation personnel must remain with the patient/client until the patient/client is accepted by the receiving facility. Under no circumstances is the patient/client to be left alone or taken out of restraints until the transfer is completed. **Note:** Transportation personnel should not carry visible restraints when reporting to the designated County staff person.

7.2.4 Transportation personnel are not required to leave their restraints with the receiving facility when delivering a patient/client.

7.2.5 After the patient/client has been accepted at the receiving facility, transportation personnel are not expected to wait at the receiving facility for the outcome of the evaluation except at State Hospitals where patient/clients are not accepted before the evaluation.

7.2.6 The personal valuables of the patient/client need to be protected and accounted for by County staff, transportation personnel, and the receiving facility. After verifying the presence of these personal valuables, each of the above parties should sign a form, or copy of a form, which describes all this property. Transportation companies are not required to transport more than \$100 cash. Transportation companies are not required to transport more than forty pounds of personal property that is contained in no more than two bags.

- 7.2.7 Transportation personnel shall transport all patients/clients (including voluntary patients/clients) to the destination requested by AC. They shall not make any intermediate stops in route unless the patient's/client's medical condition so requires. If for any reason the patient/client is released before the destination is reached, AC must be notified immediately.
- 7.2.8 If it is determined that a female attendant should accompany a female patient/client during transport, the facility will request the AC to provide a female attendant. As such, Contractor shall endeavor to provide the female attendant upon request of AC. If Contractor is unable to provide a female attendant, the requesting facility may provide the female attendant. The requesting facility is also responsible for the transport of the female attendant back to the facility.
- 7.2.9 If issues are encountered by the transportation personnel, the AC should be contacted for further instructions at (800) 854-7771.

7.3 County Steering Committee

Contractor will be invited to participate in a DMH Steering Committee to address crisis response coordination within the County. The Steering Committee includes, but is not limited to, the following: Los Angeles City Fire department, Los Angeles City Police Department, Los Angeles County Fire Department, Los Angeles County Sheriff, the Department of Health Services, the Department of Public Health, and the Department of Mental Health.

The recommendations of the Steering Committee could result in changes to the County's current infrastructure for health and human services crisis response. Those recommendation could also necessitate changes to this statement of work. If so, this contract will be amended to reflect those recommended changes.

7.4 County Staff Requirements

- 7.3.1 County staff must be present with the patient/client when the transportation personnel arrive and are responsible for the management of the patient/client and shall direct and assist the transportation personnel until such time that:
 - 7.3.1.1 The patient/client is physically restrained on the gurney to the satisfaction of the transportation personnel.
 - 7.3.1.2 The transportation personnel receive the transportation order and the clinical/legal documentation. After that point, transportation personnel are responsible for ensuring transportation that is safe for both the patient/client and themselves.
 - 7.3.1.3 It is the responsibility of County staff to inform the patient/client what is happening to him/her and not delegate this duty to the transportation personnel.

- 7.4.1 County staff are responsible for communicating all relevant information to the transportation personnel, including:
 - 7.4.1.1 The presenting problem
 - 7.4.1.2 The potential for unpredictable behavior and dangerousness
 - 7.4.1.3 Any substance abuse issues, known contagious or infectious diseases, and other medical problems about the patient/client
 - 7.4.1.4 The administration of medication and possible intervention guidelines, if any.
- 7.5.1 In the event the receiving facility refuses to accept the patient/client for evaluation, transportation personnel shall call AC at (800) 854-7771 and/or at any other telephone number(s) provided to Contractor in writing by the County Contract Manager.
- 7.6.1 Neither County staff nor transportation personnel should wear clothing which presents a threat or hazard to themselves or the patient/client. For example, chains, earrings or other piercings may be hazardous to staff or may confuse or provoke a patient/client. Clothing should be appropriate for the work required.

8.0 GREEN INITIATIVES

- 8.1 Contractor shall use reasonable efforts to initiate “green” practices for environmental and energy conservation benefits.
- 8.2 Contractor shall notify County’s Project Manager of Contractor’s new green initiatives prior to the contract commencement.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

DMH shall evaluate the Contractor on Performance-Based Criteria indicated in the Performance Requirements Summary (Exhibit B-2). Contractor’s response times will be monitored based on the standards provided and accepted by AC. Accepted response times shall be met a minimum of 90% of the time. Contractor failing to comply with this requirement may be issued a Contractor Discrepancy Report (Exhibit B-1) and contacted by AC staff to develop a corrective action plan to address this non-compliance.

Contractor shall cooperate with regularly scheduled program monitoring, which may include review of agency and program records, site visits, requests for data and reports, telephonic conferences, correspondence, and attendance at contractor meetings where the contractor’s adherence to the performance-based criteria will be evaluated. DMH will notify Contractor whenever there are changes to County policies or procedures that apply to contract provision at least, where feasible, 30 calendar days prior to implementation.

EXHIBIT B-1

DATES: **Prepared:** _____

Returned by Contractor: _____

Action Completed: _____

Date

Date

Date

Contractor Representative's Signature and Date _____

PERFORMANCE REQUIREMENTS SUMMARY

PERFORMANCE-BASED CRITERIA	MEASUREMENT	PERFORMANCE TARGETS
1. Ambulance vehicles shall be staffed with a minimum of two (2) personnel including a driver and an ambulance attendant, both of whom must be currently certified in the State of California as an Emergency Medical Technician or higher level of certification	Visual inspection by County Staff	100% compliance
2. Contractor shall not permit any persons, including, but not limited to, dispatchers, to perform any services while under the influence of any alcoholic beverage, medication, narcotic or other substance that may in any way impair their physical or mental performance.	Observation by County Staff	100% compliance
3. Contractor shall accept eighty (80) percent of requests made by the Access Center.	Access Center Monitoring Reports	100% compliance
4. Contractor shall arrive for patient/client pickup within 45 minutes from the time of telephone request by AC for patient/client pickup.	Visual inspection by County Staff and Access Monitoring Reports	100% compliance
5. Accepted response times shall be met a minimum of 90% of the time	Access Center Monitoring Reports	100% compliance

PERFORMANCE REQUIREMENTS SUMMARY

6. Contractor shall provide accurate estimated time of arrivals and report delays	Access Center Monitoring Reports	100% compliance
7. Contractor shall provide accurate arrival, departure and wait times to pick-up and drop off locations	Access Center Monitoring Reports	100% compliance

FEE SCHEDULE AND DESCRIPTIONS

**RATES TO BE CHARGED TO COUNTY FOR AMBULANCE
TRANSPORTATION SERVICES**

- 1. General:** County will pay Contractor at the following rates for transportation of mental health clients requested and authorized by the Access Center (AC). Note: Rates set forth in this Exhibit B begin to apply after Contractor's unit arrives at the site of pickup except with respect to "dry run".
- 2. Ambulance Transportation Rates (One-Way):** For the period of this Agreement, County shall pay Contractor for the following ambulance transportation services at the following base rates on and after July 1, 2020 as provided in this Exhibit B. Ambulances responding to AC's request to transport mental health patients/clients from one location to another facility (e.g. hospital, Jail Mental Health, etc.) will be paid the Base Rate of \$225.00 per call plus the mileage rate of \$6.00 per mile (one way from the location of patient pick up to drop off location of facility).
- 3. Additional Patient/Client Rate:** In the event that more than one patient/client is transported, County will pay Contractor \$40.70 for each additional patient/client. County will not pay mileage and/or waiting time for the additional patient/client.
- 4. Waiting Time Rate:** County will pay Contractor at the rate of \$20.00 for each fifteen minute period, or fraction thereof, after the first fifteen minutes of waiting time have elapsed up to 16 fifteen-minute increments. County will pay Contractor at the rate of \$30.00 for each 15 minute period, or fraction thereof, after the first 16th fifteen-minute increments. Waiting time shall apply at the point of patient/client pickup as well as at the destination point, to the exclusion of the first fifteen minutes at both ends of the run. In all cases, waiting time shall require specific request and authorization by AC.
- 5. Dry Run:** The rate for a "Dry Run" (Contractor is notified that service is no longer required while in route or at the point of patient/client pickup) by Contractor shall be a Base rate of \$225.00 plus any additional charges for waiting time at the rate of \$20.00 for each fifteen minute period, or fraction thereof, after the first fifteen minutes of waiting time have elapsed. Waiting time shall apply at the point of

FEE SCHEDULE AND DESCRIPTIONS

patient/client pickup, excluding the first fifteen minutes, and in all cases, waiting time shall require specific request and authorization by AC. Such rates shall be applicable when Contractor, acting upon AC request, responds with its personnel and ambulance, and while in route to the point of patient/client pickup or while at such point, is advised by AC that Contractor's service is not required. In addition, Contractor shall receive a Dry Run mileage fee, at the rate of \$6.00 per mile (one-way), for mileage traveled by Contractor's ambulance from the point of origin to the point of cancellation of the call, except that there shall be no Dry Run mileage fee chargeable or paid for the first ten miles traveled by Contractor's ambulance on such Dry Run.

6. **Total Charges Computation:** The above ambulance rates shall be paid to Contractor only for transportation services requested and authorized by AC. The total charges shall be the sum of the Ambulance Base Rate, the appropriate mileage rate applied to the distance actually traveled one-way (from the location of patient pick up to another facility), the rate for authorized waiting time, additional Patient/Client Rate, and any special rate which may apply as described above. The computation of Dry Run charges are in paragraph No. 5.

FEE SCHEDULE AND DESCRIPTIONS

**RATES TO BE CHARGED COUNTY FOR AMBULETTES/VANS
TRANSPORTATION SERVICES**

1. **General:** Ambulettes responding to Access Center (AC's) request to transport mental health patients/clients shall have a **driver and an attendant.**
2. **Rates for Trips of 70 Miles or Less (One-Way):** Ambulettes responding to AC request to transport mental health patients/clients will be paid the rates listed below which include the Ambulette Base Rate of \$80.00 per call plus the mileage rate of \$2.50 per mile (one way) for each mile in excess of 5 miles for any trip.

<u>No. of Miles</u>	<u>Rate</u>	<u>No. of Miles</u>	<u>Rate</u>
5 (or less)	\$	38	162.50
6	82.50	39	165.00
7	85.00	40	167.50
8	87.50	41	170.00
9	90.00	42	172.50
10	92.50	43	175.00
11	95.00	44	177.50
12	97.50	45	180.00
13	100.00	46	182.50
14	102.50	47	185.00
15	105.00	48	187.50
16	107.50	49	190.00
17	110.00	50	192.50
18	112.50	51	195.00
19	115.00	52	197.50
20	117.50	53	200.00
21	120.00	54	202.50
22	122.50	55	205.00
23	125.00	56	207.50
24	127.50	57	210.00
25	130.00	58	212.50
26	132.50	59	215.00
27	135.00	60	217.50
28	137.50	61	220.00
29	140.00	62	222.50
30	142.50	63	225.00

FEE SCHEDULE AND DESCRIPTIONS

No. of Miles	Rate	No. of Miles	Rate
31	145.00	64	227.50
32	147.50	65	230.00
33	150.00	66	232.50
34	152.50	67	235.00
35	155.00	68	237.50
36	157.50	69	240.00
37	160.00	70	242.50

3. **Rates For Trips in Excess of 70 Miles (One-Way):** County will pay Contractor the base mileage rate of \$242.50 plus \$25.00 for each 20 mile increment (one-way) in excess of 70 miles for any trip. All trips in excess of 70 miles one-way shall require specific authorization by AC based upon the request by Psychiatric Mobile Response Team (PMRT) and/or the mental health facility.
4. **Additional Patient/Client Rate:** In the event that more than one patient/client is transported, County will pay Contractor at the rate of \$17.50 for each additional patient/client, regardless of mileage.
5. **Waiting Time Rate:** County will pay Contractor at the rate of \$11.00 for each fifteen minute period, or fraction thereof, after the first fifteen minutes of waiting time have elapsed. Waiting time shall apply at the point of patient/client pickup as well as at the destination point, to the exclusion of the first fifteen minutes at both ends of the run. In all cases, waiting time shall require specific request and authorization by AC.
6. **Dry Run:** The rate for a “dry-run” by Contractor shall be \$70.00 plus any additional charges for waiting time at the rate of \$11.00 for each fifteen minute period, or fraction thereof, after the first fifteen minutes of waiting time have elapsed. Waiting time shall apply at the point of patient/client pickup, to the exclusion of the first fifteen minutes, and in all cases, waiting time shall require specific request and authorization by AC. Such rates shall be applicable when Contractor, acting upon AC request, responds with its personnel and ambulette, and while en route to the point of patient/client pickup or while at such point, is advised by AC that Contractor’s service is not required. In addition, Contractor shall receive a dry run mileage fee, at the rate of \$2.50 per mile (one way), for

FEE SCHEDULE AND DESCRIPTIONS

mileage traveled by Contractor's ambulette from the point of origin to the point of cancellation of the call, except that there shall be no dry run mileage fee chargeable or paid for the first ten miles traveled by Contractor's ambulette on such dry run.

- 7. Total Charges Computation:** The above ambulette rates shall be paid to Contractor only for transportation services requested and authorized by AC. The total charges shall be the sum of the Ambulette Base Rate, the appropriate mileage rate applied to the distance actually traveled one-way, the time rate applied to arrival time and authorized waiting time, and any special rate that may apply as described above. Except for dry runs, all mileage rates shall be computed from the time the ambulette arrives at the pickup site until the ambulette is discharged.

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS



BARBARA FERRER, Ph.D., M.P.H., M.Ed.
Director

MUNTU DAVIS, M.D., M.P.H.
County Health Officer

313 North Figueroa Street, Room 806
Los Angeles, California 90012
TEL (213) 288-8117 • FAX (213) 975-1273

www.publichealth.lacounty.gov

BOARD OF SUPERVISORS

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

April 21, 2020

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

Dear Supervisors:

**AUTHORIZATION TO ACCEPT AND SIGN STANDARD AGREEMENT NUMBER 20-10012 AND FUTURE AGREEMENTS AND PROVIDER PARTICIPATION AGREEMENTS AND/OR AMENDMENTS FROM THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES AND EXECUTE HOST COUNTY AGREEMENTS AND/OR AMENDMENTS, CLAIM REIMBURSEMENT AGREEMENTS, AND MEMORANDA OF UNDERSTANDING FOR THE COUNTYWIDE MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TARGETED CASE MANAGEMENT PROGRAMS FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2026 (ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Provide authorization to accept and sign Standard Agreement Number 20-10012 and delegate authority to execute future agreements and Provider Participation Agreements and/or amendments from the California Department of Health Care Services and execute Host County agreements, claim reimbursement agreements, and memoranda of understanding for the Countywide Medi-Cal Administrative Activities and/or Targeted Case Management Programs through June 30, 2026.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of the Department of Public Health (DPH), or designee, to accept and sign Standard Agreement (SA) Number 20-10012 (Exhibit I) from the California Department of Health Care Services (DHCS) for the period of July 1, 2020 through June 30, 2023, in the amount of \$135,000,000, to support the Countywide Medi-Cal Administrative Activities (MAA) and/or Targeted Case Management (TCM) Programs. The general terms and conditions that are incorporated into the SA include provisions requiring the County to indemnify the State for all claims and losses related to this Agreement.

2. Delegate authority to the Director of DPH, or designee, to accept and enter into future SAs and/or amendments for the Countywide MAA and TCM Programs, that are consistent with the requirements of DHCS SA Number 20-10012, in amounts determined by DHCS, that extend the term through June 30, 2026; reflect non-material and/or ministerial revisions to the SA terms and conditions; and/or provide a redirection of funds, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office (CEO).
3. Delegate authority to the Director of DPH, or designee, to accept and enter into future TCM Provider Participation Agreements (PPA) and/or amendments that are consistent with the requirements of DHCS PPA Number 19-19EVRGRN that extend the term through June 30, 2026 and/or reflect non-material and/or ministerial revisions to the PPA terms and conditions, subject to review and approval by County Counsel, and notification to your Board and the CEO.
4. Delegate authority to the Director of DPH, or designee, to execute a future Host County Agreement with the County of Santa Cruz for collecting and distributing Local Governmental Agency's (LGA) participation fees, effective July 1, 2020 through June 30, 2022, and future Host County Agreements and/or amendments, as required by DHCS, in the amount determined by DHCS and the LGA Consortium, effective July 1, 2022 through June 30, 2026, subject to review and approval by County Counsel, and notification to your Board and the CEO.
5. Delegate authority to the Director of DPH, or designee, to execute amendments to Contract Number PH-002943 with Los Angeles Children and Families First - Proposition 10 Commission (First 5 LA), Contract Number PH-003493 with Access Services (Access), and Contract Number PH-004152 with Wayfinder Family Services (Wayfinder), and to execute contract renewals or extensions through June 30, 2026, to continue processing MAA reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, subject to review and approval by County Counsel, and notification to your Board and the CEO.
6. Delegate authority to the Director of DPH, or designee, to execute future contracts with qualified MAA and/or TCM participants to process MAA and/or TCM reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, effective upon execution through June 30, 2026, subject to review and approval by County Counsel, and notification to your Board and the CEO.
7. Delegate authority to the Director of DPH, or designee, to execute future amendments to the contracts referenced in Recommendations 5 and 6 above, that reflect non-material and/or ministerial revisions to the contract terms and conditions, subject to review and approval by County Counsel, and notification to your Board and the CEO.

8. Delegate authority to the Director of DPH, or designee, to execute change notices to the MAA and/or TCM contracts to adjust services, as needed, and/or correct errors in the contract terms and conditions.
9. Delegate authority to the Director of DPH, or designee, to execute memoranda of understanding (MOU) with LA Care and Health Net, two Medi-Cal Managed Care Health Plans (MCP), to implement a collaborative approach between TCM and MCP to define respective responsibilities and necessary coordination and referral of resources, effective upon execution through June 30, 2026, subject to review and approval by County Counsel, and notification to your Board and the CEO.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

LGAs participating in the County-Based Medi-Cal Administrative Activities (CMAA) Program are eligible to receive federal reimbursement for the cost of performing administrative activities that directly support efforts to identify and enroll eligible and potentially eligible individuals and their families into Medi-Cal. DHCS and County agencies promote access to health care for clients in the County public health system, minimizing both health care costs and long-term health care needs for at-risk populations, and coordinating clients' health care needs with other providers. Reimbursable CMAA activities include but are not limited to, conducting Medi-Cal outreach, facilitating Medi-Cal eligibility determinations, Medi-Cal contract administration, and Medi-Cal program planning.

LGAs participating in the TCM Program are eligible to receive federal reimbursement for the cost of providing services that directly support services covered under the State Medicaid Plan. LGAs must provide TCM to Medi-Cal eligible individuals in California. The TCM Program helps ensure the changing needs of Medi-Cal eligible individuals are addressed on an ongoing basis and appropriate choices are provided among the widest array of options for meeting those needs. Reimbursable TCM services are provided to Medi-Cal eligible clients in these designated target populations: 1) children under the age of 21; 2) medically fragile individuals; 3) individuals at risk of institutionalization; 4) individuals in jeopardy of negative health and psycho-social outcomes; and 5) individuals with a communicable disease. The TCM service components and procedures for constructing an appropriate process for claiming federal reimbursement are specified in the California State Medicaid Plan.

On June 23, 2014, your Board approved the transfer of the administration of the MAA and TCM Programs from the CEO to DPH. In this role, DPH collects claim information, collaborates with the State to identify reimbursement rates, and provides technical assistance and training to MAA and TCM participants. The recommended actions will provide DPH with the necessary authority required to administer the program.

Approval of Recommendation 1 will allow DPH to accept funds from DHCS to support MAA and TCM Programs. The current SA, in the amount of \$135,000,000 for a three-year term, effective July 1, 2020 through June 30, 2023, supports the MAA and TCM claims reimbursement programs

with First 5 LA and administration costs of DPH, the Auditor-Controller (A-C), the Department of Mental Health – Office of the Public Guardian (DMH – PG), Probation Department, and Access.

Approval of Recommendation 2 will allow DPH to accept and implement future SAs and/or amendments that are consistent with the requirements of SA Number 20-10012 to extend the term of the SA through June 30, 2026; reflect non-material and/or ministerial revisions to the SA terms and conditions; and/or redirect funds for continued participation in the MAA and TCM Programs.

Approval of Recommendation 3 will allow DPH to accept and implement future PPAs and/or amendments that are consistent with the requirements of PPA Number 19-19EVRGRN to extend the term of the PPA through June 30, 2026 and /or reflect non-material revisions to terms and conditions for continued participation in the TCM program.

Approval of Recommendation 4 will allow DPH to execute Host County Agreements with entities selected by the LGA Consortium to collect and distribute LGA participation fees. The MAA and TCM participation fees cover the administrative costs associated with the processing of claims, which include both technical assistance and monitoring activities. The total amount of the fee is based upon anticipated State salaries, benefits, operating expenses, and the equipment needed to administer the claims process.

As a requirement of participation in the MAA and TCM programs, and in recognition of revenue generated through the process, the SA requires all LGAs to pay an annual participation fee through a mechanism agreed to by DHCS, the State, and the LGA that oversees the MAA and TCM Programs. Payment amounts are determined based upon the percentage of revenue received by each program participant.

Approval of Recommendation 5 will allow DPH to amend the current contracts with First 5 LA, Access, and Wayfinder, and to execute contract renewals or extensions effective July 1, 2020 through June 30, 2026 to continue to process claims for services provided by First 5 LA, Access, and Wayfinder to eligible and potentially eligible Medi-Cal clients under the MAA Program. First 5 LA, Access, and Wayfinder are not permitted to submit claims directly to the State for MAA reimbursement.

Approval of Recommendation 6 will allow DPH to execute future contracts with additional qualified MAA and/or TCM participants that are not permitted to submit claims directly to the State for MAA and/or TCM reimbursement to process reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, effective upon execution through June 30, 2026.

Approval of Recommendation 7 will allow DPH to execute future amendments that reflect non-material and/or ministerial revisions to terms and conditions of the contracts referenced in Recommendations 5 and 6 above.

Approval of Recommendation 8 will allow DPH to execute change notices to the contracts to adjust services, as necessary and/or correct errors the contract terms and conditions.

Approval of Recommendation 9 will allow DPH to execute MOUs, as required by DHCS, with the two Managed Care Health Plans, LA Care and Health Net, effective upon executions through June 30 2026, to implement a collaborative approach between TCM and MCP to define respective responsibilities and necessary coordination and referral of resources, and to avoid duplication of services in the TCM program.

Implementation of Strategic Plan Goals

The recommended actions support Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility and Accountability.

FISCAL IMPACT/FINANCING

The maximum amount of SA Number 20-10012 is \$135,000,000 for the term July 1, 2020 through June 30, 2023. These funds support MAA and TCM claim reimbursement program with First 5 LA, Access, and Wayfinder, and administration costs of DPH, A-C, DMH – PG, and Probation Department.

The County of Santa Cruz was designated the Host County from July 1, 2019 through June 30, 2022, by all LGAs participating in the MAA and TCM Programs. The Host County acts as the administrative and fiscal intermediary between the State and all participating LGAs and is responsible for collecting participation fees for administering the LGA Consortium. Participation fees are determined based on the percentage of revenue received by each program participant. The rate will be incremental over the two-year period of the current contract and will be reviewed and reassessed, annually, thereafter.

First 5 LA, Access, and Wayfinder will reimburse DPH and the A-C for the cost associated with processing reimbursement claims based on a detailed itemization of DPH staff time and activities. First 5 LA, Access, and Wayfinder will be billed 50 percent of DPH's administrative costs with the balance to be reimbursed by the MAA Program.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

Medi-Cal Administrative Activities Program:

Under California's Medicaid State Plan agreement with the Centers for Medicare and Medicaid Services (CMS), DHCS has been designated the "single State agency" responsible for the administration and oversight of the Medi-Cal program. Los Angeles County is the LGA that administers the CMAA program to provide services to Medi-Cal eligible populations of Los Angeles County.

Under the Medi-Cal program, LGAs that meet Medi-Cal requirements and claim qualified expenditures associated with the administration and provision of services for the Medi-Cal program may be eligible to receive reimbursement from the federal government for a portion of the

expenditures for the actual cost of providing services and/or activities, known as certified public expenditures.

Targeted Case Management Program:

The TCM Program is an optional Medi-Cal program funded by federal and local funds. The goal of the program is to ensure that the changing needs of Medi-Cal eligible persons are addressed on an ongoing basis and appropriate choices are provided among the widest array of options for meeting those needs.

LGAs participating in the TCM program are eligible to receive federal reimbursement for the cost of providing services covered under the State Medicaid Plan(s).

Local Administration of the MAA and TCM Programs:

DPH, as the administrator of the MAA and TCM programs for the County of Los Angeles (County), processes claims for MAA and TCM reimbursement on behalf of the following: the A-C, DPH, DMH-PG, Probation Department, First 5 LA, Access, and Wayfinder. DPH will execute MOUs with the identified County Departments and provide oversight of all aspects of the program including coordination of all MAA and TCM programs: provision of training regarding State, federal and local requirements for the MAA and TCM claims; and administration and coordination of the development of all MAA and TCM agreements. The A-C is responsible for handling all the fiscal aspects of the MAA and TCM reimbursement program including the review and approval of claims and distribution of payments.

On June 10, 2003, your Board approved Countywide implementation of the MAA and TCM Program; designated the CEO as the lead LGA responsible for coordinating countywide participation in the program; and delegated authority to the CEO, or designee, to execute a contract with DHCS for the period of July 1, 2002 through June 30, 2003 and subsequent fiscal years.

On June 20, 2006, your Board approved execution of a contract with First 5 LA to process its MAA reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients.

On June 23, 2014, your Board approved the transfer of the LGA function and its staff from CEO to DPH.

On December 2, 2014, the CEO assigned the Interim Director of DPH as the CEO's designee to accept and implement SAs and amendments from DHCS for the implementation of the MAA and TCM programs, and to execute and amend contracts for the MAA and TCM programs (e.g., First 5 LA and County provider participation host agreements), pending Board approval of the recommendations outlined above.

County Counsel has reviewed and approved Exhibit I as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure access to health care services for Medi-Cal eligible and potentially eligible individuals in Los Angeles County.

Respectfully submitted,

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

BF:lr
#05120

Enclosures

c: Chief Executive Officer
County Counsel
Executive Office, Board of Supervisors

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

20-10012

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Health Care Services

CONTRACTOR NAME

County of Los Angeles

2. The term of this Agreement is:

START DATE

July 1, 2020

THROUGH END DATE

June 30, 2023

3. The maximum amount of this Agreement is:

\$135,000,000 (One Hundred Thirty Five Million Dollars)

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.

Exhibits	Title	Pages
Exhibit A	Scope of Work	8
Exhibit B	Budget Detail and Payment Provisions	8
Exhibit C *	General Terms and Conditions (GTC 04/2017)	
+ - Exhibit D (F)	Special Terms and Conditions (Attached hereto as part of this agreement)	27
+ - Exhibit E	Additional Provisions	6
+ - Exhibit F	Contractor's Release	1
+ - Exhibit G	HIPAA Business Associate Addendum	6
+ - DHCS 6207	Medi-Cal Disclosure Statement	26

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Los Angeles

CONTRACTOR BUSINESS ADDRESS

313 N. Figueroa Street, Room 806

CITY

Los Angeles

STATE

CA

ZIP

90012

PRINTED NAME OF PERSON SIGNING

Barbara Ferrer, Ph.D., M.P.H., M.Ed.

TITLE

Director

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

20-10012

PURCHASING AUTHORITY NUMBER (If Applicable)

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Health Care Services

CONTRACTING AGENCY ADDRESS

1000 G Street, 4th Floor, MS 4200, P.O. Box 997413

CITY

Sacramento

STATE

CA

ZIP

95899

PRINTED NAME OF PERSON SIGNING

Brian Quacchia

TITLE

Unit Chief, Procurement Section, Contract Services

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts over \$100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. EMPLOYER DISCRIMINATORY POLICIES: For contracts over \$100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.		<i>Federal ID Number</i>
<i>Proposer/Bidder Firm Name (Printed)</i> County of Los Angeles		95-6000927
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i> Barbara Ferrer, Ph.D., M.P.H., M.Ed., Director		
<i>Date Executed</i>	<i>Executed in the County and State of</i> County of Los Angeles, California	

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> County of Los Angeles		<i>Federal ID Number</i> 95-6000927
<i>By (Authorized Signature)</i> 		
<i>Printed Name and Title of Person Signing</i> Barbara Ferrer, Ph.D., M.P.H., M.Ed., Director		
<i>Date Executed</i> 		<i>Executed in the County of</i> Los Angeles

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs;
- and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department

determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to

review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

Exhibit A
Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein:

Contractor shall perform County-Based Medi-Cal Administrative Activities (CMAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program by improving the availability and accessibility of Medi-Cal Services to Medi-Cal eligible and potentially eligible individuals and their families. These activities include, but are not limited to, attending or conducting general, non-medical staff meetings, developing and monitoring program budgets and/or site management, and general non-program supervision of staff. This also includes staff break time and any time spent filling out a Time Survey Form Medi-Cal Outreach, Referral, Coordination, and Monitoring of Medi-Cal Services, Facilitating Medi-Cal Application, Arranging and/or Providing Non-Emergency, Non-Medical Transportation to a Medi-Cal Covered Service, Contract Administration for Medi-Cal Services, Program Planning and Policy Development for Medi-Cal Services, Medi-Cal Administrative Activities (MAA)/Targeted Case Management (TCM) Coordination and Claims Administration, MAA/TCM Implementation Training, general administration, and paid time off.

2. Service Location

The activities shall be performed at applicable facilities within the Los Angeles County geographic region.

3. Service Hours

The services shall be provided during normal Contractor working hours and days.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services
Shelly Taunk, Chief
County-Based Claiming and Inmate Services
Section

Telephone: (916) 345-7934
Fax: (916) 552-9109
E-Mail: shelly.taunk@dhcs.ca.gov

County of Los Angeles
Olga Murga-Rodriguez
LGA/MAA Coordinator
Los Angeles County Department of
Public Health
Telephone: (323) 890-7548
Fax: (323) 890-8544
E-Mail: omurga@ph.lacounty.gov

Exhibit A
Scope of Work

B. Direct all inquiries to:

Department of Health Care Services

County-Based Claiming and Inmate Services
Section

Attention: Thai Nguyen

1501 Capitol Ave., MS 4603

Sacramento, CA 95899-7436

Telephone: (916) 345-7863

Fax: (916) 552-9109

E-Mail: thai.nguyen@dhcs.ca.gov

County of Los Angeles

Los Angeles County Department of
Public Health

Attention: Olga Murga-Rodriguez

5555 Ferguson Drive, Suite 320-50

Commerce, CA 90022 Telephone:

(323) 914-7548

Fax: (323) 890-8544

E-Mail: omurga@ph.lacounty.gov

- C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

5. Services to be Performed

The following CMAA are *eligible* for Federal Financial Participation (FFP) only when they are identified in a CMAA Claiming Plan approved by the State and the Centers for Medicare and Medicaid Services (CMS):

- A. **Medi-Cal Outreach:** This activity may consist of discrete campaigns or may be an ongoing activity. This activity is directed to groups or individuals targeted to two goals:

1. Bringing potential eligibles into the Medi-Cal system for the purpose of determining Medi-Cal eligibility.
2. Bringing Medi-Cal eligibles into Medi-Cal services.

Outreach may consist of discrete campaigns or may be an ongoing activity, such as: sending teams of employees into the community to contact homeless alcoholics or drug abusers; establishing a telephone or walk-in service for referring persons to Medi-Cal services or eligibility offices; operating a drop-in community center for underserved populations, such as minority teenagers where Medi-Cal eligibility and service information is disseminated.

NOTE: Public health outreach conducted by Local Government Agencies (LGAs) shall not duplicate the requirements on Medi-Cal managed care providers to pursue the enrollment of Medi-Cal eligibles in their service areas.

3. Medi-Cal only eligibility outreach campaigns directed to the entire population to encourage potential Medi-Cal eligibles to apply for Medi-Cal are allowable, and the costs do not have to be discounted by the Medi-Cal percentage:

Exhibit A
Scope of Work

- a. Outreach campaigns directed toward bringing Medi-Cal eligibles into Medi-Cal covered services are allowable and the costs do not have to be discounted by the Medi-Cal percentage. In such campaigns, the language should clearly indicate that the message is directed only to persons eligible for Medi-Cal, and not the general public. These campaigns are service campaigns, targeted on specific Medi-Cal services, such as Early and Periodic Screening, Diagnosis and Treatment.
 - b. A health education program or campaign may be allowable as a Medi-Cal administrative cost if it is targeted specifically to Medi-Cal services and for Medi-Cal eligible individuals, such as an educational campaign on immunization addressed to parents of Medi-Cal children.
- B. Referral, Coordination, and Monitoring of Medi-Cal Services:** Referral, Coordination, and Monitoring of Medi-Cal Services includes making referrals for, coordinating, and/or monitoring the delivery of Medi-Cal covered services.
- C. Facilitating Medi-Cal Application (Eligibility Intake):** This activity includes explaining Medi-Cal eligibility rules and the Medi-Cal eligibility process to prospective applicants; assisting an applicant to fill out a Medi-Cal eligibility application; gathering information related to the application and eligibility determination or re-determination from a client, including resource information and third party liability information, as a prelude to submitting a formal Medi-Cal application to the county welfare department; and/or providing necessary forms and packaging all forms in preparation for the Medi-Cal eligibility determination. This activity does not include the eligibility determination itself. These costs do not have to be discounted (i.e., reduced) by the Medi-Cal percentage.
- D. Arranging and/or Providing Non-Emergency, Non-Medical Transportation to a Medi-Cal covered Service:** Arranging and/or providing non-emergency, non-medical transportation for a Medi-Cal eligible client who does not have a physical or mental limitation to a Medi-Cal provider for a Medi-Cal covered service when medically necessary. Arranging and/or providing non-emergency, non-medical transportation and accompaniment by an attendant, for a Medi-Cal eligible client who has a physical or mental limitation to a Medi-Cal provider for a Medi-Cal covered service when medically necessary. If the Medi-Cal eligible client does not have a physical or mental limitation, the contractor or governmental unit may provide transportation services, but is unable to accompany the client to the Medi-Cal covered service appointment. However, LGAs may not claim arranging transportation as CMAA when performed by a TCM Case Manager. The cost of this time will be included in the TCM encounter rate and is not claimable separately through CMAA (DHCS CMAA Program Operational Plan, Appendix D, Section III.3.).

Exhibit A
Scope of Work

Examples: Providing transportation services to a Medi-Cal eligible individual to a Medi-Cal service provider. Scheduling or arranging transportation to Medi-Cal covered services. Accompanying clients (elderly, young, disabled) at a Medi-Cal provider medical appointment because the client has physical limitation, pursuant to 42 Code of Federal Regulations (CFR) part 440.170.

- E. **Contract Administration for Medi-Cal Services:** This activity involves entering into agreements with community based organizations or other provider agencies for the provision of Medi-Cal services and/or CMAA, other than TCM. The costs of TCM subcontract administration should be included in the TCM rate.

NOTE: A Contractor has the option of claiming the costs of contract administration for allowable CMAA, such as Outreach, under that activity or the costs may be claimed under Contract Administration. Under no circumstances are the costs of contract administration for allowable CMAA to be claimed under both Contract Administration and the activity, such as Outreach. Contracting for Medi-Cal services may only be claimed under Contract Administration.

Contracting for Medi-Cal services and/or CMAA is claimable as an administrative activity when the administration of those agreements meets all of the following criteria:

1. The contract administration is performed by an identifiable unit of one or more employees, whose tasks officially involve contract administration, according to the duty statements or job descriptions of the employees being claimed.
2. The contract administration involves contractors that provide Medi-Cal services and/or CMAA. The costs of contracting for TCM services with non-LGA providers should be claimed as part of the TCM rate. These costs cannot be separately claimed as CMAA.
3. The contract administration must be directed to one or more of the following goals:
 - a. Identifying, recruiting, and contracting with community agencies as Medi-Cal service contract providers;
 - b. Providing technical assistance to Medi-Cal subcontractors regarding County, State and Federal regulations;
 - c. Monitoring provider agency capacity and availability; and
 - d. Ensuring compliance with the terms of the agreement.

Exhibit A
Scope of Work

The contracts being administered must be for Medi-Cal services and CMAA or just CMAA and target Medi-Cal populations only or target the general population if the general population includes a Medi-Cal eligible population.

F. Program Planning and Policy Development (PP&PD) for Medi-Cal Services:

This activity may be claimed at the enhanced rate (75 percent FFP) if performed by a Skilled Professional Medical Personnel (SPMP), or the non-enhanced rate (50 percent FFP) if performed by a non-SPMP.

1. Allowable: This activity is claimable when performed, either part-time or full-time, by one or more Contractor employees and subcontractors whose tasks officially involve PP&PD. Contractor employees performing this activity must have the tasks identified in the employee's position descriptions/duty statements. If the programs serve both Medi-Cal and non-Medi-Cal clients, the costs of PP&PD activities must be allocated according to the Medi-Cal percentages being served by the programs.

This activity is claimable as a direct charge for Medi-Cal administration only when PP&PD is performed by a unit of one or more Contractor employees who spend 100 percent of their paid working time performing this activity. This activity is claimable only if the administrative amounts being claimed for PP&PD persons and activities are not otherwise included in other claimable cost pools; and the amounts being claimed for such persons employed by (and activities taking place in) a service provider setting are not otherwise being reimbursed through the billable service rate of that provider. Costs for persons performing this activity less than 100 percent of their time will be based on a time-survey.

In LGAs with county-wide managed care arrangements, PP&PD activities are claimable as Medi-Cal administration only for those services that are excluded from the managed care contracts.

Under the conditions specified above, the following tasks are allowable as CMAA under this activity:

- a. Developing strategies to increase Medi-Cal system capacity and close Medi-Cal service gaps. This includes analyzing Medi-Cal data related to a specific program or specific group.
- b. Interagency coordination to improve delivery of Medi-Cal services.
- c. Developing resource directories of Medi-Cal services/providers.

Exhibit A
Scope of Work

- d. For subcontractors, some PP&PD support services are allowable, e.g., developing resource directories, preparing Medi-Cal data reports, conducting needs assessments, or preparing proposals for expansion of Medi-Cal services.
2. Not allowable: This activity is not allowable if staff performing this function are employed full-time by service providers, such as clinics. The full costs of the employee's salary are assumed to be included in the billable fee-for-service rate and separate CMAA claiming is not allowed.

This activity is not allowable if staff who deliver services part-time in an LGA service provider setting, such as a clinic, are performing PP&PD activities relating to the service provider setting in which they deliver services.

- G. MAA/TCM Coordination and Claims Administration:** Contractor employees whose position description/duty statement includes the administration of CMAA and TCM on an LGA service region-wide basis, may claim for the costs of these activities on the CMAA detailed invoice as a direct charge.

Costs incurred in the preparation and submission of CMAA claims at any level, including staff time, supplies, and computer time, may be direct charged. If the CMAA/TCM Coordinator and/or claims administration staff are performing this function part-time, along with other duties, they must certify the percentage of total time spent performing the duties of CMAA coordination and/or claims administration. The percentage certified for the CMAA/TCM Coordinator and/or claims administration staff activities must be used as the basis for federal claiming. Charges for supervisors, clericals, and support staff may be allocated based upon the percentage of certified time of the CMAA/TCM Coordinator and claims administration staff.

1. The CMAA/TCM Coordinator and claims administration staff may claim the costs of the following activities, as well as any other reasonable activities directly related to the Contractor's administration of TCM services and CMAA at the LGA-wide level:
 - a. Drafting, revising, and submitting CMAA Claiming Plans, and TCM performance monitoring plans.
 - b. Serving as liaison with and monitoring the performance of claiming programs within the LGA and with the State and Federal Governments on CMAA and TCM.
 - c. Administering LGA claiming, including overseeing, preparing, compiling, revising and submitting CMAA and TCM invoices on an LGA-wide basis to the State.

Exhibit A
Scope of Work

- d. Attending training sessions, meetings, and conferences involving CMAA and/or TCM.
- e. Training Contractor program and subcontractor staff on State, Federal, and Local requirements for CMAA and/or TCM claiming.
- f. Ensuring that CMAA and/or TCM invoices do not duplicate Medi-Cal invoices for the same services or activities from other providers. This includes ensuring that services are not duplicated when a Medi-Cal beneficiary receives TCM services from more than one case manager.

NOTE: The costs of the CMAA/TCM Coordinator's time and claims administration staff time must not be included in the CMAA claiming or in the TCM rate, since the costs associated with the time are to be direct charged. Charges for supervisors, clericals, and support staff for these employees may be allocated based upon the percentage of certified time of the CMAA/TCM Coordinator and claims administration staff. The costs of TCM claiming activity at the TCM provider level are to be included in the TCM rate.

- H. **MAA/TCM Implementation Training:** Training activities shall be time studied in accordance with the purpose of the training. Training activities include time spent providing or attending training related to the performance of CMAA or TCM. Training activities also include reasonable time spent on related paperwork, clerical activities, staff travel time necessary to perform these activities including initiating and responding to email and voicemail. Training that is unrelated to CMAA is not allowable.
- I. **General Administration:** This includes activities that are eligible for cost distribution on a 2 CFR Part 200 et. Seq. approved cost allocation basis. These costs are to be distributed proportionately while performing the following activities:
 - 1. Attend or conduct general, non-medical staff meetings;
 - 2. Develop and monitor program budgets;
 - 3. Provide instructional leadership, site management, supervise staff, or participate in Employee performance reviews;
 - 4. Review departmental or unit procedures and rules;
 - 5. Present or participate in, in-service orientations and programs;

Exhibit A
Scope of Work

6. Participate in health promotion activities for employees of the Contractor; and
 7. The 15 minutes that a time survey participant spent filling out the Time Survey Form at the end of the work day.
- J. **Paid Time Off:** This activity is to be used by all staff involved in CMAA to record usage of paid leave, including vacation, sick leave, holiday time and any other employee time off that is paid. This does not include lunch or meal breaks, off payroll time, or Compensatory Time Off which shall be allocated as prescribed by the State.

6. Americans with Disabilities Act

Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of **Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973** as amended (29 U.S.C. § 794 (d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. In 1998, Congress amended the **Rehabilitation Act of 1973** to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code section 11135 codifies section 508 of the Act requiring accessibility of electronic and information technology.

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. For administrative activities satisfactorily rendered and upon receipt and approval of the invoices, DHCS agrees to compensate the Contractor for actual expenditures incurred in accordance with the conditions specified herein.
- B. Invoices shall include the Agreement Number and shall be submitted not more frequently than quarterly in arrears to:

Regular Mail

CMAA Analyst
Department of Health Care Services

Local Governmental Financing
Division
County-Based Claiming and Inmate
Services Section
MS 4603
PO Box 997436
Sacramento, CA 95899-7436

Overnight Mail

CMAA Analyst
Department of Health Care Services

Local Governmental Financing
Division
County-Based Claiming and Inmate
Services Section
MS 4603
1501 Capitol Avenue
Sacramento, CA 95814

- C. Invoices shall:
 - 1. Be prepared on the County-Based Medi-Cal Administrative Activities (CMAA) Invoice incorporated by reference in Exhibit E, Provision 1.
 - 2. Be prepared on Contractor letterhead and must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the activities performed under this agreement on the CMAA Invoice Summary page.
 - 3. Bear the Contractor's name as shown on the agreement on the CMAA Invoice.
 - 4. Identify the billing and/or performance period covered by the invoice on the CMAA Invoice.
 - 5. Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement on the CMAA Invoice. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by DHCS.
 - 6. Provide the State with complete invoice and expenditure information to include in the CMS 64 no later than *fifteen* (15) months after the end of the

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quarter for which the claim was submitted. This information shall be provided on the standardized CMAA Invoice.

7. Identify on the CMAA Invoice, the claim categories to which expenditure data must adhere for insertion into the CMS 64. A separate CMAA Invoice shall be submitted for each program, clinic, non-governmental entity and subcontractor claiming CMAA costs pursuant to this agreement, except for contracted employees under the direct control of the Contractor. Contracted employees' costs shall be aggregated and reported in accordance with the CMAA Invoice instructions. The CMAA Invoice(s) for each of the programs claimed shall correspond to the name of the claiming programs identified in the Contractors CMAA Claiming Plan. The Invoice instructions are found in the DHCS CMAA/TCM Time Survey Methodology and DHCS CMAA Program Operational Plan (CMAA/ TCM Implementation Plan) incorporated by reference in Exhibit E, Provision 1.

D. Rates Payable

1. The invoices may include the cost of expenses of staff and the operating expenses and equipment costs necessary to collect data, disseminate information, and carry out the staff activities outlined in this agreement.
 - a. The maximum rate of Federal reimbursement for compensation (salary and benefits), of activities qualifying under Federal regulations applying to Skilled Professional Medical Personnel (SPMP) of a public agency and their direct supporting staff shall be 75 percent of such costs for activities identified as "enhanced." The maximum rate of reimbursement for allowable costs of activities identified as "non-enhanced", performed by SPMP and their direct supporting staff, shall be 50 percent. The maximum rate of reimbursement for all allowable costs other than compensation applicable to SPMPs and their direct supporting staff shall be 50 percent.
- 1) An SPMP is defined as an employee of the Contractor who has completed a 2-year or longer program leading to an academic degree or certification in a medically-related profession *and* who performs duties and responsibilities requiring professional medical knowledge and skills. Direct supporting staff are also employees of the Contractor. They are secretarial, stenographic, copy, file, or record clerks who are directly supervised by the SPMP, and who provide clerical services necessary for carrying out the professional medical responsibilities and administrative activities of the SPMP.
- b. The rate of federal reimbursement is 50 percent FFP for all costs of non-SPMPs and all costs of subcontractors (non-governmental entities) performing allowable administrative activities as defined in Provision 5, Services to be Performed, of Exhibit A, Scope of Work.

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- c. The maximum rate of reimbursement for all non-public subcontractors to the Contractor shall be 50 percent for all categories of cost.
- E. Certify the certified public expenditure (CPE) from the Contractor's General Fund, or from any other funds allowed under federal law and regulation, for Title XIX funds claimed for CMAA performed pursuant to W&I Code Section 14132.47. The State shall deny payment of any claim submitted under this agreement if it determines that the certification is not adequately supported for purposes of FFP. Expenditures certified for CMAA costs shall not duplicate, in whole or in part, claims made for the costs of direct patient care. DHCS shall provide a certification statement to be included with each CMAA Invoice Summary Page submitted to the State for payment for the performance of CMAA.

2. 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 be of no further force and effect. In this event, DHCS 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 further provide services under the CMAA program.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall have the option to either cancel this Agreement with no liability occurring to DHCS, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. 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.

4. Amounts Payable

- A. The amounts payable under this agreement shall not exceed:
 - 1. \$ 45,000,000 for the budget period of 07/01/20 through 06/30/21,
 - 2. \$ 45,000,000 for the budget period of 07/01/21 through 06/30/22,
 - 3. \$ 45,000,000 for the budget period of 07/01/22 through 06/30/23.
- B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

5. Timely Submission of Final Invoice

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- A. A final undisputed invoice shall be submitted for payment no more than thirty (30) calendar days following the expiration or termination date of this Agreement, unless a later or alternate deadline is agreed to in writing by the Program Contract Manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of DHCS under this Agreement have ceased and that no further payments are due or outstanding.
- B. DHCS may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written DHCS approval of an alternate final invoice submission deadline. Written DHCS approval shall be sought from the Program Contract Manager prior to the expiration or termination date of this Agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit F)**" acknowledging submission of the final invoice to DHCS and certifying the approximate percentage amount, if any, of recycled products used in performance of this Agreement.

6. Participation in Medi-Cal Administrative Claiming Process

- A. As a condition of participation in the Medi-Cal Administrative Claiming process, and in recognition of revenue generated in the Medi-Cal Administrative Claiming process, the Contractor shall pay an annual participation fee through a mechanism agreed to by the State and Contractors, or, if no agreement is reached by August 1 of each year, directly to the State.
- B. The participation fee shall be used to cover the cost of administering the Medi-Cal Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The State shall determine and report staffing requirements upon which projected costs will be based.
- C. The amount of the participation fee shall be based upon the anticipated state salaries, benefits, operating expenses and equipment, necessary to administer the Medi-Cal Administrative Claiming process and other costs related to that process.

7. Non-Federal Matching Funds for CMAA

The Contractor will expend one hundred percent (100%) of the non-federal share of the cost of performing CMAA. By signing this agreement, the Contractor certifies that the funds expended for this purpose shall be from the Contractor's general fund or from any other funds allowable under federal law and regulation.

8. Claiming Overhead Costs

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Budget Detail and Payment Provisions

- A. In order to claim administrative overhead costs, also referred to as "External Administrative Overhead" costs, the Contractor must have a State Controller's Office approved LGA administrative overhead cost allocation plan for the applicable period and these costs must be claimed in accordance with the plan. An LGA's plan is submitted to the California State Controller's Office, which has delegated authority from the Federal Government to approve it.
- B. Internal (departmental) administrative overhead costs are allowable for FFP only if there is a departmental overhead indirect cost allocation plan prepared and on file for audit purposes for the applicable period and costs are claimed in accordance with it following 2 CFR Part 200 et. Seq. guidelines.
- C. Both external and internal administrative cost allocation plans must comply with provisions of 2 CFR Part 200 et. Seq., entitled "Cost Principles for State, Local, and Indian Tribal Governments" and Federal Publication OASC-10, entitled "A Guide for State and Local Governments/Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government."
- D. The Contractor must assure that costs claimed as direct costs are not duplicate costs claimed through the application of the indirect cost rate.

9. Offset of Revenues and Non-Duplication of FFP

- A. To the extent that other funding sources have paid or would pay for the costs at issue, FFP is not available and the costs must be removed from the total costs (2 CFR part 200 et. seq.). The revenue offset categories which must be applied in developing the net costs include, but are not limited to:
 - 1. All unallowable federal funds, including not only federal grants but also federal payments for services under Medicare fee-for-service or encounter rates.
 - 2. All state expenditures which have been previously matched by the Federal Government (*includes Medicaid funds for medical assistance, such as the payment rate for services under fee-for-service or encounter rates*). Claims submitted will not be duplicative of Medicaid claims for costs that are part of the all inclusive rate for direct patient care.
 - 3. Private insurance and other fees collected from non-governmental sources.
 - 4. All applicable credits must be offset against claims for Medicaid funds. Applicable credits refer to those receipts or reduction of expenditure type

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transactions that offset or reduce expense items allocable to federal awards as direct or indirect costs.

5. A program may not claim any federal match for administrative activities if its total cost has already been paid by the revenue sources above. A government program may not be reimbursed in excess of its actual costs.

10. Requirements for FFP

- A. The reimbursement LGAs receive for their Medi-Cal program expenditures is known as FFP. Section 433.51 of Title 42 of the CFR provides that the amount expended for providing medical assistance must be "... certified by the contribution public agency as representing expenditures eligible for FFP." Section 1903(a) of Title XIX of the Social Security Act also provides language indicating states may receive an enhancement to the FFP. Section 1903(a)(2) of the Act specifically indicates federal matching at 75 percent is attributable to the compensation and/or training of SPMP, and staff direct supporting such personnel of the State agency of any other public agency. For example, when the amounts expended for providing medical assistance "are attributable to the compensation or training of SPMP, and staff direct supporting such personnel", the FFP rate shall be 75 percent. Therefore, the FFP rate for an LGA claim with eligible and certified Medi-Cal expenditures performed by an SPMP, or staff direct supporting an SPMP, in the amount of \$100 would be \$75 ($\$100 \times .75 = \75).
- B. In order to meet the CPE requirements and receive FFP, LGAs must obtain and maintain supporting documentation verifying: a) 100 percent of available revenue is specifically related to performing the administrative activities and services of the Medi-Cal program; b) 100 percent of the expenditures eligible for reimbursement are specifically related to performing the administrative activities and services of the Medi-Cal program; c) the expenditures eligible for reimbursement are restricted to the actual costs incurred; d) the funds expended to account for the actual cost are from revenue sources allowable under all applicable state and federal laws and regulations; e) the administrative activity and service expenditures of the Medi-Cal program are incurred prior to requesting FFP reimbursement. The contributing public agency must certify to their allowable expenditures for the actual costs of providing services and/or activities. Community-Based Organizations (CBOs) may not utilize their private funds or certify costs. CBOs may only utilize allowable CPE contributed by a Public Agency for the actual costs related to Medi-Cal eligible services and/or activities. If an LGA has a question regarding eligible CPE or actual cost at the claiming unit or CBO level, they should contact DHCS.
- C. Per 42 CFR, Section 432.2 et seq., and Section 433.1 et seq., SPMP, and direct supporting staff, eligible for enhanced funding are defined as physicians, dentists, nurses, and other specialized personnel who have professional education and training in the field of medical care or appropriate medical practice

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and who are in an employer-employee relationship with the Contractor. SPMPs do not include other non-medical health professionals such as public administrators, medical analysts, lobbyists, senior managers or administrators of public assistance programs or of the Medi-Cal program.

- D. The seventy-five (75) percent (enhanced) federal matching rate is only available for a Contractor that is contractually linked to DHCS to perform Medi-Cal Administrative Activities. The enhanced federal matching rate can be claimed for salaries, benefits, travel and training of SPMP and their direct supporting clerical staff who are in an employee-employer relationship with the Contractor and are involved in activities that are necessary for the proper and efficient administration of the Medi-Cal Program.
- E. Fifty (50) percent (non-enhanced) federal matching rate can be claimed for any of the Contractor's staff, or subcontractors, involved in the performance of activities that are necessary for the proper and efficient administration of the Medi-Cal Program. This includes claiming for SPMP and direct supporting clerical staff performing related activities that are non-enhanced. Additionally, the ability to claim SPMP under the MAA program is activity driven not education based. Expenditures for the actual furnishing of medical services by SPMP do not qualify for reimbursement via Medi-Cal Administrative Claiming, as medical services are paid for in the fee-for-services system and managed care system.
- F. Qualifying SPMP costs may be matched at the 75 percent rate in proportion to the time worked by SPMP in performing those duties that require professional medical knowledge and skills, as evidenced by position descriptions, job announcements, or job classifications.

11. Expense Allowability/Fiscal Documentation

- A. Invoices, received from a Contractor and accepted and/or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.
- D. The LGA is to establish policies and procedures to identify the Federal Award amounts passed through to subrecipients and furnish those amounts to DHCS.

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12. Federal Audit Disallowances

- A. In addition to the indemnification required by Exhibit C, Provision 5, and notwithstanding any other provision of this agreement, the State shall be held harmless, in accordance with Provision 2, Budget Contingency Clause, paragraphs A and B, from any federal audit disallowance and interest resulting from payments made to the Contractor pursuant to W&I Code Section 14132.47, and this agreement, less the amounts already remitted to the State.
- B. To the extent that a federal audit disallowance and interest results from a claim or claims for the Contractor has received reimbursement for CMAA, the State shall recoup from the Contractor which submitted the disallowed claim, through offsets or by direct billing, amounts equal to the amount of the disallowance plus interest in that fiscal year, less any amount already remitted to the State for the disallowed claim. All subsequent claims submitted to the State applicable to any previously disallowed CMAA or claim, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved.
- C. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Contractor has received reimbursement for CMAA performed by a non-governmental entity under agreement with, and on behalf of, the Contractor, the State shall be held harmless by that particular Contractor for 100 percent of the amount of any such final federal audit disallowance and interest less the amounts already remitted to the State for the disallowed claim.

13. Dun and Bradstreet Universal Numbering System (DUNS)

Notwithstanding Exhibit E. 7. A. 8. definition for vendor, CMAA providers and their subcontractors are considered contractors solely for the purposes of U.S. Office of Management and Budget Uniform Guidance (Title 2 of the Code of Federal Regulations, Part 200, and, specifically, 2 CFR 200.330). Consequently, as contractors, as distinguished from subrecipients, a DUNS number is not required.

Special Terms and Conditions

(For federally funded service contracts or agreements and grant agreements)

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Health Care Services", "California Department of Health Services", "Department of Health Care Services", "Department of Health Services", "CDHCS", "DHCS", "CDHS", and "DHS" shall all have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

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1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from DHCS under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to CalHR rates may be approved by DHCS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by DHCS or expenses for said items are reimbursed by DHCS with state or federal funds provided under the Agreement.)

a. Equipment/Property definitions

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
 - (2) **Minor equipment/property:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.

- (1) Equipment/property purchases shall not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Contractor shall submit to the DHCS Program Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the DHCS Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
 - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
 - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
 - (c) Procurements shall be conducted in a manner that provides for all of the following:
 - [1] Avoid purchasing unnecessary or duplicate items.
 - [2] Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
 - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHCS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase

authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

4. Equipment/Property Ownership / Inventory / Disposition

(Applicable to agreements in which equipment/property is furnished by DHCS and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under the Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement shall be considered state equipment and the property of DHCS.

- (1) **Reporting of Equipment/Property Receipt** - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by DHCS or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the DHCS Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHCS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHCS Funds) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager.

- (2) **Annual Equipment/Property Inventory** - If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the DHCS Program Contract Manager using a form or format designated by DHCS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
 - (b) Submit the inventory report to DHCS according to the instructions appearing on the inventory form or issued by the DHCS Program Contract Manager.
 - (c) Contact the DHCS Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by either the DHCS Program Contract Manager or DHCS' Asset Management Unit.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
- (1) In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHCS Program Contract Manager.

- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the DHCS Program Contract Manager and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to DHCS. Final disposition of equipment and/or property shall be at DHCS expense and according to DHCS instructions. Equipment and/or property disposition instructions shall be issued by DHCS immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

g. Motor Vehicles

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to DHCS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHCS Program Contract Manager. The certificate of insurance shall identify the DHCS contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.

- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
 - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services).
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify the California Department of Health Care Services (DHCS), in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHCS, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHCS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
 - (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
 - (2) DHCS may identify the information needed to fulfill this requirement.
 - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - (a) A local governmental entity or the federal government,
 - (b) A State college or State university from any State,
 - (c) A Joint Powers Authority,
 - (d) An auxiliary organization of a California State University or a California community college,
 - (e) A foundation organized to support the Board of Governors of the California Community Colleges,

- (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
 - (g) Firms or individuals proposed for use and approved by DHCS' funding Program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
 - (h) Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5 Section 5.80 Subsection B.2. View this publication at the following Internet address: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>
- b. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
- (1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make copies available for approval, inspection, or audit.
- e. DHCS assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- "(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHCS to the Contractor, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
- i. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, 32 and/or other numbered provisions herein that are deemed applicable.

6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Agreement.

7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896.77)
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
 - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
 - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- f. The Contractor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.
- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

10. Termination

a. For Cause

The State may terminate this Agreement, in whole or in part, and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand. If this Agreement is terminated, in whole or in part, the State may require the Contractor to transfer title, or in the case of licensed software, license, and deliver to the State any completed deliverables, partially completed deliverables, and any other materials, related to the terminated portion of the Contract, including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding Medicaid claims. The State shall pay contract price for completed deliverables delivered and accepted and items the State requires the Contractor to transfer as described in this paragraph above.

b. For Convenience

The State retains the option to terminate this Agreement, in whole or in part, without cause, at the State's convenience, without penalty, provided that written notice has been delivered to the Contractor at least ninety (90) calendar days prior to such termination date. In the event of termination, in whole or in part, under this paragraph, the State may require the Contractor to transfer title, or in the case of licensed software, license, and deliver to the State any completed deliverables, partially completed deliverables, and any other materials related to the terminated portion of the contract including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding Medicaid claims. The Contractor will be entitled to compensation upon submission of an invoice and proper proof of claim for the services and products satisfactorily rendered, subject to all payment provisions of the Agreement. Payment is limited to expenses necessarily incurred pursuant to this Agreement up to the date of termination.

11. Intellectual Property Rights

a. Ownership

- (1) Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.

- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
 - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHCS. **Except as otherwise set forth herein, neither the Contractor nor DHCS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHCS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.

- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHCS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2010, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DHCS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining a DHCS, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and DHCS determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DHCS.

f. Warranties

- (1) Contractor represents and warrants that:
 - (a) It is free to enter into and fully perform this Agreement.

- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
 - (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
 - (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
 - (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
 - (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
 - (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.
- (2) DHCS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

- (1) Contractor shall indemnify, defend and hold harmless DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DHCS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHCS.
- (2) Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its

authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

- (3) Contractor agrees that damages alone would be inadequate to compensate DHCS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Federal Funding

In any agreement funded in whole or in part by the federal government, DHCS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

i. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

12. Air or Water Pollution Requirements

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt by law.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 USC 7606) section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations.
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Clean Water Act (33 U.S.C. 1251 et seq.), as amended.

13. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior DHCS approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

14. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or

are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.

- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity 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.
- f. As deemed applicable by DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

15. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

16. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from DHCS' action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DHCS, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
 - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Health and Safety Code Section 100171.
- c. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
- d. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

17. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code Section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code Section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
 - (1) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, and/or
 - (2) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, and/or
 - (3) ***If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by 2 C.F.R. §§ 200.64, 200.70, and 200.90) and expends \$750,000 or more in Federal awards;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in 2 C.F.R. 200.501 entitled "Audit Requirements". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:
 - (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
 - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
 - (4) If the Contractor submits to DHCS a report of an audit other than a 2 C.F.R. 200.501 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$750,000 or more in federal funds for the year covered by the audit report.

- d. Two copies of the audit report shall be delivered to the DHCS program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHCS Program Contract Manager shall forward the audit report to DHCS' Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
- e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The DHCS program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
- f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
- g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
- h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
- i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
- j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
- k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued *Standards for Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

18. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

19. Novation Requirements

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

20. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 2 CFR 180, 2 CFR 376
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) violation of Federal or State antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, obstruction of justice, or the commission of any other offense indicating a lack of business integrity or business honesty that seriously affects its business honesty;
 - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
 - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
 - (5) Have not, within a three-year period preceding this application/proposal/agreement, engaged in any of the violations listed under 2 CFR Part 180, Subpart C as supplemented by 2 CFR Part 376.
 - (6) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - (7) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in 2 CFR Part 180 as supplemented by 2 CFR Part 376.
- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this Agreement for cause or default.

21. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

22. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

23. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, DHCS may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHCS receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

24. Performance Evaluation

(Not applicable to grant agreements.)

DHCS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

25. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

26. Four-Digit Date Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

27. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

28. Use of Small, Minority Owned and Women's Businesses

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

29. Alien Ineligibility Certification

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

30. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

31. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
 - (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.

f. Earned/Accrued Compensation

- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

32. Suspension or Stop Work Notification

- a. DHCS may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Contractor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within 30 working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from DHCS. The resumption of work (in whole or part) will be at DHCS' discretion and upon receipt of written confirmation.
 - (1) Upon receipt of a suspension or stop work notification, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.

- (2) Within 90 days of the issuance of a suspension or stop work notification, DHCS shall either:
- (a) Cancel, extend, or modify the suspension or stop work notification; or
 - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Contractor may resume work only upon written concurrence of funding Program's Contract Manager.
 - d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or contract terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
 - e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
 - f. DHCS shall not be liable to the Contractor for loss of profits because of any suspension or stop work notification issued under this clause.

33. Public Communications

"Electronic and printed documents developed and produced, for public communications shall follow the following requirements to comply with Section 508 of the Rehabilitation Act and the American with Disabilities Act:

- A. Ensure visual-impaired, hearing-impaired and other special needs audiences are provided material information in formats that provide the most assistance in making informed choices."

34. Compliance with Statutes and Regulations

- a. The Contractor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Contractor's performance under the Agreement.
- b. These authorities include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subpart F, Appendix II; Title 42 CFR Part 431, subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR Part 434; Title 45 CFR Part 75, subpart D; and Title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations and they shall supersede any conflicting provisions in this Agreement.

35. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

a. Certification and Disclosure Requirements

- (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant,

which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.

- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
 - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
 - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS Program Contract Manager.

b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

Attachment 1
State of California
Department of Health Care Services

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

County of Los Angeles

Name of Contractor

Barbara Ferrer

Printed Name of Person Signing for Contractor

20-10012

Contract / Grant Number

Signature of Person Signing for Contractor

Date

Title

After execution by or on behalf of Contractor, please return to:

California Department of Health Care Services
Local Governmental Financing Division
County-Based Medi-Cal Administrative Activities
1501 Capitol Avenue
P.O. Box 997436 MS 4603
Sacramento, CA 95899-7436

DHCS reserves the right to notify the contractor in writing of an alternate submission address.

Attachment 2

CERTIFICATION REGARDING LOBBYING

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: Year _____ quarter _____ date of last report _____.
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier ____, if known: Congressional District, If known:		5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, If known:
6. Federal Department/Agency	7. Federal Program Name/Description: CDFA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10.a. Name and Address of Lobbying Registrant <i>(If individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from 10a.</i> <i>(Last name, First name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a not more than \$100,000 for each such failure.	Signature: _____	
	Print Name: _____	
	Title: _____	
	Telephone No.: _____ Date: _____	
Federal Use Only		Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Exhibit E
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1. Additional Incorporated Exhibits

A. The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. Contractors are required to fully comply with the directives in each document incorporated by reference herein and each update thereto. These documents may be updated periodically by DHCS, as required by program directives or changes in law or policy. Unless otherwise indicated, DHCS shall provide the Contractor with copies of said documents at or before the agreement is presented to the Contractor for review, acceptance, and signature and will require acknowledgement of receipt. Periodic updates to the below listed documents will be presented to the Contractor under separate cover and acknowledgement of receipt will be required. DHCS will maintain on file, all documents referenced herein and any subsequent updates.

1. Policy & Procedure Letters (PPL)*
2. DHCS CMAA/TCM Time Survey Methodology and DHCS CMAA Program Operational Plan (CMAA/ TCM Implementation Plan) *
3. CMAA Invoice Documents*
4. CMAA Training Materials*

*View at www.dhcs.ca.gov/provgovpart/Pages/CMAA.aspx

2. Amendment Process

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

3. Cancellation/Termination

- A. This Agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements.
- B. Upon receipt of a notice of termination or cancellation from DHCS, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.

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- C. The Contractor shall be entitled to payment for all allowable costs authorized under this Agreement, including authorized non-cancelable obligations incurred up to the date of termination or cancellation, provided such expenses do not exceed the stated maximum amounts payable.

4. Contractor Responsibilities

- A. The Contractor shall comply with 42 U.S.C., Section 1396 et seq., 42 CFR Part 400 et seq., and 45 CFR Part 95, California Welfare and Institutions Code, Division 9, Part 3, Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200), and Title 22 California Code of Regulations CCR), Division (3 (commencing with Section 50000), all as periodically amended; State issued policy directives; 2 CFR Part 200 et. Seq., as periodically amended.
- B. If the Contractor enters into contracts with other organizations to perform CMAA in support of the Contractor claiming administrative reimbursement, the Contractor shall have any contract to perform administrative activities under the auspices of the Medi-Cal Program available for State and/or Federal review.
- C. The Contractor is responsible for the acts or omissions of its employees and/or subcontractors. Submission of a falsified CMAA Invoice by a Contractor shall constitute a breach of contract. Submission of a CMAA invoice for which there is no supporting documentation by a Contractor may constitute a breach of contract.
- D. The conviction of an employee or subcontractor of the Contractor, or of an employee of a subcontractor, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal applicant or beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the Medi-Cal Administrative Claiming process. Failure of a Contractor to exclude a convicted individual from participation in the Medi-Cal Administrative Claiming process shall constitute a breach of contract.
- E. Exclusion after conviction shall result regardless of any subsequent order under Section 1203.4 of the Penal Code allowing a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.
- F. Suspension or exclusion of an employee or subcontractor, or of an employee of a subcontractor, from participation in the Medi-Cal Program, the Medicaid Program, or the Medicare Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the Medi-Cal Administrative Claiming process. Failure of a Contractor to exclude a

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suspended or excluded individual from participation in the Medi-Cal Administrative Claiming process shall constitute a breach of contract.

- G. Revocation, suspension, or restriction of the license, certificate, or registration of any employee, subcontractor, or employee of a subcontractor, shall result in exclusion from the Medi-Cal Administrative Claiming process, when such license, certificate, or registration is required for the performance of Medi-Cal administrative activities. Failure of a Contractor to exclude an individual whose license, certificate, or registration has been revoked, suspended, or restricted, from participation in the Medi-Cal Administrative Claiming process, may constitute a breach of contract.
- H. LGA budget units that elect to participate in the CMAA and/or TCM programs are required to conduct time surveys to account for staff time spent performing Medi-Cal and non-Medi-Cal eligible services and activities. The time survey results are used in the determination of allowable Medi-Cal costs. The activities of staff providing Medi-Cal administration must be documented in accordance with the provisions of 42 CFR Sections 432.50, 433.32, and 433.34, and 45 CFR Parts 74 and 95, and 2 CFR Part 200 et. Seq.
- I. All non-Medi-Cal related activities and direct patient care services shall be time surveyed to "Other Programs/Activities" or "Direct Patient Care" on the Time Survey form, as appropriate.
- J. The Contractor shall comply with enabling legislation, regulations, administrative claiming process directives, and the PPLs of DHCS Safety Net Financing Division incorporated by reference in Exhibit E, Provision 1, which define program specific allowable CMAA.
- K. The Contractor shall provide to the State, comprehensive Medi-Cal Administrative Claiming Plan, in the format specified by the State. The claiming plan must be approved by the State and this Agreement must be signed by both parties prior to the submission of CMAA invoices.
- L. The Contractor shall not discriminate against any eligible person because of race, religion, political beliefs, color, national or ethnic origin, ancestry, mental or physical disability, medical condition, marital status, age, or sex.
- M. The Contractor shall ensure all applicable State and federal requirements, as identified in Exhibit E, Provision 4, are met in performing CMAA under this agreement. It is understood and agreed that failure by the Contractor to ensure all applicable State and Federal requirements not met in performing CMAA under this agreement shall be sufficient cause for the State to deny or recoup payments to the Contractor and/or to terminate this agreement.

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- N. Abide by the Business Associate Agreement (BAA) (Exhibit G), as incorporated herein and made part of this Agreement by reference. Data released to LGAs is to be used solely for the purpose of verifying Medi-Cal eligibility of the beneficiaries. The data elements used are listed in attachment A".
- O. The Contractor shall submit a letter of intent to participate in the CMAA Program six (6) months prior to the termination of this agreement for the purpose of extending the term of the agreement or initiating a new agreement, whichever is preferred by DHCS.
- P. When an amendment of the contract is necessary because the original projected expenditures shortfall the actual expenditures, a request must be submitted to DHCS at least 6 months prior to the end of the FY for which additional funding is necessary. If this request is not received timely, the contract will not be amended to address the insufficient funding and subsequent affected invoices will not be paid.

5. State Responsibilities

- A. Review, approve, as appropriate, and process Contractor claims for reimbursement of the allowable actual costs of providing administrative activities necessary for the proper and efficient administration of the Medi-Cal Program. Reimbursement shall be made subsequent to the quarter for which a claim for CMAA is made. Any claim that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval.
- B. Provide the Contractor with a standardized format for the CMAA Invoice and CMAA Claiming Plan which will be disseminated through policy directives issued by the State.
- C. Review CMAA Claiming Plan and amendment(s) to the CMAA Claiming Plan. Any amendment that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval. Any amendment to the CMAA Claiming Plan shall not require a formal amendment to the agreement but may instead be effected via written approval of the amended CMAA Claiming Plan signed by DHCS.
- D. Provide program monitoring and oversight including conducting site reviews at least once every four years for compliance with state and federal requirements and regulations. DHCS will retain ultimate responsibility for program oversight and policy interpretation.

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- E. Submit approved CMAA Claiming Plans and amendments to the CMS for review and approval if required.
- F. Make available to Contractors, training and technical support on proper administrative activities to be claimed, identifying costs related to these activities, and billing procedures. Training material is to be developed by and/or approved by DHCS.

6. Joint Responsibilities

The State and the Contractor hereby agree to comply with all applicable laws governing the confidentiality of client information for Medi-Cal clients served by the Contractor, or subcontractor, under this agreement. Applicable laws include, but are not limited to, 42 U.S.C. Section 1396a(a)7, 42 CFR Section 431.300, 45 CFR Sections 160, 162, and 164, Welfare and Institutions Code, Section 14100.2, and 22 California Code of Regulations, Section 51009.

7. Definitions

A. The following definitions are applicable to this Contract.

- 1. "CFDA number" means the number assigned to a federal program in the Catalog of Federal Domestic Assistance (CFDA).
- 2. "Federal award" means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts used to buy goods or services from vendors.
- 3. "Federal awarding agency" means the federal agency that provides an award directly to the recipient.
- 4. "Federal program" means all federal awards to a non-federal entity assigned a single number in the CDFA.
- 5. "Pass-through entity" means a non-federal entity that provides a federal award to a subrecipient to carry out a federal program.
- 6. "Recipient" means a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program.
- 7. "Subrecipient" means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does

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not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. Guidance on distinguishing between a subrecipient and a vendor is provided in OMB Circular A-133

8. "Vendor" means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. Additional guidance on distinguishing between a subrecipient and a vendor is provided on OMB Circular A-133.
- B. The definitions in Provision 7, Item A, shall be included in all of Contractor's contracts with subrecipients and vendors.
- C. Additional definitions applicable to this Contract:
1. "Direct charge" means to report CMAA costs for staff that perform Medi-Cal eligible activities either 100 percent of the time or in distinct and documented blocks of time.
 2. "Medi-Cal percentage" means for some CMAA, LGAs claim allowable costs based on how many members of a group of people are Medi-Cal beneficiaries; this number is the Medi-Cal percentage. Costs are discounted (i.e. reduced) by the Medi-Cal percentage when the activity is directed toward a group of people that is only partly composed of Medi-Cal eligible persons. The Medi-Cal percentage is the fraction of a total population (target population) that consists of Medi-Cal beneficiaries. The numerator is the number of clients served by the claiming unit that are Medi-Cal beneficiaries, and the denominator is the total number of clients served by the claiming unit. Discount methods approved by DHCS and CMS for calculating the Medi-Cal percentage discount may be utilized.

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** 20-10012 entered into between the Department of Health Care Services (DHCS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via **invoice number(s)** _____, in the **amount(s) of \$** _____ and **dated** _____.

If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHCS or purchased with or reimbursed by contract funds)

Unless DHCS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHCS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHCS, at DHCS' expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING IT TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): _____

Signature of Contractor or Official Designee: _____

Date: _____

Printed Name/Title of Person Signing: _____

Distribution:

Accounting (Original)

Program

Exhibit X
Business Associate Addendum

1. This Agreement has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act (HIPAA) and its implementing privacy and security regulations at 45 Code of Federal Regulations, Parts 160 and 164 (collectively, and as used in this Agreement)
2. The term "Agreement" as used in this document refers to and includes both this Business Associate Addendum and the contract to which this Business Associate Agreement is attached as an exhibit, if any.
3. For purposes of this Agreement, the term "Business Associate" shall have the same meaning as set forth in 45 CFR section 160.103.
4. The Department of Health Care Services (DHCS) intends that Business Associate may create, receive, maintain, transmit or aggregate certain information pursuant to the terms of this Agreement, some of which information may constitute Protected Health Information (PHI) and/or confidential information protected by Federal and/or state laws.
 - 4.1 As used in this Agreement and unless otherwise stated, the term "PHI" refers to and includes both "PHI" as defined at 45 CFR section 160.103 and Personal Information (PI) as defined in the Information Practices Act at California Civil Code section 1798.3(a). PHI includes information in any form, including paper, oral, and electronic.
 - 4.2 As used in this Agreement, the term "confidential information" refers to information not otherwise defined as PHI in Section 4.1 of this Agreement, but to which state and/or federal privacy and/or security protections apply.
5. Contractor (however named elsewhere in this Agreement) is the Business Associate of DHCS acting on DHCS's behalf and provides services or arranges, performs or assists in the performance of functions or activities on behalf of DHCS, and may create, receive, maintain, transmit, aggregate, use or disclose PHI (collectively, "use or disclose PHI") in order to fulfill Business Associate's obligations under this Agreement. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
6. The terms used in this Agreement, but not otherwise defined, shall have the same meanings as those terms in HIPAA. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.
7. **Permitted Uses and Disclosures of PHI by Business Associate.** Except as otherwise indicated in this Agreement, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement on behalf of DHCS, provided that such use or disclosure would not violate HIPAA if done by DHCS.
 - 7.1 **Specific Use and Disclosure Provisions.** Except as otherwise indicated in this Agreement, Business Associate may use and disclose PHI if necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate may disclose PHI for this purpose if the disclosure is required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
8. **Compliance with Other Applicable Law**

- 8.1** To the extent that other state and/or federal laws provide additional, stricter and/or more protective (collectively, more protective) privacy and/or security protections to PHI or other confidential information covered under this Agreement beyond those provided through HIPAA, Business Associate agrees:
- 8.1.1** To comply with the more protective of the privacy and security standards set forth in applicable state or federal laws to the extent such standards provide a greater degree of protection and security than HIPAA or are otherwise more favorable to the individuals whose information is concerned; and
- 8.1.2** To treat any violation of such additional and/or more protective standards as a breach or security incident, as appropriate, pursuant to Section 18. of this Agreement.
- 8.2** Examples of laws that provide additional and/or stricter privacy protections to certain types of PHI and/or confidential information, as defined in Section 4. of this Agreement, include, but are not limited to the Information Practices Act, California Civil Code sections 1798-1798.78, Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2, Welfare and Institutions Code section 5328, and California Health and Safety Code section 11845.5.
- 8.3** If Business Associate is a Qualified Service Organization (QSO) as defined in 42 CFR section 2.11, Business Associate agrees to be bound by and comply with subdivisions (2)(i) and (2)(ii) under the definition of QSO in 42 CFR section 2.11.

9. Additional Responsibilities of Business Associate

- 9.1 Nondisclosure.** Business Associate shall not use or disclose PHI or other confidential information other than as permitted or required by this Agreement or as required by law.

9.2 Safeguards and Security.

- 9.2.1** Business Associate shall use safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and other confidential data and comply, where applicable, with subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the information other than as provided for by this Agreement. Such safeguards shall be, at a minimum, at Federal Information Processing Standards (FIPS) Publication 199 protection levels.
- 9.2.2** Business Associate shall, at a minimum, utilize an industry-recognized security framework when selecting and implementing its security controls, and shall maintain continuous compliance with its selected framework as it may be updated from time to time. Examples of industry-recognized security frameworks include but are not limited to
- 9.2.2.1** NIST SP 800-53 – National Institute of Standards and Technology Special Publication 800-53
- 9.2.2.2** FedRAMP – Federal Risk and Authorization Management Program
- 9.2.2.3** PCI – PCI Security Standards Council
- 9.2.2.4** ISO/IEC 27002 – International Organization for Standardization / International Electrotechnical Commission standard 27002
- 9.2.2.5** IRS PUB 1075 – Internal Revenue Service Publication 1075
- 9.2.2.6** HITRUST CSF – HITRUST Common Security Framework
- 9.2.3** Business Associate shall maintain, at a minimum, industry standards for transmission and storage of PHI and other confidential information.

- 9.2.4** Business Associate shall apply security patches and upgrades, and keep virus software up-to-date, on all systems on which PHI and other confidential information may be used.
- 9.2.5** Business Associate shall ensure that all members of its workforce with access to PHI and/or other confidential information sign a confidentiality statement prior to access to such data. The statement must be renewed annually.
- 9.2.6** Business Associate shall identify the security official who is responsible for the development and implementation of the policies and procedures required by 45 CFR Part 164, Subpart C.
- 9.3 Business Associate's Agent.** Business Associate shall ensure that any agents, subcontractors, subawardees, vendors or others (collectively, "agents") that use or disclose PHI and/or confidential information on behalf of Business Associate agree to the same restrictions and conditions that apply to Business Associate with respect to such PHI and/or confidential information.
- 10. Mitigation of Harmful Effects.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI and other confidential information in violation of the requirements of this Agreement.
- 11. Access to PHI.** Business Associate shall make PHI available in accordance with 45 CFR section 164.524.
- 12. Amendment of PHI.** Business Associate shall make PHI available for amendment and incorporate any amendments to protected health information in accordance with 45 CFR section 164.526.
- 13. Accounting for Disclosures.** Business Associate shall make available the information required to provide an accounting of disclosures in accordance with 45 CFR section 164.528.
- 14. Compliance with DHCS Obligations.** To the extent Business Associate is to carry out an obligation of DHCS under 45 CFR Part 164, Subpart E, comply with the requirements of the subpart that apply to DHCS in the performance of such obligation.
- 15. Access to Practices, Books and Records.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI on behalf of DHCS available to DHCS upon reasonable request, and to the federal Secretary of Health and Human Services for purposes of determining DHCS' compliance with 45 CFR Part 164, Subpart E.
- 16. Return or Destroy PHI on Termination; Survival.** At termination of this Agreement, if feasible, Business Associate shall return or destroy all PHI and other confidential information received from, or created or received by Business Associate on behalf of, DHCS that Business Associate still maintains in any form and retain no copies of such information. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. If such return or destruction is not feasible, Business Associate shall 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 infeasible.
- 17. Special Provision for SSA Data.** If Business Associate receives data from or on behalf of DHCS that was verified by or provided by the Social Security Administration (SSA data) and is subject to an agreement between DHCS and SSA, Business Associate shall provide, upon request by DHCS, a list of all employees and agents and employees who have access to such data, including employees and agents of its agents, to DHCS.
- 18. Breaches and Security Incidents.** Business Associate shall implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and take the following steps:
- 18.1 Notice to DHCS.**

18.1.1 Business Associate shall notify DHCS **immediately** upon the discovery of a suspected breach or security incident that involves SSA data. This notification will be provided by email upon discovery of the breach. If Business Associate is unable to provide notification by email, then Business Associate shall provide notice by telephone to DHCS.

18.1.2 Business Associate shall notify DHCS **within 24 hours by email** (or by telephone if Business Associate is unable to email DHCS) of the discovery of:

18.1.2.1 Unsecured PHI if the PHI is reasonably believed to have been accessed or acquired by an unauthorized person;

18.1.2.2 Any suspected security incident which risks unauthorized access to PHI and/or other confidential information;

18.1.2.3 Any intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement; or

18.1.2.4 Potential loss of confidential data affecting this Agreement.

18.1.3 Notice shall be provided to the DHCS Program Contract Manager (as applicable), the DHCS Privacy Office, and the DHCS Information Security Office (collectively, "DHCS Contacts") using the DHCS Contact Information at Section 18.6. below.

Notice shall be made using the current DHCS "Privacy Incident Reporting Form" ("PIR Form"; the initial notice of a security incident or breach that is submitted is referred to as an "Initial PIR Form") and shall include all information known at the time the incident is reported. The form is available online at

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>.

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI, Business Associate shall take:

18.1.3.1 Prompt action to mitigate any risks or damages involved with the security incident or breach; and

18.1.3.2 Any action pertaining to such unauthorized disclosure required by applicable Federal and State law.

18.2 Investigation. Business Associate shall immediately investigate such security incident or confidential breach.

18.3 Complete Report. To provide a complete report of the investigation to the DHCS contacts within ten (10) working days of the discovery of the security incident or breach. This "Final PIR" must include any applicable additional information not included in the Initial Form. The Final PIR Form shall include an assessment of all known factors relevant to a determination of whether a breach occurred under HIPAA and other applicable federal and state laws. The report shall also include a full, detailed corrective action plan, including its implementation date and information on mitigation measures taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that requested through the PIR form, Business Associate shall make reasonable efforts to provide DHCS with such information. A "Supplemental PIR" may be used to submit revised or additional information after the Final PIR is submitted. DHCS will review and approve or disapprove Business Associate's determination of whether a breach occurred, whether the security incident or breach is reportable to the appropriate entities, if individual notifications are required, and Business Associate's corrective action plan.

18.3.1 If Business Associate does not complete a Final PIR within the ten (10) working day timeframe, Business Associate shall request approval from DHCS within the ten (10) working day timeframe of a new submission timeframe for the Final PIR.

18.4 Notification of Individuals. If the cause of a breach is attributable to Business Associate or its agents, Business Associate shall notify individuals accordingly and shall pay all costs of such notifications, as well as all costs associated with the breach. The notifications shall comply with applicable federal and state law. DHCS shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.

18.5 Responsibility for Reporting of Breaches to Entities Other than DHCS. If the cause of a breach of PHI is attributable to Business Associate or its subcontractors, Business Associate is responsible for all required reporting of the breach as required by applicable federal and state law.

18.6 DHCS Contact Information. To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated here. DHCS reserves the right to make changes to the contact information below by giving written notice to Business Associate. These changes shall not require an amendment to this Agreement.

DHCS Program Contract Manager	DHCS Privacy Office	DHCS Information Security Office
See the Scope of Work exhibit for Program Contract Manager information. If this Business Associate Agreement is not attached as an exhibit to a contract, contact the DHCS signatory to this Agreement.	Privacy Office c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: incidents@dhcs.ca.gov Telephone: (916) 445-4646	Information Security Office DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: incidents@dhcs.ca.gov

19. Responsibility of DHCS. DHCS agrees to not request the Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA and/or other applicable federal and/or state law.

20. Audits, Inspection and Enforcement

20.1 From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. Business Associate shall promptly remedy any violation of this Agreement and shall certify the same to the DHCS Privacy Officer in writing. Whether or how DHCS exercises this provision shall not in any respect relieve Business Associate of its responsibility to comply with this Agreement.

20.2 If Business Associate is the subject of an audit, compliance review, investigation or any proceeding that is related to the performance of its obligations pursuant to this Agreement, or is the subject of any judicial or administrative proceeding alleging a violation of HIPAA, Business Associate shall promptly notify DHCS unless it is legally prohibited from doing so.

21. Termination

21.1 Termination for Cause. Upon DHCS' knowledge of a violation of this Agreement by Business Associate, DHCS may in its discretion:

21.1.1 Provide an opportunity for Business Associate to cure the violation and terminate this Agreement if Business Associate does not do so within the time specified by DHCS; or

21.1.2 Terminate this Agreement if Business Associate has violated a material term of this Agreement.

21.2 Judicial or Administrative Proceedings. DHCS may terminate this Agreement if Business Associate is found to have violated HIPAA, or stipulates or consents to any such conclusion, in any judicial or administrative proceeding.

22. Miscellaneous Provisions

22.1 Disclaimer. DHCS makes no warranty or representation that compliance by Business Associate with this Agreement will satisfy Business Associate's business needs or compliance obligations. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI and other confidential information.

22.2. Amendment.

22.2.1 Any provision of this Agreement which is in conflict with current or future applicable Federal or State laws is hereby amended to conform to the provisions of those laws. Such amendment of this Agreement shall be effective on the effective date of the laws necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

22.2.2 Failure by Business Associate to take necessary actions required by amendments to this Agreement under Section 22.2.1 shall constitute a material violation of this Agreement.

22.3 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and its employees and agents available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers and/or employees based upon claimed violation of HIPAA, which involve inactions or actions by the Business Associate.

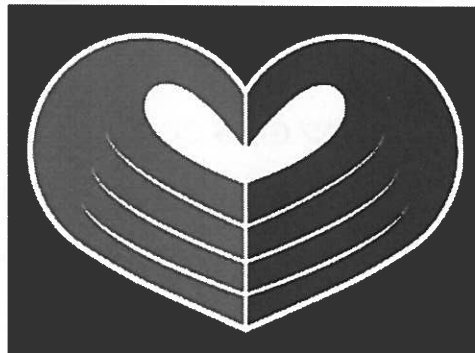
22.4 No Third-Party Beneficiaries. Nothing in this Agreement is intended to or shall confer, upon any third person any rights or remedies whatsoever.

22.5 Interpretation. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and other applicable laws.

22.6 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.

MEDI-CAL DISCLOSURE STATEMENT

DHCS



California Department of
HealthCareServices

Every applicant or provider must complete and submit a current Medi-Cal Disclosure Statement (DHCS 6207) as part of a complete application package for enrollment, continued enrollment, or certification as a Medi-Cal provider.

Important:

- **FOR NEW APPLICANTS:** Failure to disclose complete and accurate information may result in a denial of enrollment and imposition of a three-year reapplication bar.
- **FOR CURRENTLY ENROLLED APPLICANTS:** Failure to disclose complete and accurate information may result in denial, deactivation of all business addresses and the imposition of a three-year reapplication bar. The Department is required to report the termination of your participation in the Medi-Cal Program to the Centers for Medicare & Medicaid Services and to other States' Medicaid and Children's Health Insurance Programs pursuant to United States Code, Title 42, Sections 1396a(kk)(6) and 1902(kk)(6) and the Code of Federal Regulations, Title 42, Section 1002.3(b).
- Submitting a complete and accurate Medi-Cal Disclosure Statement is required.
- Read **all** instructions when completing the Medi-Cal Disclosure Statement.
- Type or print clearly in ink.
- DO NOT USE staples on this form or on any attachments.
- If applicant/provider must make corrections, please line through, date, and initial in ink. Do not use correction fluid.
- Return this completed statement with the complete application package to the address listed on the application form.

Overall Authority: Code of Federal Regulations, Title 42, Part 455; California Code of Regulations, Title 22, Sections 51000–51451; Welfare and Institutions Code, Sections 14043–14043.75

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GENERAL INSTRUCTIONS FOR COMPLETING THE MEDI-CAL DISCLOSURE STATEMENT

- DO NOT USE staples on this form or on any attachments.
- Do not use a pencil, correction tape, white out, highlighter pen, etc. on this form.
- If you must correct an entry, the applicant or provider must initial and date the correction in ink.
- Do not leave any questions, boxes, lines, etc., blank. Check or write "N/A" if not applicable to you.
- To review the Title 22 provider enrollment regulations, please visit the Medi-Cal Website (www.medi-cal.ca.gov) and click the "Provider Enrollment" link. It is the responsibility of the applicant/provider to comply with all regulations pertaining to Medi-Cal.

Section I: Applicant/Provider Information

1. All applicants and providers must complete this Section unless they are eligible to use the "Medi-Cal Rendering Provider Application/Disclosure Statement/Agreement for Physician/Allied/Dental Providers" (DHCS 6216) or the "Medi-Cal Ordering/Referring/Prescribing Provider Application/Agreement/Disclosure Statement for Physician and Nonphysician Practitioners" (DHCS 6219).
2. Rendering providers joining a group who are not eligible to use the "Medi-Cal Rendering Provider Application/Disclosure Statement/Agreement for Physician/Allied/Dental Providers" may leave parts E–H blank if part D is checked.
3. If applicant leases the location where services are being rendered or provided, please attach a copy of a current signed lease agreement.
4. In California, a domestic or foreign limited liability company is not permitted to render professional services, as defined in Corporations Code Sections 13401, subdivision (a) and 13401.3. **See California Corporations Code Section 17701.04(e).**

Section II: Unincorporated Sole-Proprietor or Individual Rendering Provider Adding to a Group

Disclosure of social security number is optional. (*See Privacy Statement on page 21*)

Section III: Ownership Interest and/or Managing Control Information (Entities)

1. To determine percentage of ownership, mortgage, deed of trust, note or other obligation, the percentage of interest owned in the obligation is multiplied by the percentage of the disclosing entity's assets used to secure the obligation. For example, if A owns 10 percent of a note secured by 60 percent of the applicant's or provider's assets, A's interest in the provider's assets equates to 6 percent and shall be reported pursuant to California Code of Regulations, Title 22, Section 51000.35. Conversely, if B owns 40 percent of a note secured by 10 percent of the applicant's or provider's assets, B's interest in the provider's assets equates to 4 percent and need not be reported.
2. "Indirect ownership interest" means an ownership interest in any entity that has an ownership interest in the applicant or provider. This term includes an ownership interest in any entity that has an indirect ownership interest in the applicant or provider. The amount of indirect ownership interest is determined by multiplying the percentages of ownership in each entity. For example, if A owns 10 percent of the stock in a corporation which owns 80 percent of the stock of the applicant or provider, A's interest equates to an 8 percent indirect ownership interest in the applicant or provider and shall be reported pursuant to California Code of Regulations, Title 22, Section 51000.35. Conversely, if B owns 80 percent of the stock of a corporation, which owns 5 percent of the stock of the applicant or provider, B's interest equates to a 4 percent indirect ownership interest in the applicant or provider and need not be reported.

3. "Ownership interest" means the possession of equity in the capital, the stock, or the profits of the applicant or provider.
4. All entities with managing control of applicant/provider must be listed in this Section.
5. List the National Provider Identifier (NPI) of each listed corporation, unincorporated association, partnership, or similar entity having 5% or more (direct or indirect) ownership or control interest, or any partnership interest, in the applicant/provider identified in Section I.
6. Corporations with ownership or control interest in the applicant or provider must provide all corporate business addresses and the corporation Taxpayer Identification Number issued by the IRS. For verification, a legible copy of the IRS Form 941, Form 8109-C, Letter 147-C, or Form SS-4 (Confirmation Notification) must be included.

Section IV: Ownership Interest and/or Managing Control Information (Individuals)

1. Refer to Section III instructions and definitions.
2. "Person with an ownership or control interest" means a person that:
 - a. Has an ownership interest of 5 percent or more in an applicant or provider;
 - b. Has an indirect ownership interest equal to 5 percent;
 - c. Has a combination of direct and indirect ownership interest equal to 5 percent or more in an applicant or provider;
 - d. Owns an interest of 5 percent or more in any mortgage, deed of trust, note, or other obligation secured by the applicant or provider if that interest equals at least 5 percent of the value of the property or assets of the applicant or provider;
 - e. Is an officer or director of an applicant or provider that is organized as a corporation;
 - f. Is a partner in an applicant or provider that is organized as a partnership.
3. "Agent" means a person who has been delegated the authority to obligate or act on behalf of an applicant or provider.
4. "Managing employee" means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an applicant or provider. **All managing employees must be included in this section.**
5. List the National Provider Identifier (NPI) of each individual with ownership or control interest or **any** partnership interest, in the applicant/provider identified in Section I. In addition, **all** officers of the corporation, directors, agents and managing employees of the applicant/provider must be reported in this section.
6. Disclosure of social security number is mandatory. (See *Privacy Statement on page 21*)

Section V: Subcontractor Information and Significant Business Transactions

1. "Subcontractor" means an individual, agency, or organization:
 - a. To which an applicant or provider has contracted or delegated some of its management functions or responsibilities of providing healthcare services, equipment, or supplies to its patients.
 - b. With whom an applicant or provider has entered into a contract, agreement, purchase order, lease, or leases of real property, to obtain space, supplies, equipment, or services provided under the Medi-Cal Program.
2. "Significant business transaction" means any business transaction or series of transactions that involve health care services, goods, supplies, or merchandise related to the provision of services to Medi-Cal beneficiaries that, during any one fiscal year, exceed the lesser of \$25,000 or 5 percent of an applicant's or provider's total operating expenses.

3. "Wholly owned supplier" means a supplier whose total ownership interest is held by an applicant or provider or by a person, persons, or other entity with an ownership or control interest in an applicant or provider.

Section VI: Incontinence Supplies

1. Applicant or provider must check "Yes" or "No."
2. If "Yes," complete A–C.

Section VII: Pharmacy Applicants or Providers

All pharmacy applicants or providers must complete this Section.

Section VIII: Declaration and Signature Page

1. All applicants or providers must complete this Section.
2. Legal name of applicant/provider must match name listed on associated application package.
3. The signature must be an individual who is the sole proprietor, partner, corporate officer, or an official representative of a governmental entity or nonprofit organization who has the authority to legally bind the applicant or provider. **See Title 22, CCR Section 51000.30(a)(2)(B).**
4. An original signature is required. Stamped, faxed, and/or photocopied signatures are **not** acceptable.
5. Disclosure Statement must be notarized by a Notary Public except for those applicants and providers licensed pursuant to Business and Professions Code, Division 2, beginning with Section 500. For example: Physicians, Pharmacy providers, Chiropractors, Osteopaths, Certified Nurse Midwives and Nurse Practitioners do not need to notarize this form. Durable Medical Equipment (DME) providers, Prosthetics, Orthotics, Medical Transportation providers, etc., must notarize this form.

**FOR MORE INFORMATION, PLEASE VISIT THE MEDI-CAL WEBSITE (WWW.MEDI-CAL.CA.GOV)
AND CLICK THE "PROVIDER ENROLLMENT" LINK.**

MEDI-CAL DISCLOSURE STATEMENT

Do not leave any questions, boxes, lines, etc., blank. Check or enter N/A if not applicable to you.

I. APPLICANT/PROVIDER INFORMATION

A. Legal name of applicant/provider as reported to the IRS

B. Legal name of applicant/provider as it appears on professional license
IF NOT APPLICABLE, CHECK THE BOX ☐ **N/A**

C. Existing provider number(s) (NPI) used at the address indicated in Item G below. ☐ **N/A**

D. If applying as a rendering provider to a provider group, check here ☐ and proceed to Part I.
(marked with *asterisk on page 2)

E. Fictitious business name ☐ **N/A**

F. "Doing Business As" name ☐ **N/A**

G. Address where services are rendered or provided (number, street)	City	State	ZIP code (9-digit)
---	------	-------	--------------------

1. Does applicant/provider lease this location? ☐ Yes ☐ No

2. If YES, complete the following information regarding the Lessor and **enclose a copy of the current signed Lease Agreement**, including any sublease agreements entered into by the applicant provider at the business address on the Application.

a. Lessor name

b. Lessor address (number, street)	City	State	ZIP code (9-digit)
------------------------------------	------	-------	--------------------

c. Lessor telephone number

d. Term of lease

e. Amount of lease

3. If no, does applicant/provider own this location? ☐ Yes ☐ No

4. If applicant/provider does not lease or own this location, explain below:

Do not leave any questions, boxes, lines, etc., blank.

I. APPLICANT/PROVIDER INFORMATION *(Continued)*

H. Type of Entity *(must check one)*:

- | | | |
|--|--|--|
| <input type="checkbox"/> General Partnership
<i>(Enclose Partnership Agreement)</i> | <input type="checkbox"/> Limited Partnership
<i>(Enclose Partnership Agreement)</i> | <input type="checkbox"/> Limited Liability Partnership
<i>(Enclose Partnership Agreement)</i> |
| <input type="checkbox"/> Sole Proprietor
<i>(Unincorporated)</i> | <input type="checkbox"/> Limited Liability Company
State of formation: _____ | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Corporation <i>(Enclose Articles of Incorporation and Statement of Information)</i> | Corporate number: _____ State incorporated: _____ | |
| <input type="checkbox"/> Nonprofit: | | |
| Check one: | | |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Charitable | |
| <input type="checkbox"/> Unincorporated Association | <input type="checkbox"/> Religious | |
| | <input type="checkbox"/> Other <i>(specify)</i> : _____ | |

- *I. List below fines/debts due and owing by applicant/provider to any federal, state, or local government that relate to Medicare, Medicaid and ***all*** other federal and state health care programs that have not been paid and what arrangements have been made to fulfill the obligation(s). ***Submit copies of all documents*** pertaining to the arrangements including terms and conditions. See California Code of Regulations, Title 22, Section 51000.50(a)(6). ☐ N/A

Fine/Debt	Agency	Date Issued	Date to be Paid in Full
\$			
\$			

- J. List the name and address of all health care providers, participating or not participating in Medi-Cal, in which the applicant/provider, listed in Part A, also has an ownership or control interest. If none, check N/A. If additional space is needed, attach additional page (label "Additional Section I, Part J").
☐ N/A

1. Full legal name of health care provider

2. Address (number, street)	City	State	ZIP code (9-digit)
-----------------------------	------	-------	--------------------

K. Respond to the following questions:

- | | |
|--|--|
| 1. <i>Within ten years of the date of this statement</i> , have you, the applicant/provider, been convicted of any felony or misdemeanor involving fraud or abuse in any government program?
If yes, provide the date of the conviction (mm/dd/yyyy): _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. <i>Within ten years of the date of this statement</i> , have you, the applicant/provider, been found liable for fraud or abuse involving a government program in any civil proceeding?
If yes, provide the date of the final judgment (mm/dd/yyyy): _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Do not leave any questions, boxes, lines, etc., blank.

I. APPLICANT/PROVIDER INFORMATION *(Continued)*

3. **Within ten years of the date of this statement**, have you, the applicant/provider, entered into a settlement in lieu of conviction for fraud or abuse involving a government program? ☐ Yes ☐ No

If yes, provide the date of the settlement (mm/dd/yyyy): _____

4. Do you, the applicant/provider, currently participate or have you ever participated as a provider in the Medi-Cal program or in another state's Medicaid program? ☐ Yes ☐ No

If yes, provide the following information:

State	Name(s) (Legal and DBA)	NPI and/or Provider Number(s)

5. Have you, the applicant/provider, **ever** been suspended from a Medicare, Medicaid, or Medi-Cal program? ☐ Yes ☐ No

If yes, attach verification of reinstatement and provide the following information:

Check Applicable Program	NPI and/or Provider Number(s)	Effective Date(s) of Suspension	Date(s) of Reinstatement(s), as applicable
<input type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicaid <input type="checkbox"/> Medicare			
<input type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicaid <input type="checkbox"/> Medicare			

6. Has the individual license, certificate, or other approval to provide health care of the applicant/provider **ever** been suspended or revoked? ☐ Yes ☐ No

If yes, include copies of licensing authority's decision(s) and written confirmation(s) from them that your professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

Do not leave any questions, boxes, lines, etc., blank.

I. APPLICANT/PROVIDER INFORMATION *(Continued)*

7. Have you, the applicant/provider, **ever** lost or surrendered your license, certificate, or other approval to provide health care **while a disciplinary hearing was pending**? ☐ Yes ☐ No

If yes, attach a copy of the written confirmation from the licensing authority that your professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

8. Has the license, certificate, or other approval to provide health care of the applicant/provider **ever** been disciplined by any licensing authority? ☐ Yes ☐ No

If yes, include copies of licensing authority decision(s) including any terms and conditions for each decision and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

- If you, the applicant/provider, are an unincorporated sole-proprietor or an individual rendering provider adding to a group, proceed to Section II.

OR

- If you, the applicant/provider, are a partnership, corporation, governmental entity, or nonprofit organization, proceed to Section III.

Do not leave any questions, boxes, lines, etc., blank.

II. UNINCORPORATED SOLE-PROPRIETOR OR INDIVIDUAL RENDERING PROVIDER ADDING TO A GROUP

A. Full legal name (Last) (Jr., Sr., etc.) (First) (Middle)

B. Residence address (number, street)	City	State	ZIP code (9-digit)
---------------------------------------	------	-------	--------------------

C. Social security number (*required*)

D. Date of birth

E. Driver's license number or state-issued identification number (*Attach a current and legible copy*)

- If you, the applicant/provider, are an unincorporated sole-proprietor, proceed to Section V.

OR

- If you, the applicant/provider, are a rendering provider adding to a group, proceed to Section VIII.

Do not leave any questions, boxes, lines, etc., blank.

III. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (ENTITIES)

A. In the table below, list all corporations, unincorporated associations, partnerships, or similar entities having 5% or more (direct or indirect) ownership or control interest, or **any** partnership interest, in the applicant/provider identified in Section I. **Attach a separate Section III, Part B and C for each entity listed below.** Number of pages attached: _____

☐ Check here if this section does not apply and proceed to Section IV.

	Entity Legal Business Name	Percent (%) of Ownership or Control	NPI Number (If Applicable)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

Do not leave any questions, boxes, lines, etc., blank.

III. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (ENTITIES) (Cont.)

B. Entity with (Direct or Indirect) Ownership Interest and/or Managing Control – Identification Information.

1. Legal business name

2. Doing Business As (DBA) name (if applicable) ☐ N/A

3. Primary Business Address (number, street)	City	State	ZIP code (9-digit)
--	------	-------	--------------------

* If this entity is a corporation, attach a list of **ALL** business location addresses and P. O. Box addresses of the corporation.

4. If this entity is a corporation, list the Taxpayer Identification Number issued by the IRS and attach a legible copy of the IRS form.

5. Check all that apply:

☐ 5% or more ownership interest

☐ Managing control

☐ Partner

☐ Other (specify): _____

6. Effective date of **ownership** (mm/dd/yyyy)

7. Effective date of **control** (mm/dd/yyyy)

C. Respond to the following questions:

1. **Within ten years from the date of this statement**, has this entity been convicted of any felony or misdemeanor involving fraud or abuse in any government program?

☐ Yes ☐ No

If yes, provide the date of the conviction (mm/dd/yyyy): _____

2. **Within ten years from the date of this statement**, has this entity been found liable for fraud or abuse involving any government program in any civil proceeding?

☐ Yes ☐ No

If yes, provide the date of the final judgment (mm/dd/yyyy): _____

3. **Within ten years from the date of this statement**, has this entity entered into a settlement in lieu of a conviction for fraud or abuse involving any government program?

☐ Yes ☐ No

If yes, provide the date of the settlement (mm/dd/yyyy): _____

Do not leave any questions, boxes, lines, etc., blank.

III. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (ENTITIES) (Cont.)

Name of entity listed in Section III, Part B, Item 1

4. Does this entity currently participate, or has this entity ever participated, as a provider in the Medi-Cal program or in another state's Medicaid program? If yes, provide the following information: ☐ Yes ☐ No

State	Name(s) (Legal and DBA)	NPI and/or Provider Number(s)

5. Has this entity **ever** been suspended from a Medicare, Medicaid, or Medi-Cal program? ☐ Yes ☐ No
If yes, attach verification of reinstatement and provide the following information:

Check Applicable Program	NPI and/or Provider Number(s)	Effective Date(s) of Suspension	Date(s) of Reinstatement(s), as applicable
<input type="checkbox"/> Medi-Cal			
<input type="checkbox"/> Medicaid			
<input type="checkbox"/> Medicare			
<input type="checkbox"/> Medi-Cal			
<input type="checkbox"/> Medicaid			
<input type="checkbox"/> Medicare			

6. List the name and address of all health care providers, participating or not participating in Medi-Cal, in which this entity also has an ownership or control interest. **If none, check here** ☐
If additional space is needed, attach additional page (label "Additional Section III, Part C, Item 6"). Number of pages attached: _____

a. Full legal name of health care provider (include any fictitious business names)

b. Address (number, street)	City	State	ZIP code (9-digit)

Do not leave any questions, boxes, lines, etc., blank.

IV. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (INDIVIDUALS)

A. In the table below, list any individual that has 5% or more (direct or indirect) ownership or control interest or **any** partnership interest, in the applicant/provider identified in Section I. In addition, **all** officers of the corporation, directors, agents and managing employees of the applicant/provider must be reported in this section. **Attach a separate Section IV, Part B and C for each individual listed below.** Number of pages attached: _____

	Individual Name	Percent (%) of Ownership or Control	NPI Number (If Applicable)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

Do not leave any questions, boxes, lines, etc., blank.

IV. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (INDIV.) (Continued)

B. Identification Information – for Individuals with Ownership or Control Interest, Officers, Directors, Managing Employees, Partners and/or Agents of the Partnership, Group Association, Corporation, Institution or Entity.

1. Full legal name (Last) (Jr., Sr., etc.) (First) (Middle)

2. Residence address (number, street) City State ZIP code (9-digit)

3. Social security number (required) 4. Date of birth 5. Driver's license number or state-issued identification number (Attach a current and legible copy)

6. Is the above individual related to any individual listed in Section IV, Table A (Page 9)? If yes, check the appropriate box and list name of individual: ☐ Yes ☐ No

☐ Spouse ☐ Parent ☐ Child ☐ Sibling ☐ Other (explain): _____

Name of individual: _____

7. If the above individual is **directly** associated with the entity identified in Section I, what is the individual's relationship with the applicant/provider? Check all that apply.

☐ 5% or greater owner ☐ Partner ☐ Managing employee ☐ Agent
☐ Director/officer, title: ☐ Other (specify): _____

8. If the above individual is **directly** associated with an entity identified in Section III, indicate the name of that entity in the space below:

a. Legal business name of entity as listed in Section III, Part A

b. What is this individual's role with the entity reported in Section III? Check all that apply.

☐ 5% or greater owner ☐ Partner ☐ Managing employee ☐ Agent
☐ Director/officer, title: ☐ Other (specify): _____

C. Respond to the following questions:

1. **Within ten years from the date of this statement**, has the above individual been convicted of any felony or misdemeanor involving fraud or abuse in any government program? ☐ Yes ☐ No

If yes, provide the date of the conviction (mm/dd/yyyy): _____

2. **Within ten years from the date of this statement**, has the above individual been found liable for fraud or abuse involving any government program in any civil proceeding? ☐ Yes ☐ No

If yes, provide the date of the final judgment (mm/dd/yyyy): _____

Do not leave any questions, boxes, lines, etc., blank.

IV. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (INDIV.) (Continued)

Name of individual listed in Section IV, Part B, Item 1: _____

3. **Within ten years from the date of this statement**, has the above individual entered into a settlement in lieu of a conviction for fraud or abuse involving any government program? ☐ Yes ☐ No

If yes, provide the date of the settlement (mm/dd/yyyy): _____

4. Does the above individual currently participate, or has he or she ever participated, as a provider in the Medi-Cal program or in another state's Medicaid program? If yes, provide the following information: ☐ Yes ☐ No

State	Name(s) (Legal and DBA)	NPI and/or Provider Number(s)

5. Has the above individual **ever** been suspended from a Medicare, Medicaid, or Medi-Cal program? If yes, attach verification of reinstatement and provide the following information: ☐ Yes ☐ No

Check Applicable Program	NPI and/or Provider Number(s)	Effective Date(s) of Suspension	Date(s) of Reinstatement(s), as applicable
<input type="checkbox"/> Medi-Cal			
<input type="checkbox"/> Medicaid			
<input type="checkbox"/> Medicare			
<input type="checkbox"/> Medi-Cal			
<input type="checkbox"/> Medicaid			
<input type="checkbox"/> Medicare			

6. Has the above individual's license, certificate, or other approval to provide health care **ever** been suspended or revoked? ☐ Yes ☐ No

If yes, include copies of licensing authority's decision(s) and written confirmation from them that his or her professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

Do not leave any questions, boxes, lines, etc., blank.

IV. OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (INDIV.) *(Continued)*

Name of individual listed in Section IV, Part B, Item 1: _____

7. Has the above individual otherwise lost or surrendered his or her license, certificate, or other approval to provide health care while a disciplinary hearing was pending? ☐ Yes ☐ No

If yes, attach a copy of the written confirmation from the licensing authority that his or her professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

8. Has the above individual's license, certificate, or other approval to provide health care **ever** been disciplined by any licensing authority? ☐ Yes ☐ No

If yes, include copies of licensing authority decision(s) including any terms and conditions for each decision and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

9. List the name and address of all health care providers, participating or not participating in Medi-Cal, in which the above individual also has an ownership or control interest.

If none, check here ☐

If additional space is needed, attach additional page (label "Additional Section IV, Part C, Item 9"). Number of pages attached: _____

- a. Full legal name of health care provider (include any fictitious business names)

b. Address (number, street)	City	State	ZIP code (9-digit)

- Proceed to Section V.

Do not leave any questions, boxes, lines, etc., blank.

V. SUBCONTRACTOR INFORMATION AND SIGNIFICANT BUSINESS TRANSACTIONS

- A. Does the applicant/provider (as named in Section I, Part A on Page One of this form) have direct or indirect ownership of 5 percent or more in any of its subcontractors that provide healthcare services or goods? ☐ Yes ☐ No

Do any of the entities named in Section III, Part A on Page Six of this form have direct or indirect ownership of 5 percent or more in any of the applicant provider's subcontractors that provide healthcare services or goods? ☐ Yes ☐ No

Do any of the individuals named in Section IV, Part A on Page Nine of this form have direct or indirect ownership of 5 percent or more in any of the applicant provider's subcontractors that provide healthcare services or goods? ☐ Yes ☐ No

If you answered NO to ALL of the above, please proceed to Section V, Part C on Page 15.

If you answered YES to ANY of the above, please complete the following information about the subcontractor and attach a copy of any written agreement(s) that you have with the subcontractor that relate to its functions/responsibilities.

1. Subcontractor's full legal name		2. Subcontractor's phone number	
3. Subcontractor's address (number, street)	City	State	ZIP code (9-digit)
4. Subcontractor's federal employer identification number (if applicable)		5. Subcontractor's corporation number (if applicable)	
5. If there is more than one subcontractor, provide a separate sheet with all required information (label "Additional Section V, Part A"). <input type="checkbox"/> Check here if additional sheet(s) is attached. Number of pages attached: _____			

Do not leave any questions, boxes, lines, etc., blank.

V. SUBCONTRACTOR INFORMATION AND SIGNIFICANT BUSINESS TRANSACTIONS (Cont.)

- B. List the following information for any person or entity, other than the applicant/provider, with 5 percent or more ownership and/or control interest in any **subcontractor** listed in Part A. If there is more than one subcontractor, provide a separate sheet with all required information (label "Additional Section V, Part B").

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

Name of Subcontractor in Part A _____

1. Full legal name of person or entity with ownership or control interest in the Subcontractor			Phone number	
Address (number, street)	City	State	ZIP code (9-digit)	

What is this individual's role with the subcontractor reported in Part A? Check all that apply.

☐ 5% or greater owner – Percent of ownership: _____ ☐ Partner ☐ Managing employee

☐ Director/officer, title: _____ ☐ Other (specify): _____

Is the above individual related to any individual listed in Section IV, Table A (Page 9)?

☐ Yes ☐ No

If yes, check the appropriate box and list the name of the related individual.

☐ Spouse ☐ Parent ☐ Child ☐ Sibling ☐ Other (explain): _____

Name of related individual: _____

2. Full legal name of person or entity with ownership or control interest in the Subcontractor			Phone number	
Address (number, street)	City	State	ZIP code (9-digit)	

What is this individual's role with the subcontractor reported in Part A? Check all that apply.

☐ 5% or greater owner – Percent of ownership: _____ ☐ Partner ☐ Managing employee

☐ Director/officer, title: _____ ☐ Other (specify): _____

Is the above individual related to any individual listed in Section IV, Table A (Page 9)?

☐ Yes ☐ No

If yes, check the appropriate box and list the name of the related individual.

☐ Spouse ☐ Parent ☐ Child ☐ Sibling ☐ Other (explain): _____

Name of related individual: _____

Do not leave any questions, boxes, lines, etc., blank.

V. SUBCONTRACTOR INFORMATION AND SIGNIFICANT BUSINESS TRANSACTIONS (Cont.)

Name of Subcontractor in Part A

3. Full legal name of person or entity with ownership or control interest in the Subcontractor			Phone number	
Address (number, street)	City	State	ZIP code (9-digit)	

What is this individual's role with the subcontractor reported in Part A? Check all that apply.

☐ 5% or greater owner – Percent of ownership: _____ ☐ Partner ☐ Managing employee

☐ Director/officer, title: _____ ☐ Other (specify): _____

Is the above individual related to any individual listed in Section IV, Table A (Page 9)?

☐ Yes ☐ No

If yes, check the appropriate box and list the name of the related individual.

☐ Spouse ☐ Parent ☐ Child ☐ Sibling ☐ Other (explain): _____

Name of related individual: _____

4. Full legal name of person or entity with ownership or control interest in the Subcontractor			Phone number	
Address (number, street)	City	State	ZIP code (9-digit)	

What is this individual's role with the subcontractor reported in Part A? Check all that apply.

☐ 5% or greater owner – Percent of ownership: _____ ☐ Partner ☐ Managing employee

☐ Director/officer, title: _____ ☐ Other (specify): _____

Is the above individual related to any individual listed in Section IV, Table A (Page 9)?

☐ Yes ☐ No

If yes, check the appropriate box and list the name of the related individual.

☐ Spouse ☐ Parent ☐ Child ☐ Sibling ☐ Other (explain): _____

Name of related individual: _____

C. Has the applicant/provider had any significant business transactions with any wholly owned supplier or with any subcontractor (not listed on Part A) during the 5-year period immediately preceding the date of this Application? ☐ Yes ☐ No

“Significant business transaction” means any business transaction or series of transactions that involve health care services, goods, supplies, or merchandise related to the provision of services to Medi-Cal beneficiaries that, during any one fiscal year, exceed the lesser of \$25,000 or 5 percent of an applicant's or provider's total operating expenses.

“Wholly owned supplier” means a supplier whose total ownership interest is held by an applicant or provider or by a person, persons, or other entity with an ownership or control interest in an applicant or provider.

Do not leave any questions, boxes, lines, etc., blank.

V. SUBCONTRACTOR INFORMATION AND SIGNIFICANT BUSINESS TRANSACTIONS (Cont.)

"Subcontractor" means an individual, agency, or organization: (a) To which an applicant or provider has contracted or delegated some of its management functions or responsibilities of providing healthcare services, equipment or supplies to its patients. (b) With whom an applicant or provider has entered into a contract, agreement, purchase order, lease, or leases of real property, to obtain space, supplies, equipment, or services provided under the Medi-Cal Program.

If **No**, please proceed to Section V, Part D.

If **Yes**, complete the following information about the supplier or subcontractor:

1. Subcontractor's or supplier's full legal name		2. Subcontractor's or supplier's phone number	
3. Subcontractor's or supplier's address (number, street)	City	State	ZIP code (9-digit)

4. Describe the transaction(s):

If there is more than one subcontractor or supplier, provide a separate sheet with all required information (label "Additional Section V, Part C").

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

- D. List the name and address of each person(s) with an **ownership or control interest** in any subcontractor (listed in Part C) with whom the applicant or provider has had business transaction involving health care services, goods, supplies or merchandise related to the provision of services to a Medi-Cal beneficiary that total more than \$25,000 during the 12-month period immediately preceding the date of the Application, or immediately preceding the date on the Department's request for such information. If there is more than one subcontractor, provide a separate sheet with all required information. (label "Additional Section V, Part D").

☐ Check here if no subcontractors listed in Part C or applicant/provider has had no business transactions with subcontractors involving health care services, goods, supplies or merchandise related to the provision of services to a Medi-Cal beneficiary that total more than \$25,000 during the 12-month period immediately preceding the date of the Application, or immediately preceding the date on the Department's request for such information. **Proceed to Section VI.**

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

Name of Subcontractor in Part C

1. Full legal name of person or entity with ownership or control interest		Phone number	
Address (number, street)	City	State	ZIP code (9-digit)

Do not leave any questions, boxes, lines, etc., blank.

V. SUBCONTRACTOR INFORMATION AND SIGNIFICANT BUSINESS TRANSACTIONS (Cont.)

Name of Subcontractor in Part C

2. Full legal name of person or entity with ownership or control interest			Phone number	
Address (number, street)		City	State	ZIP code (9-digit)
3. Full legal name of person or entity with ownership or control interest			Phone number	
Address (number, street)		City	State	ZIP code (9-digit)
4. Full legal name of person or entity with ownership or control interest			Phone number	
Address (number, street)		City	State	ZIP code (9-digit)

- Proceed to Section VI.

Do not leave any questions, boxes, lines, etc., blank.

VI. INCONTINENCE SUPPLIES

Does the applicant/provider intend to sell or currently sell incontinence medical supplies?

☐ Yes ☐ No

If No, Pharmacy applicants/providers proceed to Section VII. All other applicants/providers proceed to Section VIII.

If Yes, provide the following information:

A. List the names and addresses of all current sources of capital, as defined in CCR, Title 22, Section 51000.5.

If there is more than one source of capital, provide a separate sheet with all required information (label "Additional Section VI, Part A").

☐ N/A

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

Full legal name of person or entity with ownership or control interest

Address (number, street)

City

State

ZIP code (9-digit)

B. List all manufacturers, suppliers, and other providers with whom the applicant/provider has any type of business relationship relative to the goods and services provided to Medi-Cal beneficiaries.

If there is more than one, provide a separate sheet with all required information (label "Additional Section VI, Part B").

☐ N/A

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

Full legal name of person or entity with ownership or control interest

Address (number, street)

City

State

ZIP code (9-digit)

C. List all persons or entities to which the applicant/provider has extended a line of credit, as defined in CCR, Title 22, Section 51000.10, of \$5,000 or more.

If there is more than one, provide a separate sheet with all required information (label "Additional Section VI, Part C").

☐ N/A

☐ Check here if additional sheet(s) is attached. Number of pages attached: _____

Full legal name of person or entity

Address (number, street)

City

State

ZIP code (9-digit)

- Pharmacy applicants/providers proceed to Section VII.
- All other applicants/providers proceed to Section VIII.

Do not leave any questions, boxes, lines, etc., blank.

VII. PHARMACY APPLICANTS OR PROVIDERS

- A. Has the individual license, certificate, or other approval to provide health care, of the **Pharmacist-in-Charge**, ever been suspended or revoked?

☐ Yes ☐ No

If yes, include copies of licensing authority decision(s) and written confirmation from them that his or her professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

- B. Has the individual license, certificate, or other approval to provide health care, of the **Pharmacist-in-Charge**, ever been lost, or surrendered while a disciplinary hearing on his or her license was pending?

☐ Yes ☐ No

If yes, attach a copy of the written confirmation from the licensing authority that professional privileges have been restored and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

- C. Has any licensing authority ever disciplined the Board of Pharmacy License of the **Pharmacist-in-Charge**?

☐ Yes ☐ No

If yes, include copies of licensing authority decision(s) including any terms and conditions and provide the following information:

Where Action(s) was Taken	Action(s) Taken	Effective Date(s) of Licensing Authority's Action(s)

- Proceed to Section VIII.

Do not leave any questions, boxes, lines, etc., blank.

VIII. DECLARATION AND SIGNATURE PAGE

I declare under penalty of perjury under the laws of the State of California that the foregoing information in this document and any attachments is true, accurate, and complete to the best of my knowledge and belief.

I declare that I have the authority to legally bind the applicant or provider pursuant to Title 22, CCR Section 51000.30(a)(2)(B).

1. Printed legal name of applicant/provider

2. Printed name of person signing this declaration with authority to legally bind the applicant or provider (if an entity or business name is listed in Item above)

3. Original signature of the applicant, provider or the person with authority to legally bind the applicant or provider (in ink)

4. Title of person signing this declaration

5. Executed at: _____, _____ on _____
(City) (State) (Date)

6. Notary Public:

Applicants and providers licensed pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act **ARE NOT REQUIRED** to have this form notarized. If notarization is required, the Certificate of Acknowledgement signed by the Notary Public must be in the form specified in Section 1189 of the Civil Code.

Do not leave any questions, boxes, lines, etc., blank.

PRIVACY STATEMENT
(Civil Code Section 1798 et seq.)

All information requested on the Application, the disclosure statement, and the provider agreement is mandatory. This information is required by the California Department of Health Care Services and any other California State Departments that are delegated responsibility to administer the Medi-Cal program, by the authority of the Welfare and Institutions Code, Sections 14043 - 14043.75, the California Code of Regulations, Title 22, Sections 51000 – 51451 and the Code of Federal Regulations, Title 42, Part 455. The consequences of not supplying the mandatory information requested are denial of enrollment as a Medi-Cal provider or denial of continued enrollment as a provider and deactivation of all provider numbers used by the provider to obtain reimbursement from the Medi-Cal program. Some or all of this information may also be provided to the California State Controller's Office, the California Department of Justice, the California Department of Consumer Affairs, the California Department of Corporations, the California Franchise Tax Board or other California state or local agencies as appropriate, fiscal intermediaries, managed care plans, the Federal Bureau of Investigation, the Internal Revenue Service, Medicare Fiscal Intermediaries, Centers for Medicare and Medicaid Services, Office of the Inspector General, Medicaid, or as required or permitted by law. For more information or access to records containing your personal information maintained by this agency, contact the Provider Enrollment Division at (916) 323-1945.

Do not leave any questions, boxes, lines, etc., blank.