



# DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

LISA H. WONG, Psy.D.  
Director

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

Rimmi Hundal, M.A.  
Chief Deputy Director

January 06, 2026

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:

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 January 6, 2026

*Edward Yen*  
EDWARD YEN  
EXECUTIVE OFFICER

### **APPROVAL TO EXECUTE A NEW CONTRACT WITH VENTEGRA FOUNDATION FOR PHARMACY BENEFIT MANAGEMENT SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Request approval to execute a new contract with Ventegra Foundation for Pharmacy Benefit Management services to manage the Department of Mental Health's prescription drug services for uninsured clients, following a competitive solicitation process.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or designee, to execute a contract, substantially similar to Attachment I, with Ventegra Foundation (Ventegra) for Pharmacy Benefit Management (PBM) services to manage the Department of Mental Health's (DMH) prescription drug services. The contract will be effective upon Board approval through June 30, 2026, with four optional one-year extensions through June 30, 2030. There is no total contract sum for this contract as PBM services are paid on a fee-for-service basis. For Fiscal Year (FY) 2025-26, there is no estimated cost due to program implementation and Ventegra onboarding period. The estimated cost for the four optional one-year extensions is \$7,172,541 per fiscal year, which includes the cost for medications, fully funded by Federal Financial Participation (FFP), State Behavioral Health Services Act (BHSA), and 2011 Realignment revenues.

2. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the PBM contract in Recommendation 1; revise the contract language; add, delete, modify, or replace the Statement of Work (SOW) and Attachments; and/or reflect federal, State, and County

regulatory and/or policy changes; provided that: 1) the County's total payments to the contractor for each fiscal year does not exceed an increase of 20 percent from the Board-approved estimated cost per fiscal year; 2) any increases will be used for additional services; and 3) sufficient funds are available. The amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and the Chief Executive Office (CEO).

3. Delegate authority to the Director, or designee, to prepare, sign, and execute an amendment to the current PBM contract with Prime Therapeutics Pharmacy Solutions, LLC, to extend the term for an additional one-year, beginning July 1, 2026, through June 30, 2027. The extension will allow DMH time to onboard with the new PBM, Ventegra. The estimated cost for the additional one-year extension is \$7,172,541, which includes the cost for medications, fully funded by FFP, State BHS and 2011 Realignment revenues.

4. Delegate authority to the Director, or designee, to terminate the contracts in Recommendations 1 and 3 in accordance with the contracts' termination provisions, including Termination for Convenience. The Director, or designee, will provide written notification to your Board and CEO of such termination action.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will ensure the uninterrupted continuation of PBM services for uninsured DMH clients across Los Angeles County (LAC). Maintaining continuity of PBM services is critical, as any disruptions would negatively affect DMH's ability to provide prescription drug services to uninsured clients who depend on these medications for their ongoing care.

Board approval of Recommendation 1 will allow DMH to execute a new PBM contract with Ventegra as a result of a competitive solicitation, to administer prescription drugs services on behalf of DMH, for uninsured clients receiving care at DMH's directly-operated clinics and contracted clinics.

Board approval of Recommendation 2 will allow DMH to execute amendments to the Ventegra contract to revise contract language, modify SOW and Attachments, revise the estimated cost per fiscal year, and add or increase additional services and fees required for the contract.

Board approval of Recommendation 3 will enable DMH to extend the current PBM contract with Prime Therapeutics Pharmacy Solutions, LLC, to allow DMH time to onboard the new PBM, Ventegra, and avoid a disruption to services.

Board approval of Recommendation 4 will allow DMH to terminate the contracts in accordance with the contracts' termination provisions, in a timely manner, as necessary.

#### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the County's North Star 1, Make Investments that Transform Lives, Focus Area Goal A., Healthy Individuals and Families.

#### **FISCAL IMPACT/FINANCING**

For FY 2025-26, there is no estimated cost due to program implementation and Ventegra

onboarding period. The estimated cost for the four one-year optional extensions is \$7,172,541 per fiscal year and will be fully funded by FFP, State BHSA and 2011 Realignment revenues. Funding for the subsequent extensions will be requested through DMH's annual budget process.

The estimated cost for the one-year extension with Prime Therapeutics Pharmacy Solutions, LLC, is \$7,172,541 and will be fully funded by FFP, State BHSA, and 2011 Realignment revenues.

There is no net County cost impact associated with the recommended actions.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Ventegra has been providing services throughout LAC for over ten years. Through its written proposal, virtual presentation, and live system demonstration, Ventegra has demonstrated strong expertise and operational capacity. Ventegra brings a wealth of knowledge along with innovative approaches to cost management, to ensuring savings are effectively passed on to the County. Ventegra has an established track record of providing prescription drug access and coverage to 140,000 plus Covered Clients who lack access to health insurance.

As the PBM, the primary responsibilities of Ventegra will include: (1) contract with retail pharmacies to fill prescriptions for uninsured DMH clients; (2) process prescription drug claims submitted electronically to Ventegra by retail pharmacies; (3) reimburse retail pharmacies for prescription drugs dispensed to uninsured DMH clients; (4) operate a customer service call center to respond to inquiries from participating pharmacies, DMH staff, contracted clinic staff, and uninsured DMH clients; (5) maintain updates to DMH's drug formulary; (6) provide administrative oversight of a pharmacy network; (7) negotiate discounts and rebates with drug manufacturers, and (8) provide medication that is not on the DMH formulary, and handle client appeals.

Execution of a new PBM contract with Ventegra will allow DMH to integrate and streamline the clinical and administrative functions associated with delivering prescription drug services to uninsured DMH clients receiving services throughout LAC. Ventegra is expected to reduce medication costs, improve quality of care, and expand access to pharmacies to clients served through DMH-operated and contracted clinics. DMH will retain financial responsibility for those clients who are uninsured.

As mandated by your Board, the contract will be evaluated by DMH on an annual basis to ensure the Contractor's compliance with all contract terms and performance standards.

The attached contract (Attachment I) has been approved as to form by County Counsel.

## **CONTRACTING PROCESS**

On November 27, 2023, DMH released a Request for Proposals (RFP) solicitation to identify a qualified organization to provide PBM services. The RFP was released on the LA County Doing Business with Us and DMH websites with proposals due by February 29, 2024. DMH received three proposals. All proposals were evaluated for responsiveness and compliance with the adherence to the mandatory minimum requirements and Proposer's ability to perform the required services in the SOW using the Informed Averaging Scoring methodology. As a result of the competitive RFP, Ventegra was identified as the most qualified and highest-ranked proposer and therefore, is

recommended for a contract award.

The PBM contract with Ventegra will be executed upon Board approval, and full implementation of the PBM is expected to occur in FY 2026-27. When this is achieved, Ventegra will assume responsibility for administration of DMH's prescription drug program and the current PBM contract with Prime Therapeutics Pharmacy Solutions, LLC, will be terminated.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended PBM contract will ensure that uninsured DMH clients will continue to have access to large, licensed pharmacies throughout LAC for their pharmaceutical needs, decrease medication costs, and improve quality of care.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Amy, B.D.", is written in dark ink.

LISA H. WONG, Psy.D.

Director

LHW:RH:KN:SK:DO:atm

Enclosures

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



**CONTRACT BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**AND**

**VENTEGRA FOUNDATION**

**FOR**

**PHARMACY BENEFIT MANAGEMENT SERVICES**

MH380001  
**Contract Number**

172335  
**Vendor Number**

N/A  
**Reference Number**

450 N. Brand Blvd., Suite 600  
Glendale, CA 91203  
**Contractor Headquarters Address**

**Contractor Headquarters' Supervisorial District 5**  
**Contractor Headquarters' Service Area 5**  
**Mental Health Supervisorial District(s) 2**  
**Mental Health Service Area(s) 2**

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- C** Intentionally Omitted
- D** County's Administration
- E** Contractor's Administration
- F** Form Required at the Time of Contract Execution (Confidentiality Agreement)
- G** Safely Surrendered Baby Law
- H** Intentionally Omitted
- I** Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- J** Charitable Contributions Certification
- K** Attestation Regarding Information Security Requirements

**CONTRACT BETWEEN  
COUNTY OF LOS ANGELES  
DEPARTMENT OF MENTAL HEALTH  
AND  
VENTEGRA FOUNDATION**

**PHARMACY BENEFIT MANAGEMENT SERVICES**

This Contract ("Contract") made and entered into this XX day of Month, 20XX by and between the County of Los Angeles, hereinafter referred to as County and Ventegra Foundation, a California Benefit Corporation, hereinafter referred to as "Contractor". Ventegra Foundation is located at 450 North Brand Blvd, Ste 600, Glendale, CA 91203.

**RECITALS**

WHEREAS, the County may contract with private businesses for Pharmacy Benefit Management (PBM) Services when certain requirements are met; and

WHEREAS, the Contractor is a private (public, non-profit) firm specializing in providing PBM Services; and

WHEREAS, pursuant to the provisions of section 5600 et seq., the Los Angeles County (LAC), through its Department of Mental Health (DMH), has established a Community Mental Health Program; and

WHEREAS, County, through its Community Mental Health Program and to the extent resources are available, provides mental health services to individuals who are eligible for and in need of such services; and

WHEREAS, County provides these mental health services through mental health clinics operated directly by LACDMH and through contracts established with mental health agencies in the community; and

WHEREAS, individuals receiving mental health services from mental health clinics operated directly by or under contract with LACDMH may be prescribed medications by licensed physicians and nurse practitioners; and

WHEREAS, some of these individuals that may be prescribed medications are not Medi-Cal beneficiaries or otherwise covered by private or public insurance; and

WHEREAS, County desires, to the extent resources are available, that clients be provided medications by retail pharmacies that are conveniently located and easily accessible; that these pharmacies be reimbursed for the costs of such medications; and that pharmacies independently bill third party payors for those clients with third-party payor sources, including, but not limited to, the Medi-Cal program or private insurance; and

WHEREAS, County desires to engage Contractor to administer LACDMH's prescription drug program upon the terms provided in this Contract; and

WHEREAS, Contractor provides pharmacy and prescription benefit management services, is licensed or otherwise permitted by State law and whose principal employees possess the

necessary licenses, and the competence, expertise, and capability required to provide such services; and

WHEREAS, County has determined that the services to be provided hereunder cannot be performed by County employees or through the recruitment of County employees because they are of a complex professional and technical nature for which LACDMH lacks the requisite infrastructure and County has demonstrated that it is more cost effective to contract out pharmacy benefit management services rather than provide services in-house with County employees and is therefore authorized under County Code Section 2.121.420; and

WHEREAS, this Contract is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250 and Government Code Section 31000; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

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## 1 APPLICABLE DOCUMENTS

Exhibits listed below are attached, as noted, to and form a part of this contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

### Standard Exhibits:

|           |                                                                                                               |
|-----------|---------------------------------------------------------------------------------------------------------------|
| Exhibit A | Statement of Work and Attachments                                                                             |
| Exhibit B | Intentionally Omitted                                                                                         |
| Exhibit C | Intentionally Omitted                                                                                         |
| Exhibit D | County's Administration                                                                                       |
| Exhibit E | Contractor's Administration                                                                                   |
| Exhibit F | Forms Required at the Time of Contract Execution<br>(Confidentiality Agreements)                              |
| Exhibit G | Safely Surrendered Baby Law                                                                                   |
| Exhibit H | Intentionally Omitted                                                                                         |
| Exhibit I | Business Associate Agreement under the Health Insurance<br>Portability and Accountability Act of 1996 (HIPAA) |
| Exhibit J | Charitable Contributions Certification                                                                        |
| Exhibit K | Attestation Regarding Information Security Requirements                                                       |

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract will be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

## 2 DEFINITIONS

### 2.1 Standard Definitions:

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein must be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

**2.1.1 Board of Supervisors (Board):** The Board of Supervisors of the County of Los Angeles acting as governing body.

**2.1.2 Contract:** This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work.

**2.1.3 Contractor:** The person or persons, sole proprietor, partnership, joint

venture, corporation or other entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.

- 2.1.4 Contractor's Contract Manager:** The person designated by the Contractor to administer the Contract operations under this Contract.
- 2.1.5 County Contract Lead:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.6 County Contract Monitoring Manager:** Person designated by the Director of Mental Health to manage the operations under this Contract.
- 2.1.7 Day(s):** Calendar day(s) unless otherwise specified.
- 2.1.8 Director of Mental Health:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Contract Monitoring Manager.
- 2.1.9 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.1.10 Statement of Work (SOW):** The directions, provisions, and requirements provided herein and special provisions pertaining to the method, frequency, manner and place of performing the Contract services.
- 2.1.11 Subcontract:** An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.
- 2.1.12 Subcontractor:** Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other entity furnishing supplies, services of any nature, equipment, and/or materials to Contractor in furtherance of Contractor's performance of this Contract, at any tier, under oral or written agreement.

### 3 WORK

- 3.1** Pursuant to the provisions of this Contract, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in Exhibit A (SOW and Attachments) which is incorporated by reference as though fully set forth in herein.
- 3.2** If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor must have no claim whatsoever against the County.

### 4 TERM OF CONTRACT

- 4.1** The term of this Contract will commence upon execution through June 30, 2026, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2** The County will have the sole option to extend this Contract term for up to four (4) optional one (1) year periods, for a maximum total Contract term of five (5) years through June 30, 2030. Each such extension option may be exercised at the sole

discretion of the Director of Mental Health or their designee as authorized by the Board of Supervisors.

The County maintains databases that track/monitor Contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

- 4.3** The Contractor and DMH will communicate when this Contract is within six (6) months of the expiration of the term as provided for hereinabove. DMH and Contractor will address next steps: extension or expiration.

## **5 COMPENSATION**

### **5.1 Annual Compensation**

The annual funding will remain firm and fixed for the term of the contract as provided in Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments), including any optional extension periods unless a written Contract amendment is approved by DMH and executed by DMH and Contractor.

### **5.2 Written Approval for Reimbursement**

The Contractor will not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, must not occur except with the County's express prior written approval.

### **5.3 Notification of 75% of Total Contract Sum**

The Contractor must maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract sum under this Contract. Upon occurrence of this event, the Contractor must send written notification to DMH at the address herein provided in Exhibit D (County's Administration).

### **5.4 No Payment for Services Provided Following Expiration-Termination of Contract**

The Contractor will have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it must immediately notify County and must immediately repay all such funds to County. Payment by County for services rendered after expiration-termination of this Contract will not constitute a waiver of County's right to recover such payment from the Contractor. This provision will survive the expiration or other termination of this Contract.

### **5.5 Invoices and Payments**

- 5.5.1** The Contractor must invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (SOW and Attachments) and elsewhere hereunder. The Contractor must prepare Attachment 5 (Sample Invoices) of Exhibit A (SOW and Attachments), which will include the charges owed to the Contractor by

the County under the terms of this Contract. The Contractor's payments will be as provided in Attachment 3 (Financial Exhibit) and Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments). The Contractor will be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment will be due to the Contractor for that work.

**5.5.1.1** County Approval of Invoices: All invoices submitted by Contractor for payment must have the written approval of the LAC DMH Chief of Pharmacy or their designated representative prior to any payment thereof.

**5.5.2** The Contractor's invoices must be priced in accordance with Attachment 3 (Financial Exhibit) and Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments).

**5.5.2.1** **Administrative Fee and Ancillary Services:** Contractor will submit monthly invoices to the County by the 16th calendar day of the month following the month of services. Contractor will calculate its Administrative Fee each month, at the end of the month, based on the number of prescriptions Claims for that month and as indicated on Attachment 5 (Sample Invoices) of Exhibit A (SOW and Attachments). Compensation from Administration Fees will not exceed the fee reflected in Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments). Invoices with fees for ancillary services must be accompanied by documentation of ancillary services provided as described in Exhibit A (SOW and Attachments) and Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments).

**Claims Invoice:** Every two weeks, Contractor will submit complete, verified and correct Invoice inclusive of Ingredient Cost, plus Dispensing Fees reflecting Prescription Drug Effective Rates and Dispensing Fees as described in Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments). Invoices must include the Claims Data Utilization Fields, including the number of Claims invoices.

**5.5.3** The Contractor's invoices must contain the information set forth in Exhibit A (SOW and Attachments) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

**5.5.3.1** The invoice will include the total number of Claims invoiced and a Claims file that contains, at a minimum, for each Claim all fields listed in Exhibit A (SOW and Attachments), Claims Data Utilization Fields without redaction or modification. Brand Drugs and Generic Drugs will be classified in said Claims file using the definitions stated in this Contract. Claims data will be produced in a delimited flat file with a pipe

character (I) as the delimiter and include a message with the file of the record count and file size. A separate file must be provided that includes a data dictionary of data layout/format. Layout/format must include: (a) field name; (b) data type; (c) length; and (d) description. File format must remain constant from submission to submission, unless additional field needs to be added. Contractor will transmit, all such electronic data to LAC DMH, or to LAC DMH auditor, or to both, as directed by LAC DMH.

**5.5.4** County will have the right to annually renegotiate Contractor's Administrative Fee, Attachment 4 (Administrative Fee and Ancillary Services) of Exhibit A (SOW and Attachments). The newly negotiated Administrative Fee will be memorialized in writing by the parties as an amendment to the Contract.

**5.5.5** Suspension of Payments: Payments to Contractor under the Contract will be suspended if Director, for good cause, determines Contractor is in default under any of the provisions of the Contract. Except in cases of alleged fraud or similar wrongdoing, at least 30 calendar days' notice of such suspension will be provided to Contractor, including a statement of the reason(s) for such suspension. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the Director's decision. Payments will not be withheld pending the results of the reconsideration process.

**5.5.6** Invoices will be prepared using the approved Invoice, Attachment 5 (Sample Invoices) of Exhibit A (SOW and Attachments). All invoices under this Contract must be submitted to the following address:

**Attn: LAC DMH Accounts Payable Division**

[APSEUInquiry@dmh.lacounty.gov](mailto:APSEUInquiry@dmh.lacounty.gov)

**5.5.7** All refund, rebates, and penalty checks will be made payable to County of Los Angeles – Department of Mental Health and submitted to the following address:

**Attn: LAC DMH Accounts Payable Division**

[APSEUInquiry@dmh.lacounty.gov](mailto:APSEUInquiry@dmh.lacounty.gov)

**5.6 Intentionally Omitted**

**5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer**

**5.7.1** The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the County will be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

**5.7.2** The Contractor must submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

**5.7.3** Any provision of law, grant, or funding agreement requiring a specific

form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.

- 5.7.4** At any time during the duration of the Contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

## **6 ADMINISTRATION OF CONTRACT - COUNTY**

### **6.1 County Administration**

A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit D (County's Administration). The County will notify the Contractor in writing of any change in the names or addresses shown.

### **6.2 Director of Mental Health**

The role of the Director may include:

- 6.2.1** The Director will have the authority to administer this Contract on behalf of the County. All references to the actions or decisions to be made by the County in this Contract will be made by the Director unless otherwise expressly provided.
- 6.2.2** The Director may designate one or more persons to act as designee for the purposes of administering this Contract. Therefore "Director" will mean "Director and/or designee."
- 6.2.3** Coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
- 6.2.4** Upon request of the Contractor, providing directions to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

### **6.3 Contract Monitoring Manager**

The role of the Contract Monitoring Manager is authorized to include:

- 6.3.1** Meeting with the Contractor's Contract Manager on a regular basis; and
- 6.3.2** Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.
- 6.3.3** The Contract Monitoring Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

## **6.4 Contract Lead**

The role of the County's Contract Lead is to oversee the day-to-day administration of this Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The Contract Lead reports to the Contract Monitoring Manager.

# **7 ADMINISTRATION OF CONTRACT - CONTRACTOR**

## **7.1 Contractor Administration**

A listing of all of Contractor's Administration referenced in the following paragraphs is designated in Exhibit E (Contractor's Administration). The Contractor will notify the County in writing of any change in the names or addresses shown.

## **7.2 Contractor's Contract Manager**

**7.2.1** Contractor must designate in writing a Contract Manager who will function as liaison with County regarding Contractor's performance hereunder.

**7.2.2** The Contractor's Contract Manager is designated in Exhibit E (Contractor's Administration). The Contractor must notify the County in writing of any change in the name or address of the Contractor's Contract Manager.

**7.2.3** The Contractor's Contract Manager will be responsible for the Contract operations and ensuring compliance with the services outlined in Exhibit A (SOW and Attachments) after Contract Award. Contractor's Contract Manager will coordinate with County's Contract Monitoring Manager and County's Contract Lead on a regular basis for purpose of discussing the implementation of services, and the provision of ongoing services, as well as invoicing and Audits performed by Subcontractor.

**7.2.4** Contractor's Contract Manager must have three (3) years of experience as a Pharmacy Benefit Management Account manager.

## **7.3 Approval of Contractor's Staff**

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Contract Manager.

## **7.4 Contractor's Staff Identification**

Contractor will provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

## **7.5 Background and Security Investigations**

**7.5.1** Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by County in County's sole discretion, must undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but will not be limited to, criminal conviction information. The fees associated with the background investigation will

be at the expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be removed immediately from performing services under the Contract. Contractor must comply with County's request at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

**7.5.2** County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

**7.5.3** Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.5 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

## **7.6 Confidentiality**

**7.6.1** Contractor must maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

**7.6.2** Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.6 will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

**7.6.3** Contractor must inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

- 7.6.4** Contractor must sign and adhere to the provisions of Exhibit F1 (Contractor Acknowledgement and Confidentiality Agreement).

## **8 STANDARD TERMS AND CONDITIONS**

### **8.1 Amendments**

The authority to execute Amendments varies between departments and types of contracts.

- 8.1.1** For any change which affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an amendment to the Contract must be prepared and executed by the Contractor and by the Director of Mental Health or designee.
- 8.1.2** The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director of Mental Health or designee.
- 8.1.3** The Director of Mental Health or designee, may at their sole discretion, authorize extensions of time as defined in Paragraph 4 (Term of Contract). The Contractor agrees that such extensions of time will not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director of Mental Health or designee.
- 8.1.4** In the event that the Parties despite good faith efforts are unable to reach an agreement pursuant to Paragraphs 8.1.1 through 8.1.3 above within 45 days of the commencement of such good faith efforts as described herein, then County may terminate the Contract upon at least 120 days written notice to the other.

### **8.2 Assignment and Delegation/Mergers or Acquisitions**

- 8.2.1** The Contractor must notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 8.2.2** The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this paragraph, County consent will require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any

claim under this Contract will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

**8.2.3** Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, will be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County will be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

**8.2.4** Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they have therein. However, in the event of any sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the County in accordance with applicable provisions of the Contract.

**8.2.5** The parties acknowledge that Participating Pharmacies are not assignees or delegates.

### **8.3 Authorization Warranty**

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

### **8.4 Budget Reductions**

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided within 30 calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor must continue to provide all of the services set forth in this Contract.

### **8.5 Complaints**

The Contractor must develop, maintain and operate procedures for receiving, investigating and responding to complaints.

#### **8.5.1 Complaint Procedures**

**8.5.1.1** Within five (5) business days after the Contract effective

date, the Contractor must provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

- 8.5.1.2** The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.1.3** If the County requests changes in the Contractor's policy, the Contractor must make such changes and resubmit the plan within 15 business days for County approval.
- 8.5.1.4** If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor must submit proposed changes to the County for approval before implementation.
- 8.5.1.5** The Contractor must preliminarily investigate all complaints and notify the County's Contract Monitoring Manager of the status of the investigation within five (5) business days of receiving the complaint.
- 8.5.1.6** When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.1.7** Copies of all written responses must be sent to the County's Contract Monitoring Manager within 30 business days of mailing to the complainant.

## **8.6 Compliance with Applicable Law**

- 8.6.1** In the performance of this Contract, Contractor must comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2** Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under Paragraph 8.6 (Compliance with Applicable Law) will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the

right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

## **8.7 Compliance with Civil Rights Laws**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person will, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Additionally, Contractor certifies to the County:

- 8.7.1** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4** Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

## **8.8 Compliance with the County's Jury Service Program**

### **8.8.1 Jury Service Program**

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

### **8.8.2 Written Employee Jury Service Policy**

**8.8.2.1** Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program ([Section 2.203.020 of the County Code](#)) or that the Contractor qualifies for an exception to the Jury Service Program ([Section 2.203.070 of the County Code](#)), the Contractor must have and adhere to a written policy that provides that its Employees will receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

**8.8.2.2** For purposes of this paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any 12-month period under one or more County contracts or subcontracts.

“Employee” means any California resident who is a full-time employee of the Contractor. “Full-time” means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor will also be subject to the provisions of this paragraph. The provisions of this paragraph will be inserted into any such subcontract agreement and a copy of the Jury Service Program must be attached to the agreement.

**8.8.2.3** If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor must immediately notify the County if the Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor must immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that the Contractor continues to qualify for an exception to the Program.

**8.8.2.4** Contractor’s violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

## **8.9 Conflict of Interest**

**8.9.1** No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will in any way participate in the County’s approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County’s approval or ongoing evaluation of such work.

**8.9.2** The Contractor must comply with all conflict-of-interest laws, ordinances,

and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it must immediately make full written disclosure of such facts to the County. Full written disclosure must include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph will be a material breach of this Contract.

#### **8.10 Consideration of Hiring County Employees Targeted for Layoffs or are on a County Re-Employment List**

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor must give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

#### **8.11 Consideration of Hiring GAIN-START Participants**

**8.11.1** Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor will give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: [GAINSTART@DPSS.LACOUNTY.GOV](mailto:GAINSTART@DPSS.LACOUNTY.GOV) and [BSERVICES@OPPORTUNITY.LACOUNTY.GOV](mailto:BSERVICES@OPPORTUNITY.LACOUNTY.GOV) and DPSS will refer qualified GAIN/START job candidates.

**8.11.2** In the event that both laid-off County employees and GAIN/START participants are available for hiring, County employees must be given first priority.

#### **8.12 Contractor Responsibility and Debarment**

##### **8.12.1 Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

##### **8.12.2 Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not

exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

### **8.12.3 Non-responsible Contractor**

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

### **8.12.4 Contractor Hearing Board**

**8.12.4.1** If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

**8.12.4.2** The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

**8.12.4.3** After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board will be presented to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

**8.12.4.4** If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was

imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.

**8.12.4.5** The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

**8.12.4.6** The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board will present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

#### **8.12.5 Subcontractors of Contractor**

These terms will also apply to subcontractors of County Contractors.

### **8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law**

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's poster, Exhibit G (Safely Surrendered Baby Law) in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safely-surrender/>,

### **8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program**

**8.14.1** The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family

and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

- 8.14.2** As required by the County's Child Support Compliance Program ([County Code Chapter 2.200](#)) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and will implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

## **8.15 County's Quality Assurance Plan**

- 8.15.1** The County or its agent(s) will monitor the Contractor's performance under this Contract on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate Contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

## **8.16 Intentionally Omitted**

## **8.17 Employment Eligibility Verification**

- 8.17.1** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor must obtain from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor must retain all such documentation for all covered employees for the period prescribed by law.
- 8.17.2** The Contractor must indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

## **8.18 Counterparts and Electronic Signatures and Representations**

This Contract may be executed in two (2) or more counterparts, each of which will be deemed an original but all of which together will constitute one (1) and the same Contract. The facsimile, email or electronic signature of the Parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

## **8.19 Fair Labor Standards**

The Contractor must comply with all applicable provisions of the Federal Fair Labor Standards Act and must indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

## **8.20 Force Majeure**

**8.20.1** Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events").

**8.20.2** Notwithstanding the foregoing, a default by a subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractor Contractors" mean subcontractors at any tier.

**8.20.3** In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## **8.21 Governing Law, Jurisdiction, and Venue**

This Contract will be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder will be exclusively in the County of Los Angeles.

## **8.22 Independent Contractor Status**

**8.22.1** This Contract is by and between the County and the Contractor and is not intended, and must not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party must not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

**8.22.2** The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County will have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

**8.22.3** The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

**8.22.4** The Contractor must adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

## **8.23 Indemnification**

The Contractor must indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (County Indemnitees) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

## **8.24 General Provisions for all Insurance Coverage**

**8.24.1** Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the

Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

## **8.24.2 Evidence of Coverage and Notice to County**

- 8.24.2.1** Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, must be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- 8.24.2.2** Renewal Certificates must be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or sub-Contractor insurance policies at any time.
- 8.24.2.3** Certificates must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate must match the name of the Contractor identified as the contracting party in this Contract. Certificates must provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.
- 8.24.2.4** Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), will be construed as a waiver of any of the Required Insurance provisions.
- 8.24.2.5** Certificates and copies of any required endorsements must be sent to:

County of Los Angeles  
Department of Mental Health  
510 S. Vermont Ave., 20<sup>th</sup> Floor, Los Angeles, CA 90020  
Attn: Contracts Development and Administrative Division

### **or electronically to:**

DMH's Contract Administrator as identified in Exhibit D

- 8.24.2.6** Contractor also must promptly report to County any injury or property damage accident or incident, including any injury to a Contractor's employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also must promptly notify County of

any third-party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract and could result in the filing of a claim or lawsuit against Contractor and/or County.

**8.24.3 Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) must be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status must apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also must apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

**8.24.4 Cancellation of or Changes in Insurance**

Contractor must provide County with, or Contractor's insurance policies must contain a provision that County will receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice must be provided to County at least 10 days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

**8.24.5 Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance will constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

**8.24.6 Insurer Financial Ratings**

Coverage must be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

**8.24.7 Contractor's Insurance Must Be Primary**

Contractor's insurance policies, with respect to any claims related to this Contract, must be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-

insurance coverage must be in excess of and not contribute to any Contractor coverage.

#### **8.24.8 Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor must require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

#### **8.24.9 Subcontractor Insurance Coverage Requirements**

Contractor must include all subcontractors as insureds under Contractor's own policies or must provide County with each subcontractor's separate evidence of insurance coverage. Contractor will be responsible for verifying each subcontractor complies with the Required Insurance provisions herein and must require that each subcontractor name the County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor must obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

#### **8.24.10 Deductibles and Self-Insured Retentions (SIRs)**

Contractor's policies will not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond must be executed by a corporate surety licensed to transact business in the State of California.

#### **8.24.11 Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date will precede the effective date of this Contract. Contractor understands and agrees it will maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

#### **8.24.12 Application of Excess Liability Coverage**

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

#### **8.24.13 Separation of Insureds**

All liability policies must provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

#### **8.24.14 Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Contractor

use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents must be designated as an Additional Covered Party under any approved program.

#### **8.24.15 County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

### **8.25 Insurance Coverage**

#### **8.25.1 Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence: \$1 million

#### **8.25.2 Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance must cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

#### **8.25.3 Workers Compensation and Employers' Liability** insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to County at least 10 days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

#### **8.25.4 Unique Insurance Coverage**

##### **8.25.4.1 Sexual Misconduct Liability**

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$1 million per claim and \$1 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation,

harassment, mistreatment or maltreatment of a sexual nature.

#### **8.25.4.2 Professional Liability-Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it must maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

#### **8.25.4.3 Intentionally Omitted**

#### **8.25.4.4 Intentionally Omitted**

#### **8.25.4.5 Technology Errors & Omissions Insurance**

Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include: (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million.

#### **8.25.4.6 Cyber Liability Insurance**

The Contractor must secure and maintain cyber liability insurance coverage with limits of \$15 million per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor must add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, will

not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

## **8.26 Liquidated Damages**

- 8.26.1** If, in the judgment of the Director, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or his/her designee, in a written notice describing the reasons for said action.
- 8.26.2** If the Director, or designee, determines that there are deficiencies in the performance of this Contract that the Director, or designee, deems are correctable by the Contractor over a certain time span, the Director, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is as specified in Attachment 22 (Performance Requirements Summary (PRS)) Chart) of Exhibit A (SOW and Attachments) hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private Contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.
- 8.26.3** The action noted in Paragraph 8.26.2 must not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.
- 8.26.4** This Paragraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and must not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

## **8.27 Most Favored Public Entity**

If the Contractor's prices decline or should the Contractor at any time during the

term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices must be immediately extended to the County.

## **8.28 Nondiscrimination and Affirmative Action**

**8.28.1** The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age (over 40), physical (including HIV and AIDS) or mental disability, medical conditions (e.g., cancer), denial of family care leave, marital status, or political affiliation, status as a veteran with a disability or veteran of the Vietnam era, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

**8.28.2** Contractor certifies to the County each of the following:

**8.28.2.1** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.

**8.28.2.2** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.

**8.28.2.3** That Contractor has a system for determining if its employment practices are discriminatory against protected groups. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

**8.28.3** The Contractor must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action must include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**8.28.4** The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

**8.28.5** The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end that no person will, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

**8.28.6** The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify

compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

**8.28.7** If the County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

**8.28.8** The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County will, at its sole option, be entitled to the sum of five hundred dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

## **8.29 Non Exclusivity**

Nothing herein is intended nor will be construed as creating any exclusive arrangement with the Contractor. This Contract will not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

## **8.30 Notice of Delays**

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party must, within one business day, give notice thereof, including all relevant information with respect thereto, to the other party.

## **8.31 Notice of Disputes**

The Contractor must bring to the attention of the County's Contract Monitoring Manager and/or County's Contract Lead any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Contract Monitoring Manager or Contract Lead is not able to resolve the dispute, the Director or designee will resolve it.

## **8.32 Notice to Employees Regarding the Federal Earned Income Credit**

The Contractor must notify its employees, and will require each subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice must be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

## **8.33 Notice to Employees Regarding the Safely Surrendered Baby Law**

The Contractor must notify and provide to its employees and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit G (Safely Surrendered Baby Law) of this Contract. Additional information is

### **8.34 Notices**

**8.34.1** All notices or demands required or permitted to be given or made under this Contract must be in writing and will be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits D (County's Administration) and Exhibit E (Contractor's Administration). Addresses may be changed by either party giving 10 days prior written notice thereof to the other party. The Director or designee will have the authority to issue all notices or demands required or permitted by the County under this Contract, including but not limited to:

Administrative Amendments: Modifications to this Contract may be accomplished using an administrative amendment process for the following purposes:

**8.34.1.1** Change of Contractor's name;

**8.34.1.2** Change of Contractor's headquarters' address;

**8.34.1.3** Change, revision, addition, or deletion of services previously approved within the Contract;

**8.34.1.4** Technical Corrections.

**8.34.2** Such administrative amendment may be executed by the Director under delegated authority from the Board of Supervisors without prior approval of County Counsel. Such administrative amendment may be initiated by the County, with Contractor's written consent. Contractor's signature will be required to make such administrative amendments effective.

### **8.35 Prohibition Against Inducement or Persuasion**

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party will in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

### **8.36 Public Records Act**

**8.36.1** Contractor acknowledges that the County is a public "local entity" subject to the California Public Records Act, Government Code section 7920.005. Any documents submitted by the Contractor and all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records.

Upon receipt of a Public Records Act request, County will use reasonable efforts to notify Contractor prior to disclosing any sensitive Contractor information provided to County in connection with this

Contract. To the extent reasonably practicable, County will give Contractor the opportunity to identify exemptions from disclosure for any Contractor documents included in records responsive to a Public Records Act request. Notwithstanding anything to the contrary contained in this Contract, nothing in this Contract is intended to supersede, modify or diminish in any respect whosoever any of the County's rights, obligations, and defenses under the Public Records Act, nor will the County be held liability for any disclosure of records, including information that the County determines in its sole discretion is a public record subject to disclosures under the Public Records Act.

- 8.36.2** In the event the County is required to defend an action on a Public Records Act request for any of the Contractor's documents, information, books, records, and/or contents of a proposal, the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

### **8.37 Publicity**

The Contractor must not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County will not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- 8.37.1** The Contractor must develop all publicity material in a professional manner; and
- 8.37.2** During the term of this Contract, the Contractor will not, and will not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the Director of Mental Health. The County will not unreasonably withhold written consent.
- 8.37.3** The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Paragraph 8.37 (Publicity) will apply.

### **8.38 Record Retention and Inspection-Audit Settlement**

- 8.38.1** The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, proprietary data and

information, and documents evidencing or relating to the expenditures and disbursements charged to DMH, will be kept and maintained by the Contractor and will be made available to the County during the term of this Contract and for a period of 10 years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material must be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor will pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

**8.38.1.1** In the event that Contractor alters the original format of any documentation pertaining to this Contract (e.g. by converting hard copy documents to electronic documents, or electronic documents to microfiche), all the information contained in the original documents will be contained in the new format, without change or deletion.

**8.38.1.2** Contractor must keep the original prescriptions in Participating Pharmacy locations.

**8.38.2** In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor must file a copy of such audit report with the County's Auditor Controller within 30 days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County will make a reasonable effort to maintain the confidentiality of such audit report(s) 8.38.3. Failure on the part of the Contractor to comply with any of the provisions of this subparagraph 8.38 will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

**8.38.3** If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference must be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

### **8.39 Recycled Bond Paper**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-

content paper to the maximum extent possible on this Contract.

#### **8.40 Subcontracting**

- 8.40.1** The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the County. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.
- 8.40.2** If the Contractor desires to subcontract, the Contractor must provide the following information promptly at the County's request:
- 8.40.2.1** A description of the work to be performed by the subcontractor.
  - 8.40.2.2** A draft copy of the proposed subcontract; and
  - 8.40.2.3** Other pertinent information and/or certifications requested by the County.
- 8.40.3** The Contractor must indemnify, defend, and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.
- 8.40.4** The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.40.5** The County's consent to subcontract will not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.40.6** The Director of Mental Health or designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor must forward a fully executed subcontract to the County for their files.
- 8.40.7** The Contractor will be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.40.8** The Contractor must obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor must ensure delivery of all such documents to:

County of Los Angeles  
Department of Mental Health  
510 S. Vermont Ave., 20<sup>th</sup> Floor, Los Angeles, CA 90020  
Attn: Contracts Development and Administrative Division

**or electronically to:**

**8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program**

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within 90 calendar days of written notice will be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to [County Code Chapter 2.202](#).

**8.42 Termination for Convenience**

**8.42.1** This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder will be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective will be no less than 120 days after the notice is sent.

**8.42.2** After receipt of a notice of termination and except as otherwise directed by the County, the Contractor must:

**8.42.2.1** Stop work under this Contract on the date and to the extent specified in such notice, and

**8.42.2.2** Complete performance of such part of the work as would not have been terminated by such notice.

**8.42.3** All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract must be maintained by the Contractor in accordance with Paragraph 8.38 (Record Retention and Inspection-Audit Settlement).

**8.43 Termination for Default**

**8.43.1** The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of Director of Mental Health:

**8.43.1.1** Contractor has materially breached this Contract; or

**8.43.1.2** Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or

**8.43.1.3** Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

**8.43.2** In the event that the County terminates this Contract in whole or in part

as provided in Paragraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor will be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor will continue the performance of this Contract to the extent not terminated under the provisions of this paragraph.

**8.43.3** Except with respect to defaults of any subcontractor, the Contractor will not be liable for any such excess costs of the type identified in Paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

**8.43.4** If, after the County has given notice of termination under the provisions of Paragraph 8.43 (Termination for Default) it is determined by the County that the Contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) or that the default was excusable under the provisions of subparagraph 8.43.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).

**8.43.5** The rights and remedies of the County provided in this Paragraph 8.43 (Termination for Default) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.44 Termination for Improper Consideration**

**8.44.1** The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

**8.44.2** The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

**8.44.3** Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

#### **8.45 Termination for Insolvency**

**8.45.1** The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

**8.45.1.1** Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

**8.45.1.2** The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;

**8.45.1.3** The appointment of a Receiver or Trustee for the Contractor;  
or

**8.45.1.4** The execution by the Contractor of a general assignment for the benefit of creditors.

**8.45.2** The rights and remedies of the County provided in this Paragraph 8.45 (Termination for Insolvency) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.46 Termination for Non-Adherence of County Lobbyist Ordinance**

The Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Contractor, must fully comply with the County's Lobbyist Ordinance, [County Code Chapter 2.160](#). Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance will constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

#### **8.47 Termination for Non-Appropriation of Funds**

Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

#### **8.48 Validity**

If any provision of this Contract or the application thereof to any person or

circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances will not be affected thereby.

#### **8.49 Waiver**

No waiver by the County of any breach of any provision of this Contract will constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract will not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **8.50 Warranty Against Contingent Fees**

**8.50.1** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

**8.50.2** For breach of this warranty, the County will have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with [Los Angeles County Code Chapter 2.206](#).

#### **8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" will constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice will be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to [Los Angeles County Code Chapter 2.206](#).

#### **8.53 Time Off for Voting**

The Contractor must notify its employees and must require each subcontractor to notify and provide to its employees, information regarding the time off for voting law ([Elections Code Section 14000](#)). Not less than 10 days before every statewide

election, every Contractor and subcontractors must keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of [Section 14000](#).

#### **8.54 Compliance with County's Zero Tolerance Policy on Human Trafficking**

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County will require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

#### **8.55 Intentionally Omitted**

#### **8.56 Compliance with Fair Chance Employment Hiring Practices**

Contractor, and its subcontractors, must comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#). Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

#### **8.57 Compliance with the County Policy of Equity**

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability.

#### **8.58 Prohibition from Participation in Future Solicitation(s)**

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract.

## **8.59 Injury and Illness Prevention Program**

Contractor will be required to comply with the State of California's Cal OSHA's regulations. California Code of Regulations Title 8 Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

## **9 UNIQUE TERMS AND CONDITIONS**

### **9.1 Health Insurance Portability and Accountability Act of 1996 (HIPAA)**

The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this Agreement, the Contractor provides services to the County and the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit I (Business Associate Under Health Insurance Portability and Accountability Act of 1996 ("HIPAA")) in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit I (Business Associate Under Health Insurance Portability and Accountability Act of 1996 ("HIPAA")).

### **9.2 Ownership of Materials, Software and Copyright**

**9.2.1** County will be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, will execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

**9.2.2** During the term of this Contract and for five (5) years thereafter, the Contractor must maintain and provide security for all of the Contractor's working papers prepared under this Contract. County will have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

**9.2.3** Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Contract Monitoring Manager as proprietary or confidential, and will be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

**9.2.4** The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in

confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

**9.2.5** Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under subparagraph 9.2.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by subparagraph 9.2.3 or for any disclosure which the County is required to make under any state or federal law or order of court.

**9.2.6** All the rights and obligations of this Paragraph 9.2 will survive the expiration or termination of this Contract.

### **9.3 Patent, Copyright and Trade Secret Indemnification**

**9.3.1** The Contractor must indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. County will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and will support the Contractor's defense and settlement thereof.

**9.3.2** In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, must either:

**9.3.2.1** Procure for County all rights to continued use of the questioned equipment, part, or software product; or

**9.3.2.2** Replace the questioned equipment, part, or software product with a non-questioned item; or

**9.3.2.3** Modify the questioned equipment, part, or software so that it is free of claims.

**9.3.3** The Contractor will have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

### **9.4 Contractor's Charitable Activities Compliance**

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" ([SB 1262, Chapter 919](#)) increased Charitable Purposes Act requirements. By requiring Contractors to complete Exhibit J (Charitable Contributions Certification), the County seeks to ensure that all County Contractors which receive or raise charitable contributions comply with California law in order

to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. ([County Code Chapter 2.202](#))

## **9.5 Data Destruction**

Contractor(s) that have maintained, processed, or stored the County data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800- 88 titled Guidelines for Media Sanitization. Available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88> Rev.%201

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within 10 business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Contractor(s) must certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor(s) must provide County with written certification, within 10 business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or indecipherable.

## **9.6 Local Small Business Enterprise (LSBE) Preference Program**

- 9.6.1** This Contract is subject to the provisions of the County's ordinance entitled LSBE Preference Program, as codified in [Chapter 2.204 of the Los Angeles County Code](#).
- 9.6.2** The Contractor will not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a LSBE.
- 9.6.3** The Contractor will not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a LSBE.
- 9.6.4** If the Contractor has obtained certification as a LSBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, will:

- 9.6.4.1** Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
- 9.6.4.2** In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
- 9.6.4.3** Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties will also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

## **9.7 Social Enterprise (SE) Preference Program**

- 9.7.1** This Contract is subject to the provisions of the County's ordinance entitled SE Preference Program, as codified in [Chapter 2.205 of the Los Angeles County Code](#).
- 9.7.2** Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a SE.
- 9.7.3** Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a SE.
- 9.7.4** If Contractor has obtained County certification as a SE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, Contractor will:
  - 9.7.4.1** Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
  - 9.7.4.2** In addition to the amount described in subdivision (1) above, the Contractor will be assessed a penalty in an amount of not more than 10% of the amount of the contract; and
  - 9.7.4.3** Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties will also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the Department of Consumer and Business Affairs of this information prior

to responding to a solicitation or accepting a contract award.

## **9.8 Disabled Veteran Business Enterprise (DVBE) Preference Program**

**9.8.1** This Contract is subject to the provisions of the County's ordinance entitled DVBE Preference Program, as codified in [Chapter 2.211 of the Los Angeles County Code](#).

**9.8.2** Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a DVBE.

**9.8.3** Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a DVBE.

**9.8.4** If Contractor has obtained certification as a DVBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, Contractor will:

**9.8.4.1** Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

**9.8.4.2** In addition to the amount described in subdivision (1) above, the Contractor will be assessed a penalty in an amount of not more than 10% of the amount of the contract; and

**9.8.4.3** Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

Notwithstanding any other remedies in this contract, the above penalties will also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

## **9.9 Contractor Protection of Electronic County Information**

**9.9.1** The Board has recognized that the County must ensure that appropriate safeguards are in place to protect public data and avoid the penalties and fines that may be imposed when unprotected confidential/sensitive information is disclosed inappropriately. County Policy 5.200 "Contractor Protection of Electronic County Information" provides specific details and can be accessed at the following link:

[https://library.municode.com/ca/la\\_county\\_-\\_bos/codes/board\\_policy?nodeId=CH5COPU\\_5.200COPRCOELSTIN](https://library.municode.com/ca/la_county_-_bos/codes/board_policy?nodeId=CH5COPU_5.200COPRCOELSTIN).

Contractor agrees that it will comply with County Policy 5.200, as it now

exists or as it might be modified in the future, as it relates to information acquired in the course of providing services during the term of this Contract.

- 9.9.2** Contractor must sign Exhibit K (Attestation Regarding Information Security Requirements) to attest compliance with Los Angeles County Board of Supervisors Policy No. 5.200 "Contractor Protection of Electronic County Information" and acknowledge that it is the responsibility of the Contractor to access the following link: <https://dmh.lacounty.gov/providers/administrative-tools/administrative-forms/contract-attachments/> for Information Security documents **annually and upon notification by DMH of updated Information Security documents. It is the contractor's responsibility to update and resubmit the documents at any time if changes occur outside of the parameters identified above.** Contractor must also ensure that prior to access, its workforce members, including subcontractors, that create, receive, maintain, or transmit Personal Identifiable Information (PII) and Protected Health Information (PHI), acknowledge and sign the applicable Attachments to Exhibit K. Security and privacy requirements will apply to all County PII, PHI, and Medical Information electronically stored or transmitted by contractors and subcontractors, irrespective of storage and/or transmission methodology.

## **10 Survival**

In addition to any terms and conditions of this Agreement that expressly survive expiration or termination of this Agreement by their terms, the following provisions will survive the expiration or termination of this Agreement for any reason:

Paragraph 1 (Applicable Documents)

Paragraph 2 (Definitions)

Paragraph 3 (Work)

Paragraph 5.4 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Paragraph 7.6 (Confidentiality)

Paragraph 8.1 (Amendments)

Paragraph 8.2 (Assignment and Delegation/Mergers or Acquisitions)

Paragraph 8.6 (Compliance with Applicable Law)

Paragraph 8.19 (Fair Labor Standards)

Paragraph 8.20 (Force Majeure)

Paragraph 8.21 (Governing Law, Jurisdiction, and Venue)

Paragraph 8.23 (Indemnification)

Paragraph 8.24 (General Provisions for all Insurance Coverage)

Paragraph 8.25 (Insurance Coverage)

Paragraph 8.26 (Liquidated Damages)

Paragraph 8.34 (Notices)

Paragraph 8.38 (Record Retention and Inspection/Audit Settlement)

Paragraph 8.42 (Termination for Convenience)

Paragraph 8.43 (Termination for Default)

Paragraph 8.48 (Validity)

Paragraph 8.49 (Wavier)

Paragraph 8.58 (Prohibition from Participation in Future Solicitation(s))

Paragraph 9.2 (Ownership of Materials, Software and Copyright)

Paragraph 9.3 (Patent, Copyright and Trade Secret Indemnification)

Paragraph 10 (Survival)

IN WITNESS WHEREOF, Contractor has executed this Contract or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the County's Director of Mental Health or designee, thereof, the day and year first above written.

**COUNTY OF LOS ANGELES**

By \_\_\_\_\_  
LISA H. Wong, Psy.D.  
Director of Mental Health

Ventegra Foundation  
**CONTRACTOR**

By: \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

BY: RACHEL KLEINBERG  
Senior Deputy County Counsel

**EXHIBIT A**  
**STATEMENT OF WORK (SOW) AND ATTACHMENTS**  
**FOR**  
**PHARMACY BENEFIT MANAGEMENT SERVICES**

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## **SOW ATTACHMENTS**

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## **STATEMENT OF WORK (SOW)**

### **1.0 DEFINITIONS**

Contractor will refer to Attachment 1 (Definitions) of Exhibit A (SOW and Attachments).

### **2.0 SCOPE OF WORK**

- 2.1 The Los Angeles County (LAC or County) Department of Mental Health (Department or DMH) is the largest county mental health department in the country. DMH directly operates more than 80 programs and contracts for services with more than 400 agencies to serve approximately 290,000 Clients, of which approximately 23,200 are uninsured (i.e. have no source of healthcare benefits). To the extent that resources are available, DMH maintains financial responsibility for those Clients who are uninsured, hereafter referred to as Covered Clients (CCs). DMH pays for approximately 5,000 prescription drugs each month dispensed by DMH Participating Pharmacies (PPs) throughout LAC.
- 2.2 Contractor will serve as DMH's Pharmacy Benefits Administrator (PBA)/Pharmacy Benefits Manager (PBM)/Third-Party Administrator (TPA), hereafter referred to as PBM, and will provide:
  - 2.2.1 Pharmacy network management; and
  - 2.2.2 Claims Adjudication; and
  - 2.2.3 Drug Formulary enforcement; and
  - 2.2.4 Drug utilization reporting; and
  - 2.2.5 Drug Rebate optimization; and
  - 2.2.6 Customer service for Clients, PPs, and DMH Directly-Operated and Contracted Staff, consistent with DMH's policies, procedures, and requirements.

### **3.0 SPECIFIC WORK REQUIREMENTS**

#### **3.1 PARTICIPATING PHARMACY NETWORK (PPN)**

Contractor will develop and manage a network of PPs for DMH.

- 3.1.1 Contractor will ensure that in each Service Area of LAC (Attachment 19 – Map of LAC Service Areas) the PPN has:
  - 3.1.1.1 At minimum, five (5) pharmacies that are open 24 hours per day;
  - 3.1.1.2 At minimum, five (5) pharmacies must have linguistic proficiency (which may be accomplished through telephone interpretation services) in the languages listed in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments);
  - 3.1.1.3 At minimum, five (5) pharmacies that can mail prescribed drugs to Clinics or to CCs;
  - 3.1.1.4 At minimum, two (2) pharmacies that can deliver prescribed drugs to Clinics or to CCs at their residence or residential facilities, upon request;
  - 3.1.1.5 At minimum, two (2) pharmacies that are authorized to dispense drugs with Risk Evaluation and Mitigation Strategies (REMS)

- restrictions, including but not limited to, Sublocade, clozapine, and esketamine;
- 3.1.1.6 At minimum, two (2) pharmacies that are AIDS Drug Assistance Program (ADAP) pharmacy providers.
- 3.1.2 The addition or removal of pharmacies must adhere to requirements set forth in this Contract. Contractor's protocol for adding and/or removing pharmacies, will include the following:
- 3.1.2.1 Criteria for adding and/or removing pharmacies consistent with DMH program requirements as set forth in this Contract;
- 3.1.2.2 Specific actions required by DMH and Contractor to add or remove pharmacies; and
- 3.1.2.3 Timelines for each action.
- 3.1.2.4 Contractor will disclose its ownership of any pharmacies that are pending addition to the PPN. Contractor will also disclose when any PPs come under its ownership during the Contract term. DMH reserves the right to exclude any or all of these pharmacies from DMH's PPN.
- 3.1.2.5 Contractor will deny or terminate a pharmacy's participation in the PPN for failure to meet or maintain eligibility requirements outlined in Paragraph 3.1.3 of Exhibit A (SOW and Attachments).
- 3.1.2.6 DMH reserves the right to remove any pharmacy from its PPN.
- 3.1.2.7 When DMH requires Contractor to remove PP from PPN, DMH will notify Contractor in writing and include rationale. Contractor will have 14 calendar days from the date of receipt to provide a counter argument or evidence or propose a corrective action plan. If counter argument, evidence or corrective actions are deemed unsatisfactory by DMH, Contractor will remove PP from PPN no later than 30 calendar days from the date of receipt of original notification from DMH.
- 3.1.2.8 Contractor will contract with any pharmacy identified by DMH at any time during the term of this Contract, within 14 calendar days of date of receipt of written request from DMH, as long as the pharmacy meets the requirements outlined in Paragraph 3.1.3 of Exhibit A (SOW and Attachments).
- 3.1.2.9 Contractor will notify DMH of any changes to PPN throughout the Contract term by sending an updated PPN directory, as per Paragraph 3.1.6 of Exhibit A (SOW and Attachments), to DMH on the day of the change.
- 3.1.3 Contractor will add a pharmacy to the PPN when pharmacy meets all of the following minimum eligibility requirements:
- 3.1.3.1 Possesses a current and valid California State Board of Pharmacy (CABOP) pharmacy license, without restrictions; and
- 3.1.3.2 Possesses a current and valid Drug Enforcement Agency (DEA)

- registration certificate, without restrictions; and
- 3.1.3.3 Is recognized as a pharmacy provider by the National Association of Boards of Pharmacy (NABP); and
  - 3.1.3.4 Is an authorized California State Medi-Cal provider; and
  - 3.1.3.5 Uses Surescripts-certified software (Surescripts); and
  - 3.1.3.6 Complies with National Council Prescription Drug Programs (NCPDP) standards; and  
  
Possesses an electronic patient drug-profile system that provides up-to-date information to the dispensing pharmacist on patient-specific drug-drug/drug-food/drug-disease interactions, therapeutic duplications, dosage limits, pregnancy/lactation considerations, gender considerations, pediatric/geriatric considerations, renal/hepatic dose adjustments, potential adverse effects, and Risk Evaluation and Mitigation Strategies (REMS) requirements. The electronic system must also generate written drug information and dosing instructions intended for the lay public, that meets California State Board of Pharmacy requirements; and
  - 3.1.3.7 Possesses software(s) for querying clients' public, private, and commercial insurance(s), to ensure claims are submitted to the appropriate payer, including Medi-Cal, Medicare, or other third-party payers; and
  - 3.1.3.8 Pharmacy's Pharmacist-in-Charge maintains a current, unrestricted license as a pharmacist in California.
- 3.1.4 Contractor will have a Participating Pharmacies Agreement (PPA) with each pharmacy in the PPN. Each PPA will contain adequate verbiage to allow Contractor to enforce DMH's requirements outlined in Paragraphs 3.1.4.1 – 3.1.4.14 of Exhibit A (SOW and Attachments). Upon a pharmacy's entry into PPN, Contractor will issue a memo notifying PP of requirements outlined in Paragraphs 3.1.4.1 – 3.1.4.14 of Exhibit A (SOW and Attachments) and that DMH reserves the right to remove any pharmacy from the PPN which does not comply with the following requirements:
- 3.1.4.1 Comply with all applicable laws, regulations, rules, and requirements for the delivery of services to CCs (including but not limited to all CABOP regulations); and
  - 3.1.4.2 Serve all CCs; and
  - 3.1.4.3 For Generic Drugs, only dispense AA- or AB-rated generic therapeutic equivalent drugs; and
  - 3.1.4.4 Only process Refills explicitly requested by CCs; and
  - 3.1.4.5 Not charge CCs out-of-pocket costs; and
  - 3.1.4.6 Respond to DMH's complaints and/or grievance requests in writing within five business days from date of receipt; and

## Exhibit A – SOW and Attachments

- 3.1.4.7 Maintain auditable records of purchasing, inventory management, prescription transactions and prescription receipt verification for a minimum of ten years; and
- 3.1.4.8 Provide to Contractor, DMH, and DMH's designated auditor(s), all records (including, but not limited to those listed in Paragraph 3.1.4.7, prescription, patient and provider information) requested by Contractor, DMH, and/or DMH's designated auditor(s) for purposes of audit, quality improvement and/or drug utilization evaluation, within 30 calendar days of receipt of request, at no additional cost to Contractor or DMH; and
- 3.1.4.9 Agree for Contractor to provide an un-redacted copy of PPA and any appendices and amendments to DMH within 30 calendar days of receipt of request by DMH; and
- 3.1.4.10 Comply with DMH Billing Instructions in Attachment 18 (PP Billing Instructions) of Exhibit A (SOW and Attachments); and
- 3.1.4.11 Accept payment for prescription services in accordance with Lower of Pricing reimbursement methodology. Refer to Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments); and
- 3.1.4.12 Reverse claims for prescriptions filled and submitted for payment but not picked up by CCs within 14 calendar days of date of service. Upon request, provide claim reversal records to DMH or its designated auditor(s) for compliance audit purposes; and
- 3.1.4.13 When notified that a CC is eligible, or has become retroactively eligible, for third-party prescription drug coverage (i.e., Medi-Cal, Medicare, or other third-party payer) on date of service: (1) reverse claims processed during third-party prescription drug coverage period, (2) when applicable, submit treatment authorization requests (TARs) to appropriate payer(s), (3) back bill appropriate payer(s) for claims. Upon request, provide claim reversal records to DMH or its designated auditor(s) for compliance audit purposes; and
- 3.1.4.14 Accept that Contractor or DMH may directly reverse claims that do not meet DMH program requirements, if not reversed by pharmacy within 14 calendar days of receipt of notification from Contractor or DMH.
- 3.1.5 At any time during the term of this Contract, DMH, LAC Auditor Controller (A-C), or other County entities may monitor Contractor for compliance with all Contract requirements. When/if deficiencies are found, DMH will issue a contract discrepancy report that details deficiencies and steps to correct these.
- 3.1.6 Contractor will produce a PPN Directory using NCPDP data.
  - 3.1.6.1 The PPN directory will contain, at a minimum, the parameters listed in Attachment 15 (PPN Directory Parameters) of Exhibit A (SOW and Attachments).

- 3.1.6.2 On the first day of each month, and on the day of each change to the PPN directory, Contractor will submit an updated PPN Directory to DMH, formatted in Excel or other DMH approved format.
  - 3.1.6.2.1 This Directory will flag PPs added and removed from the PPN compared to the previous Directory.
  - 3.1.6.2.2 Contractor will provide the reason for PP's termination from the PPN within seven calendar days from the date of request,
  - 3.1.6.2.3 For Claims Adjudication purposes, a pharmacy is not part of the PPN if it is not listed in the PPN Directory received by DMH, or if DMH has directed its removal in accordance with Paragraph 3.1.2.5 of Exhibit A (SOW and Attachments).
- 3.1.7 Contractor will communicate all DMH Program policy changes to all PPs, affected by the changes, within ten business days of receipt of the notification of the changes from DMH.

### **3.2 CLAIMS ADJUDICATION**

- 3.2.1 Contractor will provide Claims Adjudication services 24 hours a day, 365 days a year.
  - 3.2.1.1 Claim Adjudication system downtime will be no more than 1% of total operating time each month.
- 3.2.2 Contractor will securely receive electronic transmission of claims (real-time adjudication) in accordance with current HIPAA-compliant NCPDP Telecommunication Standard as outlined in Attachment 11 (Information Technology) of Exhibit A (SOW and Attachments).
- 3.2.3 Contractor will adjudicate Claims in accordance with Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments).
- 3.2.4 Contractor will submit real-time claim data to Surescripts for prescribers to assess medication fill history and adherence patterns.

### **3.3 DRUG FORMULARY ENFORCEMENT**

- 3.3.1 Adding and/or Removing Drugs from DMH's Drug Formulary
  - 3.3.1.1 DMH will be the only party that may direct changes to DMH's Drug Formulary. Contractor will not change DMH's Drug Formulary unless DMH has directed such changes in writing.
    - 3.3.1.1.1 Any changes to DMH's Drug Formulary implemented by Contractor without DMH's authorization will be considered null and void for the purposes of Claims adjudication.
  - 3.3.1.2 When DMH directs the addition or removal of a drug from DMH's Drug Formulary, Contractor will apply the updated information to the formulary database within 30 calendar days of receipt of written

notification from DMH. Contractor will notify DMH in writing the date and time when updates are effective in Claims Adjudication system.

3.3.1.3 Upon request from DMH, Contractor will provide DMH with literature and analytics to guide decisions regarding the addition and/or removal of formulary agents, including but not limited to the following information for all drugs identified by DMH:

3.3.1.3.1 Safety and efficacy;

3.3.1.3.2 Place in therapy;

3.3.1.3.3 Typical drug use criteria;

3.3.1.3.4 Disruption analysis to assess the likely impact of changing DMH's Drug Formulary;

3.3.1.3.5 Net drug cost to DMH, factoring in all financial benefits that may be passed through to DMH.

3.3.1.4 Contractor will provide DMH Formulary information to Surescripts to make real-time prescription benefit information available to prescribers for determining patient eligibility, prescription plan information, formulary coverage and alternatives at time of prescribing.

3.3.1.5 The addition or removal of drugs from DMH's Drug Formulary will not require an Amendment of Contract with County.

3.3.2 Any drugs not listed in Attachment 12 (DMH's Drug Formulary) of Exhibit A (SOW and Attachments), are considered non-formulary.

3.3.2.1 New drugs that become commercially available will be treated as non-formulary until added to DMH's Drug Formulary by DMH.

3.3.3 DMH reserves the right to apply formulary restrictions including, but not limited to, Formulation, strength, frequency, quantity, Days' Supply, indication/diagnoses, manufacturer, and National Drug Code (NDC), as needed.

### **3.4 PRIOR AUTHORIZATIONS**

3.4.1 Contractor will implement an electronic Prior Authorization (PA) system whereby PA requests may be adjudicated by DMH. This system will provide web-based, real-time transmission of PA approval information, immediately accessible to pharmacies in the PPN.

3.4.1.1 A PA for a specific strength of a drug will not serve as authorization for other strengths of the same drug.

3.4.1.2 For Claims Adjudication purposes, a PA will be considered effective only for the date range specified in the approval.

3.4.2 Unless requested otherwise by DMH, only DMH will adjudicate PA requests related to (1) Non-Formulary Drugs, (2) Formulary Drugs with restrictions outlined in Paragraph 3.3.3 of Exhibit A (SOW and Attachments), (3) Brand Name Drugs when Generic Drugs are commercially available, (4) Long-Acting

Injectable antipsychotics, (5) Fund-One drugs, (6) Client Eligibility.

3.4.2.1 Only upon written request from DMH will Contractor adjudicate PA requests related to those listed in Paragraph 3.4.2 of Exhibit A (SOW and Attachments) on behalf of DMH. The written request will specify a finite period and scope within which Contractor may adjudicate PA requests.

3.4.2.2 Any PAs adjudicated by Contractor outside the finite period and scope authorized by DMH will be considered null and void for the purposes of Claims adjudication.

3.4.3 Unless requested otherwise by DMH, Contractor will adjudicate PA requests that fall within the following categories:

3.4.3.1 Refill-Too-Soon;

3.4.3.2 Overrides;

3.4.3.3 Fills Limit Exceeded.

3.4.4 When adjudicating any PAs on DMH's behalf, Contractor will follow DMH PA adjudication protocols. Any PAs adjudicated by Contractor that are not consistent with DMH PA adjudication protocols will be considered null and void for the purposes of Claims Adjudication.

3.4.5 PA request submissions will follow the format in Attachment 14 (Prior Authorization Request Form) of Exhibit A (SOW and Attachments).

### **3.5 DATA COLLECTION AND REPORTS**

Contractor will transmit all reports and data files via secured Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant system and/or secure file transfer process and in formats that can be exported into spreadsheets (e.g., Excel) and data base management programs (e.g., Access) for data analysis.

#### **3.5.1 Financial Reports**

Contractor will attach financial reports to each Claims, Administrative, and Ancillary Invoice, in accordance with Paragraph 2.1.1.2 of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments).

#### **3.5.2 Standard Reports**

Contractor will provide Standard Reports to DMH, as listed in Attachment 7 (Monthly Standard Reports) of Exhibit A (SOW and Attachments), on a monthly basis, within ten (10) calendar days after the end of the calendar month.

#### **3.5.3 Ad-hoc Reports**

DMH may request reports to inform formulary or PBM operations decisions. Contractor will provide the ad-hoc reports within a mutually agreed upon timeframe.

#### **3.5.4 Clinic Medication Dispensary Data**

Contractor will provide clinic medication dispensary data to DMH following processes and requirements delineated in Attachment 8 (Clinic Medication

Dispensary Data) of Exhibit A (SOW and Attachments).

**3.5.5 Reporting Tool**

Contractor will provide a reporting tool for DMH to reliably access real-time data on all system tables, including but not limited to those listed in Paragraphs 3.5.1 – 3.5.4 of Exhibit A (SOW and Attachments). This tool will continue to be available to DMH for at least ten (10) years after termination of the Contract.

**3.6 DRUG REBATE**

3.6.1 Contractor will refer to Paragraph 4.0 (Rebates) of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments).

**3.7 CUSTOMER SERVICE CALL CENTER**

3.7.1 Contractor will operate a Customer Service Call Center (CSCC) to answer inquiries from CCs, their Caretakers, PPs, and DMH Staff, 24 hours a day, 365 days a year.

3.7.2 Contractor' CSCC will have at least:

3.7.2.1 One toll-free phone line (XXX-XXX-XXXX)

3.7.2.2 One fax number: (YYY-YYY-YYYY)

3.7.2.3 One email address: (ZZZZ@ZZZZ.COM)

3.7.3 Contractor will ensure CSCC meets service level standards:

3.7.3.1 All calls to Contractor's CSCC will not exceed a five-minute wait time.

3.7.3.2 All calls to CSCC will be answered with an abandonment rate no greater than 3%.

3.7.3.3 At least 90% of all calls to CSCC will be resolved at the first point of contact unless resolution requires outreach to pharmacies and/or providers.

3.7.3.4 No greater than 3% of calls to CSCC will be blocked, measured on a book of business basis. Blocked means those calls in which a caller receives a busy signal and not a response system or live person.

3.7.4 Translational Services

3.7.4.1 For non-English speaking callers, Contractor's CSCC Team staff will provide immediate interpreters in languages listed in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments), 24 hours per day, 365 days per year.

3.7.4.2 For the hearing and speech impaired, Contractor's Customer Service Call Center Team will provide TDD-TTY telecommunications, 24 hours per day, 365 days per year.

**3.8 CLIENT COMMUNICATIONS**

3.8.1 All Client communications, e.g., notices and surveys, other than for dispensing/refilling a prescription, must be approved by County's Contract

Monitoring Manager. County's Contract Monitoring Manager retains the right to determine if communications are of marketing or other nature that is inconsistent with DMH Program policies.

### **3.9 WEB PORTAL**

3.9.1 Contractor will develop and maintain a web-based system or infrastructure as outlined in Attachment 11 (Information Technology) of Exhibit A (SOW and Attachments).

## **4.0 CONTRACTOR STAFFING, MATERIALS, EQUIPMENT & TRAINING**

### **4.1 Personnel**

Contractor will assign sufficient number of employees to perform the required work and conduct a background check of their employees as set forth in sub-paragraph 7.5 – Background and Security Investigations, of the Contract.

4.1.1 Contractor will assign one (1) full-time equivalent (FTE) Lead Account Manager who must:

- 4.1.1.1 Have three (3) years of experience as a PBM Account Manager.
- 4.1.1.2 Have full authority to act for Contractor on all matters relating to the daily operation of the Contract and to make business decisions on behalf of Contractor.
- 4.1.1.3 Provide business input and guidance to Account Management Team to resolve issues identified by DMH.
- 4.1.1.4 Be able to effectively communicate in English, both orally and in writing.
- 4.1.1.5 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., Pacific Standard Time (PST).

4.1.2 Contractor will assign one (1) FTE Project Manager who must:

- 4.1.2.1 Have three (3) years of experience as a PBM Project Manager.
- 4.1.2.2 Serve as central point of contact for all PBM-related matters.
- 4.1.2.3 Respond to, follow-up with and resolve inquiries or complaints on any issues raised by DMH staff about Contractor's performance under the Contract.
- 4.1.2.4 Schedule meetings with stakeholders as requested by DMH.
- 4.1.2.5 Be able to effectively communicate in English, both orally and in writing.
- 4.1.2.6 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., PST.
- 4.1.2.7 Answer all phone calls, emails, and text messages from DMH within one business day of receipt.
- 4.1.2.8 Provide a cell phone number for emergencies/disaster support, with response time within one hour during emergencies/disasters.

**4.1.3 Contractor will assign one (1) FTE PBM Technology Lead who will:**

- 4.1.3.1 Have three (3) years of experience working in a lead role responsible for all technical aspects of complex PBM implementations.
- 4.1.3.2 Serve as central point of contact for all matters related to Information Technology (IT) and technical issues that may impact Contractor's delivery of services under this Contract.
- 4.1.3.3 Collaborate with DMH to develop and provide written IT testing plan for DMH approval to fulfill Service Level Agreements (SLA).
- 4.1.3.4 Deliver to DMH:
  - 4.1.3.4.1 A comprehensive technical document that outlines:
    - 4.1.3.4.1.1 Scope of technical work required for Contractor and DMH (e.g. configuring system, testing system, developing interfaces, standing up servers, configuring network/workstations, etc.) in implementation; and
    - 4.1.3.4.1.2 Associated technical specifications/requirements (e.g., server specifications, API/interface specifications, network/firewall specifications, etc.)
  - 4.1.3.4.2 A detailed project schedule that includes all required (DMH- and non-DMH- or Contractor-related) technical tasks/deliverables with associated durations (i.e., start and end dates), dependencies (i.e., predecessor/successor tasks), and resources (i.e., people responsible for completing each task/deliverable) associated with planning and implementation of technical components of PBM solution. The development of project schedule will be a collaborative effort between Contractor and DMH, starting with Contractor's baseline schedule and incorporating DMH's tasks in order to arrive at a comprehensive schedule.
  - 4.1.3.4.3 A comprehensive test plan that includes test scenarios and detailed test cases that exercises overall PBM solution (as opposed to just "IT" components.) The test plan will include criteria that specifies whether each function passes or fails. The plan will also specify a detailed process for reporting and resolving bugs found during testing.
- 4.1.3.5 Communicate any emergency maintenance downtime to DMH

- at least 24 hours prior to any scheduled maintenance.
- 4.1.3.6 Be able to effectively communicate in English, both orally and in writing.
- 4.1.3.7 Be reachable (or assign a designee to be reachable) through cell phone 24 hours a day, 365 days a year, to answer escalated IT calls and resolve any pre- and post Go-Live IT issues promptly.
- 4.1.4 Contractor will assign one (1) FTE for Pharmacist Lead who will:
  - 4.1.4.1 Interface with DMH and act as primary subject matter expert to answer all medication related questions, to be consulted on set-up of prescription claim adjudication system, and to resolve all operational issues that require pharmacist expertise or require pharmacist attention and intervention.
  - 4.1.4.2 Coordinate, implement and measure impact of changes to formulary decisions made by DMH P&T Committee.
  - 4.1.4.3 Advise DMH on Rebate strategies to maximize DMH savings on Rebate-able drugs.
  - 4.1.4.4 Answer clinical questions or calls escalated by Contractor's Customer Service Call Center Team.
  - 4.1.4.5 Be available Monday through Friday from 8:30 a.m. to 5:00 p.m., PST.
- 4.1.5 Contractor will assign one (1) FTE for Coordination of Benefits Lead who will:
  - 4.1.5.1 Screen for public, private and commercial insurance using Passport OneSource or similar software(s) prior to escalating eligibility requests to DMH; provide screening results to DMH with each escalation; redirect eligibility requestor to bill appropriate payer if screening results show Client has prescription coverage; document denial of coverage.
  - 4.1.5.2 Finalize Chargeback recoupment processes (Paragraph 3.2 of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments) during Contract Implementation Phase, no later than 30 calendar days prior to Contract Go-Live.
  - 4.1.5.3 Review Claims identified for chargeback and operationalize chargeback recoupment from PPs.
  - 4.1.5.4 Be available Monday through Friday from 8:00 a.m. to 6:00 p.m., PST.
- 4.1.6 Contractor will assign an Account Management Team which will:
  - 4.1.6.1 Consist of the following full time equivalent (FTE) staff, at minimum:
    - 4.1.6.1.1 Contractor's Lead Account Manager
    - 4.1.6.1.2 Contractor's Project Manager
    - 4.1.6.1.3 Contractor's PBM Technology Lead

- 4.1.6.1.4 Contractor's Pharmacist Lead
- 4.1.6.1.5 Contractor's Coordination of Benefits Lead
- 4.1.6.2 Oversee services required under this Contract and be responsible for the following:
  - 4.1.6.2.1 Oversee DMH Program design setup ensuring that all DMH Program-specific edits are correctly programmed, performing continual quality checks, developing and maintaining informational materials for customer service agents.
  - 4.1.6.2.2 Implement DMH's process for sending eligibility, managing the data load and exchanges.
  - 4.1.6.2.3 Integrate databases, applications, and software programs to ensure accuracy of the DMH eligibility data to prevent erroneous billing of Clients with other coverage. Access of query information and source tools will be shared with DMH.
  - 4.1.6.2.4 Submit required data files and reports, ensure data quality and accuracy, and update systems as needed.
  - 4.1.6.2.5 Track DMH Program utilization and costs, handle the analytical needs of DMH, locate opportunities to control costs, monitor drug utilization patterns, make recommendations on updating DMH Program design, participate in quality improvement and utilization management efforts, and coordinate with County's Contract Monitoring Manager.
  - 4.1.6.2.6 Research and document customer issues, monitor performance standards, and immediately address operational issues or DMH requests.
  - 4.1.6.2.7 Implement chargeback recoupment from PPs within seven (7) business days.
- 4.1.6.3 Contractor will provide DMH immediate and reasonable advance written notice of any planned changes to the Account Management Team.
  - 4.1.6.3.1 Contractor will ensure adequate cross-training and support for Contractor's replacement staff to effectively assume assigned roles and projects.
- 4.1.7 Contractor will assign a Customer Service Call Center Team (CSCCT) that will:
  - 4.1.7.1 Consist, at minimum, of pharmacy technicians, Contractor's Coordination of Benefits Lead, Contractor's Pharmacist Lead, and Contractor's PBM Technology Lead to appropriately address all levels of administrative, clinical, and technical

inquiries

- 4.1.7.2 Contractor will ensure CSCC is staffed by enough live agents 24 hours per day and 365 days per year to handle the call volume (in compliance with requirements outlined in Paragraph 3.7.3 of Exhibit A (SOW and Attachments)).

#### **4.1.8 General Staffing Requirements**

- 4.1.8.1 **Language Ability:** Contractor's personnel who are performing services under this Contract will be able to read, write, speak, and understand English in order to conduct business with DMH. In addition to having competency in English, Contractor will ensure there is a sufficient number of bilingual staff or interpreters to meet the language needs of the community served which must include the threshold languages identified in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments).
- 4.1.8.2 **Service Delivery:** Contractor will ensure that all professional staff, paraprofessional staff, and volunteers providing PBM services are able to provide services in a manner that effectively responds to differences in cultural beliefs, behaviors and learning, and communication styles within the community where the services are provided.
- 4.1.8.3 **Experience:** Contractor will be responsible for securing and maintaining staff who possess sufficient experience and expertise required to provide services in this Contract. Contractor will obtain written verification for staff with foreign degrees that the degrees are recognized as meeting established standards and requirements of an accrediting agency authorized by the U.S. Secretary of Education.

## **4.2 Materials and Equipment**

Contractor will be responsible for the purchase of all materials and equipment to provide services required under this Contract. Contractor will use materials and equipment that are safe for the environment and safe for use by the employee.

## **4.3 Training**

- 4.3.1 Contractor will provide training programs for all new employees and continuing in-service training for all employees.
- 4.3.2 Contractor will ensure all Contractor employees who work under this Contract be trained in their assigned tasks and in the safe handling of all equipment used to conduct assigned tasks. Contractor will routinely check all equipment for safety. Contractor will ensure all Contractor employees work in a safe environment according to Occupational Safety and Health Administration standards.
- 4.3.3 **Customer Service Call Center Team (CSCCT)**
  - 4.3.3.1 Contractor will provide the CSCCT with initial and refresher training(s), as required by DMH to comply with DMH's program

requirements.

- 4.3.3.2 Contractor will, at minimum, provide the following trainings:
  - 4.3.3.2.1 HIPAA Training;
  - 4.3.3.2.2 Customer Service Training;
  - 4.3.3.2.3 Call Handling, Logging and Tracking Procedures;
    - 4.3.3.2.3.1 Contractor will generate and delineate a CSCC call handling, logging, and tracking procedures. Final processes will be established during Contract Implementation Phase, no later than 30 calendar days prior to Contract Go- Live.
  - 4.3.3.2.4 Scope of Each Staff Level and Call Escalation Matrix;
    - 4.3.3.2.4.1 Contractors will define the scope of each CSCCT staff level. Final processes will be established during Contract Implementation Phase no later than 30 calendar days prior to Contract Go-Live. Each CSCCT staff level will be adequately trained so that the team as a whole can directly address inquiries.
    - 4.3.3.2.4.2 Contractor will create a CSCCT Call Escalation Matrix. Final processes will be established during Contract Implementation Phase no later than 30 calendar days prior to Contract Go-Live.
    - 4.3.3.2.4.3 Contractor's CSCCT will have sufficient access to Contractor's real-time Claims processing electronic system to directly address any inquiries.
  - 4.3.3.2.5 Plan/Program Specific Training (DMH's Program Design and Requirements);
  - 4.3.3.2.6 CSCCT's pharmacy technicians and pharmacist(s) will receive training on criteria and procedures for PAs related to Refill-To-Soon, Overrides, and Fills Limit Exceeded.
- 4.3.3.4 Upon DMH's request, Contractor will provide the percentage of CSCCT staff who have completed trainings required by DMH.
- 4.3.3.5 Upon DMH's request, Contractor will provide written copies of training material to each CSCCT member for reference and will

provide a copy of training material.

- 4.3.3.6 DMH reserves the right to review and request changes to policies, procedures, and training material relevant to provision of services to DMH Clients, at any time. Contractor will respond with an approval or denial of requested changes within a mutually agreed upon timeframe. Changes will become effective as of the date of approval. Contractor will immediately disseminate updated training material to all CSCCT members. Contractor will schedule training to reinforce changes within a mutually agreed upon timeframe. Contractor will provide documentation of completion status of the above to DMH upon request.

## **5.0 QUALITY CONTROL PLAN**

Contractor will establish and utilize a comprehensive Quality Control Plan (QCP) to monitor quality of services provided throughout term of Contract. Contractor will update and re-submit QCP for DMH approval as needed or required by DMH throughout Contract term. The QCP will include, at minimum, the following:

- 5.1 Method of self-monitoring to ensure that the Contractor will meet the Contract requirements.
- 5.2 A plan for submissions of records, to DMH, of all self-inspections conducted by the Contractor, any corrective action taken, time a problem was first identified, a clear description of problem, time elapsed between identification and completed corrective action, and preventive measures to avoid reoccurrence.

## **5.3 Audits of Participating Pharmacy Network**

- 5.3.1 Contractor will establish and delineate procedures for all audits conducted by Contractor of its PPs in the PPN, including type of audit, purpose, process, and frequency. Audit processes will be finalized during Contract Implementation Phase but no later than 30 calendar days prior to Contract Go-Live but may be revised, in consultation with LACDMH, if and when necessary. At a minimum, Contractor's audit procedures will assess the following:

- 5.3.1.1 PP's Compliance with PPN eligibility criteria and contractual requirements as delineated in Paragraphs 3.1.3 and 3.1.4
  - 5.3.1.1.1 At time of pharmacy's entry into PPN and annually, Contractor will collect and retain documentation of compliance with each requirement set forth in Paragraph 3.1.3.
  - 5.3.1.1.2 Within seven (7) calendar days of receipt of Audit Memo from DMH, Contractor will provide to DMH documentation of specified PP's compliance with each requirement set forth in Paragraph 3.1.3.
  - 5.3.1.1.3 Within seven (7) calendar days of receipt of Audit Memo from DMH, Contractor will provide to DMH its PPAs with specified PPs.
- 5.3.1.2 Claim-specific errors, including but not limited to:

## Exhibit A – SOW and Attachments

- 5.3.1.2.1 Missing or incomplete signature logs;
- 5.3.1.2.2 Using a DAW code incorrectly;
- 5.3.1.2.3 Over/underbilling quantities;
- 5.3.1.2.4 Calculating Day's Supply incorrectly;
- 5.3.1.2.5 Dispensing unauthorized, early or excessive refills;
- 5.3.1.2.6 Dispensing incorrect drug;
- 5.3.1.2.7 Submitting claim under incorrect member;
- 5.3.1.2.8 Submitting claim under incorrect prescriber;
- 5.3.1.2.9 Origin Code;
- 5.3.1.2.10 Incorrect Original Prescription Date Entry;
- 5.3.1.2.11 No Registered Pharmacist validating dispensation via prescription physical signature notation or electronic pharmacy software verification;
- 5.3.1.2.12 Using a NCPDP/NPI number inappropriately;
- 5.3.1.2.13 Missing or invalid hard copy, when hard copy is required;
- 5.3.1.2.14 Improper documentation of authorized changes to order;
- 5.3.1.2.15 Pharmacy purchasing invoices that do not correspond with NDCs of submitted claims for reimbursement;
- 5.3.1.2.16 Expired or absent pharmacy credentials (licensure, insurance, etc.); and
- 5.3.1.2.17 Pharmacy inventory discrepancies and/or deficiencies.
- 5.3.1.3 PPN's compliance with capability requirements set forth in Paragraph 3.1.1 of Exhibit A (SOW and Attachments).
- 5.3.2 Timelines and requirements for appeals of audit findings:
  - 5.3.2.1 PPs will have 14 calendar days to appeal the Contractors initial audit findings.
  - 5.3.2.2 If the Contractor or Audit Subcontractor denies the initial appeal, PP has a right to request a second level appeal by submitting required documentation to DMH within 14 calendar days of receipt of initial audit findings, for review.
  - 5.3.2.3 If PP does not submit to DMH the required documentation for a second level appeal within the specified timeframe, Contractor will provide PP the Final Audit Report within 36 calendar days of initial audit findings.
  - 5.3.2.4 If PP submits to DMH the required documentation for a second level appeal within the specified timeframe, DMH will have 28

calendar days to review and issue final determination in writing to Contractor. Contractor will provide PP the Final Audit Report within 63 calendar days of initial audit findings.

Final Audit Report findings will be considered final and undisputed and will specify the Overpayment amount containing at least the sum of all denied appeal Claims.

- 5.3.3 Contractor will report any breach of HIPAA immediately to DMH in accordance with Paragraph 9.1, Health Insurance Portability and Accountability Act of 1996 (HIPAA), of this Contract.
- 5.3.4 In the event of fraud, waste or abuse on the part of a PP, Contractor will immediately notify DMH and comply with Paragraph 8.0, Standard Terms and Conditions of the Contract.
- 5.3.5 Upon DMH's written request, Contractor will conduct additional audits of PPs in accordance with DMH written specification as part of routine audit process or in response to a specific concern identified by DMH or Contractor.
- 5.3.6 DMH reserves the right to direct the type, frequency and selection of Claims for each audit.
- 5.3.7 Contractor will provide DMH with quarterly reports on all audits conducted. Quarterly report will include, at minimum, findings and a Corrective Action Plan (CAP).
- 5.3.8 Contractor will propose a CAP process for review and approval by DMH during Contract negotiations.
- 5.3.9 In addition to audits performed by Contractor, DMH or its designated auditor(s) may directly audit PPs. At no additional cost to DMH, Contractor will provide complete electronic claims detail and any other information necessary for completing DMH audits.
- 5.3.10 At no additional cost to DMH, Contractor will facilitate meetings, as necessary, between DMH, Contractor, and PPs, to discuss any matters related to audits (timelines, plans, CAPs, etc.).
- 5.3.11 In the case where Contractor delegates PP audit to an Audit Subcontractor, contract between Contractor and Audit Subcontractor will be amended in accordance with the audit procedures established prior to Contract Go-Live but may be revised, in consultation with LACDMH, if and when necessary..

#### **5.4 Audits of Claims Adjudication System**

##### **5.4.1 Compliance with Claims Adjudication Criteria**

- 5.4.1.1 On the 1<sup>st</sup> of each month, or at another frequency or date determined by DMH, Contractor will provide to DMH a file listing Claims adjudicated in the prior month that are noncompliant with criteria set forth in Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments). For each listed Claim, Contractor will provide at minimum the unmet adjudication criteria, claim payment status (paid vs. reversed), and CAP to ensure future compliance.

**5.4.2 Operation Downtime**

- 5.4.2.1 Contractor will submit each month's Claim Adjudication system downtime as part of Contractor's bi-annual Quality Control assessment, accompanied by process improvement and follow-up plan, if applicable, to ensure compliance with Paragraph 3.2.1.1 of Exhibit A (SOW and Attachments).

**5.5 Audits of Call Center Performance**

- 5.5.1 Contractor will monitor all calls and provide DMH with bi-annual statistics on call center performance including but not limited to call volume (itemize received calls as answered, abandoned, blocked, etc.), call wait time, call duration, caller category (e.g. client, prescriber/prescriber office, retail pharmacy, etc.), category of inquiry (e.g., coverage status, locating participating pharmacy, benefits information, PA request, PA status, etc.), call outcome, and call escalation appropriateness.
- 5.5.1.1 Contractor will develop and use a call management tracking system to log the above information for each call.
- 5.5.1.2 Contractor will monitor CSCC for compliance with Paragraph 3.7.3 of Exhibit A (SOW and Attachments).
- 5.5.2 Contractor will monitor escalated calls for compliance with Paragraphs 4.3.3.2.3 and 4.3.3.2.4 of Exhibit A (SOW and Attachments). Contractor will provide DMH with means for indicating if a call escalation was inappropriate. Contractor will submit a list of inappropriate call escalations as part of Contractor's quarterly Quality Control assessment, accompanied by process improvement and follow-up plan to reduce inappropriate call escalation.

**6.0 QUALITY ASSURANCE PLAN**

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures outlined in Paragraph 8.15 (County's Quality Assurance Plan) of this Contract.

**6.1 Audits of Contractor Performance**

- 6.1.1 DMH will evaluate Contractor's performance in accordance with Attachment 22 (Performance Requirements Summary (PRS) Chart) of Exhibit A (SOW and Attachments), which summarizes criteria, method, and frequency of evaluation.
- 6.1.1.1 Contractor will give DMH access to its software(s) for querying Clients' public, private, and commercial insurance(s), so that DMH may verify Coordination of Benefits and Claims Adjudication by Contractor are compliant with DMH Program Requirements.
- 6.1.2 Any findings may result in a Contract Discrepancy Report (CDR) per Paragraph 6.1.3 of Exhibit A (SOW and Attachments).
- 6.1.3 Contract Discrepancy Report – Attachment 9 of Exhibit A (SOW and Attachments).
- 6.1.3.1 DMH will make a verbal notification of a Contract discrepancy to the Contractor's Contract Manager as soon as possible whenever

a Contract discrepancy is identified. The Contractor will resolve the discrepancy within a time period mutually agreed upon by the County and the Contractor.

6.1.3.2 The County Contract Monitoring Manager will determine whether a formal CDR will additionally be issued. Upon receipt of this document, the Contractor will respond in writing to the County Contract Monitoring Manager within the timeframe specified in the CDR, acknowledging the reported discrepancies or presenting contrary evidence. The Contractor will submit a CAP of all deficiencies identified in the CDR to the County Contract Monitoring Manager within a mutually agreed upon timeframe.

6.1.3.3 Should Contractor dispute findings, Contractor will provide sufficient documentation to support its dispute and will permit DMH adequate time to review the dispute. If Contractor fails to provide documentation substantiating its position or fails to prove that audit finding(s) are incorrect, the finding(s) will remain, and corrective steps will be taken within a mutually agreed upon timeframe.

6.1.4 DMH may withhold payment for related Claims until the Contractor resolves all issues.

## **6.2 Customer Satisfaction Survey**

6.2.1 On behalf of DMH, Contractor will administer Customer Satisfaction Surveys every 12 months to CCs, CC's Caretakers, and DMH Directly Operated and Contracted Staff, to evaluate services rendered by Contractor's PPN. Survey questions will be determined by DMH. Contractor will be responsible for word processing, formatting, printing, distributing and collecting surveys, and will report survey results in format and manner approved by DMH no later than 60 calendar days after survey period ends.

6.2.2 Contractor will administer a separate survey every 12 months to PP, to evaluate their support rendered to PP and identify potential areas of improvement. Survey questions will be determined by DMH. Contractor will be responsible for word processing, formatting, printing, distributing and collecting surveys, and will report survey results in format and manner approved by DMH no later than 60 calendar days after survey period ends.

## **6.3 Meetings**

Contractor will attend meetings required by DMH relevant to provision of PBM services to CCs, including but not limited to DMH Pharmacy and Therapeutics (P&T), DMH PBM/Administration, and ad-hoc meetings

## **7.0 GREEN INITIATIVES**

7.1 Contractor will use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

7.2 Contractor will notify County's Contract Monitoring Manager of Contractor's new green initiatives prior to the contract commencement.

**8.0 CONTRACT AMENDMENTS**

- 8.1 Unless otherwise indicated, all changes must be made in accordance with sub-paragraph 8.1, Amendments, of the Contract with County.

## ATTACHMENT 1 – DEFINITIONS

A reference in this Contract to the singular includes the plural and vice versa.

1. Abuse: Excessive or improper use of services or actions that is inconsistent with acceptable business or medical practice. Refers to incidents that, although not fraudulent, may directly or indirectly cause financial loss.
2. Administrative Fee: A fixed monthly flat fee that Contractor agrees to charge DMH that represents 100% of amount that Contractor will receive from DMH as compensation for services rendered under this Contract.
3. Audit Memo: Memorandum issued by DMH to direct Contractor on implementation of an Audit.
4. Authorized Prescriber: Any individual who holds a valid licensed-to-prescribe or furnishing certificate to order drugs in the State of California, that is employed or contracted by DMH or other Los Angeles County Department (as approved by DMH's Director or designee), to prescribe drugs to Covered Clients.
5. Average Wholesale Price (AWP): The average wholesale price for a given pharmaceutical product, on the date of service, as set forth in the most recent edition of the Medi-Span pricing guide or supplement.
6. Brand Name Drug: The term brand drug will mean the following: The multisource code field in Medi-Span contains an "M" (co-branded product), "O" (originator brand), or an "N" (single source brand); however, if the Multisource Code is "O" and there is a DAW Code of 3, 4, 5, 6, or 9, the drug will be considered a Generic Drug. The parties agree that when a drug is identified as a brand drug, it will be considered a brand drug for all purposes under this Contract.
7. Bubble-Pack: Customized unit-dose packaging of client's medications by PP in accordance with regulatory requirements.
8. Business Day: Any day, other than Saturday, Sunday or legal holidays. Business Days are counted by excluding the first day of receipt of notification. Any act in this Contract that is to be performed by a certain date will be considered timely if completed before 5 pm PST on that date.
9. Calendar Day: Any day of the Calendar. Calendar Days are counted by excluding the first day of receipt of notification. If the last Calendar Day is a Saturday, Sunday, or a legal holiday, then the last Calendar Day will be the next Business Day. Any act in this Contract that is to be performed by a certain date will be considered timely if completed before 5 pm PST on that date.
10. Claim: Billing for a Covered Item, prescribed by an Authorized Prescriber, and dispensed to a Covered Client by a PP
11. Clean Claim: Means a Claim submitted by PP, which has no defect or impropriety, including incomplete required substantiating documentation that would delay timely payment by Contractor. Clean Claim contains all pertinent information necessary for submission and passes all adjudication edits, in accordance with the standards of the

National Council for Prescription Drug Programs (NCPDP), for obtaining reimbursement for drug products dispensed.

12. Claims Adjudication: The assessment of a Claim and Client benefits to determine payment decision for the Claim.
13. Client: An individual who is enrolled and receiving services at a DMH Directly-Operated or Contracted facility.
14. Coordination of Benefits: PP's agreement to adhere to Attachment 18 – PP Billing Instructions.
15. Contract: The contractual agreement between PBM Contractor and DMH, including all addendums, exhibits, and other letters of understanding.
16. Contractor: Any corporation, association, company or individual that contracts with Los Angeles County for the administration of this Contract.
17. Covered Client (CC): A Client who is uninsured and ineligible for prescription drug coverage through Medi-Cal, Medicare Part D, or other third-party payers.
18. Covered Items: All drug products listed in DMH's Drug Formulary, and those not in DMH's Formulary but approved via Prior Authorization.
19. Credentialing: Process by which Contractor assesses whether pharmacy meets eligibility requirements for participation in PPN.
20. Date of Service: Date of dispensing of Covered Item(s).
21. Days' Supply: Number of days of treatment which will be provided by a specific quantity of dispensed drug if taken as prescribed.
22. Dispensing Fee: The DMH set fee in accordance with this Contract that is payable by Contractor, and reimbursed by DMH, to a Participating Pharmacy for dispensing a single prescription covered by DMH for a Covered Client.
23. Drug Enforcement Administration (DEA): A federal agency of the Department of Justice that enforces the controlled substances laws and regulations of the United States. The DEA licensing board authorizes healthcare providers (such as a physician, physician assistant, nurse practitioner, clinical pharmacist, optometrist, dentist, or veterinarian) to write prescriptions for controlled substances.
24. Drug Formulary: A listing of prescription drugs approved and periodically updated by DMH Pharmacy and Therapeutics Committee for coverage by DMH.
25. Federal Upper Limit (FUL): The maximum reimbursement amount allowed for certain drugs established by the Centers for Medicare and Medicaid Services (CMS) based on the weighted average of the most recently reported monthly average manufacturer price (AMP) for pharmaceutically and therapeutically equivalent multiple source drug products that are available for purchase by retail community pharmacies on a nationwide basis.
26. Formulation: The final physical and chemical makeup of the drug, commonly referred to as the dosage form (e.g., tablet, capsule, solution, suspension, etc.)
27. Fraud: An intentional act of deception, misrepresentation or concealment in order to gain something of value.

28. Fund-One: A cost-savings initiative whereby prescribers may only prescribe one high-cost formulary antipsychotic drug (identified in Attachment 13 - Fund One Drugs) within a three (3)-week period. "Fund" means that DMH will "pay" for only ONE of the drugs that included in this Fund-One program.
29. Generic Drug: The term generic drug will mean the following: The multisource code field in Medi-Span contains a "Y" (generic). An item will also be considered a generic drug if the Multisource Code is "O" and there is a DAW code of 3, 4, 5, 6, or 9. The parties agree that when a drug is identified as a generic drug, it will be considered a generic drug for all purposes under this Contract. However, the parties also agree that if the Contractor is provided any Rebates or other financial benefits for any drug characterized under this agreement as a generic drug, the Contractor will be obligated to pass through all such Rebates and financial benefits to DMH.
30. Go-Live: Launch of Contractor's Claim Adjudication services.
31. Health Insurance Portability and Accountability Act (HIPAA): A US law designed to provide privacy standards to protect patients' medical records and other health information provided to health plans, doctors, hospitals and other health care providers.
32. Implementation Phase: Time period between final Los Angeles County Board of Supervisors approval of Contract and date of Go-Live.
33. Lower of Pricing: A pricing algorithm that selects the lowest reimbursement price for a Claim at the Point-of-Sale (POS) in accordance with Paragraph 1.1.2.1 of Attachment 3 (Financial Exhibit) of Exhibit A (SOW and Attachments).
34. Maximum Allowable Costs (MAC): The maximum unit price at point-of-sale that DMH agrees for Contractor to pay a pharmacy for Generic Drugs available from multiple manufacturers.
35. National Average Drug Acquisition Cost (NADAC): National drug pricing benchmark determined by a CMS federal survey representing the national average drug acquisition cost paid by retail community pharmacies. NADAC excludes specialty and mail order pharmacies, and does not reflect Rebates, price concession, or off-invoice discounts. NADAC will be retrieved from Medi-Span.
36. National Council for Prescription Drug Programs (NCPDP): An organization that sets standards for electronic submission of retail pharmacy claims.
37. National Drug Code (NDC): unique, three-segment number, which serves as a universal product identifier for drugs.
38. National Practitioner Identifier (NPI): A unique identification number for covered health care providers adopted under the HIPAA Administrative Simplification Standard.
39. Non-Formulary Drugs: Drugs not listed in Attachment 12 - DMH's Drug Formulary.
40. Overpayment(s): Any payment made from DMH to Contractor for any service or Paid Claim that County reasonably identifies as due for recovery.
41. Paid Claim: A Claim that is paid by DMH for a single prescription.

- 42. Participating Pharmacies Network (PPN): DMH's network of Participating Pharmacies, as managed by Contractor
- 43. Participating Pharmacy: A pharmacy that meets eligibility requirements delineated in Paragraph 3.1.3 of Exhibit A (SOW and Attachments), which has entered into a PPA with Contractor to dispense Covered Items to Covered Clients in accordance with this Contract.
- 44. Pharmacy Provider Agreement (PPA): The contractual agreement between PBM Contractor and each Participating Pharmacy, including all addendums, exhibits, and other letters of understanding, that sets forth the agreed upon pricing and Dispensing Fee and obligations of the Participating Pharmacy with respect to pharmacy services provided to Covered Clients.
- 45. Point-of-Sale (POS): The point in time when service was provided (i.e. date and time drug was dispensed).
- 46. Prior Authorization (PA): A process by which Authorized Prescribers must obtain advance approval from DMH for non-formulary or restricted-formulary drugs for payment.
- 47. Protected Health Information (PHI): All individually identifiable health information held or transmitted by a HIPAA-covered entity or its business associate, in any form or media, in relation to the past, present, or future physical or mental health or condition of a Member; the provision of health care to a Member; or the past, present or future payment for the provision of health care to a Member, as more fully defined in the HIPAA Rules or otherwise deemed confidential under Federal or State Law.
- 48. Protocol for Adding/Removing Pharmacies: Outlines the specific actions needed and timeline for addition/removal of a pharmacy from the PPN.
- 49. Quarter: Three-month period beginning January 1, April 1, July 1 and October 1.
- 50. Rebate-able Drug: Drugs which qualify for manufacturer-provided Rebate.
- 51. Rebate: Monetary amount received from a drug manufacturer or other supplier for drug Claims paid by DMH.
- 52. Re-credentialing: Process by which Contractor re-assesses on an annual basis whether pharmacy continues to meet eligibility requirements for participation in PPN.
- 53. Refill: Any fill subsequent to the initial fill, of a drug of the same strength, dose, and dosing frequency, to the same Client, irrespective of pharmacy and prescription number.
- 54. Expected Refill Date: Expected refill date will be calculated by adding the Days' Supply to the date of service and subtracting one day, assuming that the Client starts the drug on the date of service.
- 55. Risk Evaluation and Mitigation Strategy (REMS): A drug safety program that the U.S. Food and Drug Administration (FDA) can require for certain medications with serious safety concerns to help ensure the benefits of the medication outweigh its risks.
- 56. Service Area (SA): Eight Service Areas within Los Angeles County listed as follows: SA 1 - Antelope Valley; SA 2 - San Fernando Valley; SA 3 - San Gabriel Valley; SA

4 - Metro L.A.; SA 5 - West L.A.; SA 6 - South L.A.; SA 7 - East L.A.; County; SA 8 - South Bay & Harbor.

57. Service Level Agreement (SLA): Contractually binding documents that define [1] how Contractor will implement and operationalize services as required by DMH and [2] minimum standards Contractor will meet in doing so. SLAs include detailed business and functional requirements, procedures, testing, timelines, penalties, and any interfaces required to support Contractor's fulfillment of this Contract's requirements.
58. Surescripts: Industry standard information technology company that supports the electronic transmission of prescriptions between health care organizations and pharmacies, as well as general health information exchange of medical records.
59. Uninsured: A Client is considered uninsured if he/she has no payer for pharmacy benefits on the date of service.
60. Usual and Customary (U&C): The lowest price each Participating Pharmacy would charge to an individual if the individual was paying cash for the identical drug on the same date of services. This includes any applicable discounts including, but not limited to, senior discounts, frequent shopper discounts and other special discounts offered to customers, inclusive of the dispensing fee.
61. Waste: Over-utilization of services (not caused by criminally negligent actions) and the misuse of resources.
62. Wholesale Acquisition Cost (WAC): Drug manufacturer's list price for a drug to wholesalers or direct purchasers, but does not include discounts, rebates or reductions in price. WAC will be retrieved from Medi-Span.

## ATTACHMENT 2 – CLAIMS ADJUDICATION CRITERIA

### 1.0 Adjudication Criteria

1.1 Unless there is a Prior Authorization (PA) permitting otherwise, Contractor will only accept Clean Claims that meet the following criteria on the date of service:

1.1.1 Client is uninsured and ineligible for prescription drug coverage through Medi-Cal, Medicare Part D, and other third-party payers; AND

1.1.2 Prescriber is an Authorized Prescriber, as identified by processes delineated in Paragraph 1.4 of Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments); AND

1.1.3 Pharmacy is part of the PPN and meets PPN eligibility criteria delineated in Paragraph 3.1.3 of Exhibit A (SOW and Attachments); AND

1.1.4 Prescribed drug is on DMH's Drug Formulary and meets drug-specific formulary requirements outlined in Attachment 12 (DMH's Drug Formulary) of Exhibit A (SOW and Attachments); AND

1.1.5 Prescription is dispensed during the term of the Contract; AND

1.1.6 Claim is received by Contractor within 60 calendar days of the date of service or within 30 calendar days of pharmacy's removal from the PPN or within 30 calendar days of the expiration or termination date of this Contract, whichever is earliest; AND

1.1.7 Additional requirements, as delineated below, are met.

1.1.7.1 **Mandatory Generic Dispensing:** Contractor will not accept Claims for Brand Name Drugs when Generic Drugs are commercially available, unless there is a PA.

1.1.7.1.1 Contractor will categorize "Brand Name Drugs" and "Generic Drugs" based on the definitions specified in Attachment 1 (Definitions) of Exhibit A (SOW and Attachments).

1.1.7.1.2 Contractor will not accept DAW codes other than 0 and 1, unless otherwise authorized in writing by DMH.

- 1.1.7.2      **Refill-Too-Soon:** Contractor will not accept Claims for Refills earlier than seven calendar days prior to the Expected Refill Date, unless there is a PA.
- 1.1.7.2.1      Contractor will define Refill and Expected Refill Date as specified in Attachment 1 (Definitions) of Exhibit A (SOW and Attachments).
- 1.1.7.3      **Overrides:** Contractor will accept a vacation override, lost/stolen/spilled override, emergency override, school supply override, or facility override, only if there are no other accepted override(s) for the Covered Client for the same medication in the last 365 days, regardless of override category. Any override requests that do not meet above criteria will require PA.
- 1.1.7.4      **Fills Limit Exceeded:** Contractor will not accept Claims when the total Days' Supply of a specific drug-strength exceeds 13 in a 12-month period, unless there is a PA.
- 1.1.7.5      **Minimum Days' Supply for Long-Acting Injectable (LAI) Antipsychotics:** Contractor will not accept Claims for LAI antipsychotics when the Days' Supply submitted by the pharmacy does not meet the minima listed in Attachment 17 (Minimum Days' Supply for Long-Acting Injectable (LAI) Antipsychotics), unless there is a PA.
- 1.1.7.6      **Fund-One:** Contractor will not accept Claims for more than one Fund-One Drug within a three-week period, unless there is a PA.
- 1.1.7.7      **LAI Antipsychotics:** Contractor will not accept Claims for LAI antipsychotics, unless there is a PA.
- 1.1.7.8      **Step Therapy:** Contractor will not accept Claims for second-line, third-line, and fourth-line Drug Formulary drugs, unless there is a PA.
- 1.1.7.9      **Indication/Diagnoses:** Contractor will not accept Claims for prescription drugs restricted by DMH to specific indications or diagnoses, unless there is a PA.

Should DMH elect to modify or add to this list of additional requirements, Contractor will implement

changes at no additional cost or fees to DMH and will adjudicate Claims in accordance with the changes. Dependent on the complexity and breadth of the requested change, Contractor will implement the change request as soon as possible, with appropriate prior testing, but will not take longer than 14 calendar days after receipt of written request from DMH.

- 1.2 **DMH Eligibility File Transmission:** DMH will send to Contractor Eligibility Files identifying Covered Clients via Secure File Transfer Protocol (SFTP) transmission in real-time or at least daily at time approved by DMH.

If transmission of the Eligibility File is delayed or if Eligibility File records are unreadable, Contractor will proactively contact County Monitoring Manager and any other DMH staff that County Contract Lead designates to resolve the issues. Contractor will initiate contact no later than 24 hours after the scheduled transmission time.

- 1.2.1 **Contractor Load:** Within two hours of receipt of each Eligibility File from DMH, Contractor will update Client DMH Eligibility statuses in Contractor's system, which will be effective in real-time for pharmacy Claims processing.

- 1.2.2 **Manual Eligibility:** Contractor will provide the ability for DMH staff to add/remove Covered Clients to Contractor's system between Eligibility File transmissions, online and in real-time.

- 1.3 **Coordination of Benefits:**

- 1.3.1 DMH is always the payer of last resort. Contractor will only adjudicate Claims where the Covered Client is verified by PP to be uninsured and ineligible for prescription drug coverage through Medi-Cal, Medicare Part D, and other third-party payers, on the date of service.

- 1.4 **DMH Prescriber File Transmission:** DMH will send daily to Contractor, via SFTP transmission, Prescriber Files identifying DMH's current Authorized Prescribers.

- 1.4.1 **Contractor Load:** Within two hours of receipt of each Prescriber File from DMH, Contractor will update Authorized Prescriber statuses in Contractor's system, which will be effective in real-time for pharmacy Claims processing.

- 1.4.2 **Manual Entry:** Contractor will provide the ability for DMH staff to add Authorized Prescribers to Contractor's system between Prescriber File transmissions, online and in real-time.

## ATTACHMENT 3 – FINANCIAL EXHIBIT

### 1.0 PRICING AND FEES

1.1 Contractor will deliver fully-transparent, 100% pass-through pricing as follows:

1.1.1 All drug pricing (AWP, FUL, NADAC, WAC, etc.) will be immediately effective and applicable for Claims Adjudication once published online by Medi-Span.

1.1.1.1 If Contractor prefers to use an alternative nationally recognized price source, Contractor will provide DMH with access to said price source for the full term of the Contract.

1.1.2 Contractor will utilize a Lower of Pricing reimbursement methodology when billing DMH and reimbursing PPs.

1.1.2.1 Contractor will apply the Lower of Pricing reimbursement methodology on a claim-by-claim basis at Point-of-Sale (POS).

Contractor will determine Lower of Pricing as the least of:

- National Average Drug Acquisition Cost (NADAC) + Dispensing Fee (DF); or
- Federal Upper Limit (FUL) + DF; or
- Wholesaler acquisition cost (WAC) + DF (if no FUL or NADAC available or if WAC is lower than both); or
- Usual and Customary (U&C); or
- Any other proprietary pricing methodology that is less expensive than every option above.

DMH will determine DF and notify the Contractor.

Per this section, and in consultation with Contractor, DMH shall issue an official notice to Contractor when changes to the rates occur. Contractor will access the rates via the following link: (INSERT LINK)

1.1.2.2 For proprietary pricing methodology, Contractor will make drug pricing electronically available to DMH and PBM auditor:

- upon execution of the Contract;
- on calendar days when there is a change in

- pricing of any drug;
  - at a minimum of every seven calendar days during the term of the Contract, with price changes flagged.
- 1.1.2.3 Contractor will submit U&C price of prescription with each Claim.
- 1.1.3 In cases where a PP does not dispense the full prescribed fill quantity, the PP will submit the claim as a partial fill and indicate as such in the Claim transaction.
  - 1.1.3.1 Standard NCPDP fields required for partial fills will be supported and required.
  - 1.1.3.2 Full DF will be paid to PP on the initial partial fill. Any subsequent partial fill(s) to constitute the full prescribed fill quantity will be dispensed by PP without DF.
- 1.1.4 All Clean Claims will be adjudicated at 100% pass through of contracted reimbursement rates, meaning that Contractor will bill to DMH the actual amount of the ingredient cost and Dispensing Fee reimbursed to the PP. Contractor will retain zero percent of spreads (e.g. due to changing market value of drugs, renegotiated pricing schemes and fees, etc.).
- 1.1.5 Contractor's Administrative Fee will represent 100% of amount that Contractor will receive from DMH as compensation for services rendered under this Contract (including but not limited to services listed in Attachment 4 (Administrative and Ancillary Fees) of Exhibit A (SOW and Attachments). Contractor will not retain any non-approved or non-disclosed revenue obtained through this Contract other than DMH approved Administrative Fee. Administrative Fee will be a fixed monthly flat fee.
- 1.1.6 Contractor will pass through to DMH 100% of rebates, discounts, and any other revenues received from manufacturers or other suppliers for Claims billed to DMH.
- 1.1.7 DMH will not be charged electronic prescription (e-prescription) transaction fees (i.e. Surescripts fees) for PP Claims Adjudication. This includes, but is not limited to, e-prescription transactions for eligibility status, prescription history, and formulary coverage status transactions that may be initiated by Prescribers and PPs and communicated to Contractor through the Surescripts network.
- 1.1.8 Contractor's PPs will be responsible for any applicable transaction and/or switch charges associated with submission of Claims to

Contractor. Such charges will not be invoiced or passed through to DMH.

## 2.0 INVOICING

2.1 Contractor will prepare and submit invoices for all services utilizing the format in Attachment 5 (Sample Invoices) of Exhibit A (SOW and Attachments), and following the frequency specified by DMH below.

2.1.1 **Claims Invoice:** Contractor will submit a Claims Invoice, for Claims adjudicated on the 1<sup>st</sup>-15<sup>th</sup> and the 16<sup>th</sup>-31<sup>st</sup> of each month, to DMH within seven (7) business days of the end of the billing cycle. Subject to DMH's review and approval of a complete and accurate invoice from Contractor, DMH will pay Contractor, via Electronic Fund Transfer (EFT) or wire, within seven (7) business days of receipt of a complete and accurate invoice, as determined by DMH.

2.1.1.1 Contractor will itemize all Claims-related Invoices (including Credit Memos, and Refund Checks) by Brand Name Drug Ingredient Cost, Generic Drug Ingredient Cost, Brand Name Drug Dispensing Fee, and Generic Drug Dispensing Fee.

2.1.1.2 Contractor will securely transmit with each Claims Invoice the Claims details report(s) containing, at minimum, all fields listed in Attachment 6 (Financial Report Required Parameters) of Exhibit A (SOW and Attachments), without redaction or modification, in the National Council for Prescription Drug Programs (NCPDP) format or another DMH approved format.

2.1.2 **Administrative Fee Invoice:** Contractor will submit to DMH a monthly Administrative Fee Invoice on the 16<sup>th</sup> of each month following the month of service. Subject to DMH's review and approval of a complete and accurate invoice from Contractor, DMH will pay Contractor, via EFT or wire, within 30 calendar days of receipt of a complete and accurate invoice, as determined by DMH.

2.1.2.1 Contractor will not include the fixed monthly flat Administrative Fee with the Claims Invoice. Administrative Fees will be invoiced separately on a standalone monthly Administrative Fee Invoice.

2.1.3 **Ancillary Invoice:** Contractor will submit to DMH a monthly Ancillary Invoice on the 16<sup>th</sup> of each month following the month of service. Subject to DMH's review and approval of a complete and accurate invoice from Contractor, DMH will pay Contractor, via EFT or wire,

within 30 calendar days of receipt of a complete and accurate invoice, as determined by DMH.

2.1.3.1 Contractor will provide documentation of ancillary services with each Ancillary Invoice provided as described in Attachment 4 (Administrative and Ancillary Fees) of Exhibit A (SOW and Attachments).

2.2 The County reserves the right to deny payment of late invoices. DMH may automatically deny invoices received beyond 60 calendar days after the service took place.

2.3 DMH will not accept member-submitted Claims.

2.4 Holidays: In the case of holiday weeks, Contractor will submit Invoices, Credit Memos, and Refund Checks within two business days of the routine date.

### **3.0 REFUNDS**

3.1 Contractor will be financially responsible for refunding Overpayment(s) to DMH, as defined in Attachment 1 (Definitions) of Exhibit A (SOW and Attachments). Contractor will issue refunds for Overpayment(s) as Credit Memo(s) applied to Contractor's next Claims Invoice(s). DMH reserves the right to recover any Overpayment amount(s) by withholding equal amounts from Contractor's future Claims Invoice(s) and may exit from the Contract without penalty to DMH. For any Overpayment amount(s) not refunded to DMH by the end of the Contract period, Contractor will issue a refund check to DMH in accordance with Paragraph 5.5.7 of this Contract.

3.1.1 On a monthly basis, or at another frequency determined by DMH, DMH will provide Contractor a file listing Claims that were not adjudicated in accordance with Attachment 2 (Claims Adjudication Criteria) of Exhibit A (SOW and Attachments). Contractor will refund DMH the Total Amount Paid by DMH, unless specified otherwise below, within 30 calendar days from the date of notification by DMH.

3.1.1.1 If DMH was billed for a Brand Name Drug when Generic Drug(s) were commercially available, without Prior Authorization (PA), Contractor will refund the difference of the Brand Name Ingredient Cost minus Generic Ingredient Cost to DMH.

3.1.1.2 If DMH was billed for more than one Fund-One Drug within a three-week period, without a PA, Contractor will refund the Total Amount Paid by DMH for the higher-costing of Fund-One Drug Claim processed to DMH.

- 3.1.2 On a monthly basis, or at another frequency determined by DMH, DMH will provide Contractor a file listing Claims where there are discrepancies between the Total Amount invoiced to DMH and the amount reimbursed to the PPs. Contractor will refund the difference amount to DMH within 30 calendar days from the date of notification by DMH.
- 3.1.3 If DMH was inappropriately billed for Claims per final determination of a PP audit, Contractor will submit to DMH a Final Audit Report with the Claims details, including the Overpayment amount(s), within 63 calendar days of initial audit findings. Contractor will refund to DMH the full Overpayment amount within 30 calendar days of the issuing of the Final Audit Report.
- 3.2 On a monthly basis, Contractor will identify Claims of CCs who are eligible, or have become retroactively eligible, for third-party prescription drug coverage (i.e., Medi-Cal, Medicare, or other third-party payer) on date of service, hereafter referred to as Chargebacks. Contractor will require PPs to (1) reverse Claims processed during third-party prescription drug coverage period, (2) if needed, submit treatment authorization requests (TARs) to appropriate payer(s), (3) backbill appropriate payer(s) for Claims.
  - 3.2.1 Final processes will be defined during Contract Implementation Phase no later than 30 calendar days prior to Contract Go-Live. Contractor will develop process improvement plan and revise process monthly, as needed, throughout Contract term to recoup all Chargebacks.
  - 3.2.2 Contractor will continue to recoup chargebacks on behalf of DMH until at least six months after expiration or termination date of Contract at no additional cost to DMH. For chargebacks recouped after expiration or termination date of Contract, Contractor will issue refund check to DMH on the 16<sup>th</sup> of each month the sum of recouped amount in the previous month.

#### **4.0 REBATES**

- 4.1 Contractor will, on a monthly or other mutually agreed upon basis, provide DMH a list of Rebate-able drugs along with drug manufacturer criteria to qualify for Rebate contracts.
- 4.2 Contractor will recommend Drug Formulary changes to optimize DMH's opportunities for Rebate contracts, consistent with the goal of achieving prescriber-intended patient outcomes at the most cost-efficient pricing with accompanying disruption analyses to assess the likely impact of changing the formulary.
- 4.3 Contractor will, on a quarterly basis, offer DMH the opportunity to opt into Rebate contract per drug.

- 4.3.1 Should DMH be interested in a Rebate contract for specific drug(s), Contractor will provide to DMH, within a reasonable time period from the date of receipt of a specified drug list, a Rebate contract per drug upon receipt from Manufacturer accompanied by written explanation of how Rebate amounts are calculated.
- 4.4 Contractor will pass through to DMH 100% of Rebates received from manufacturers or other suppliers for Claims billed to DMH. Contractor will issue Rebate payments to DMH as Credit Memo(s) applied to Contractor's next Claims Invoice(s). Contractor will issue Rebate payments to DMH no later than thirty (30) calendar days after the month the rebate was received from the Manufacturer. Contractor will provide a year-end reconciliation report showing the manufacturer payment date received and the corresponding client disbursement date for that payment. Contractor will also provide to DMH on-line rebate reporting to view claims that have been invoiced each quarter to verify timely submission. DMH reserves the right to recover any Rebates amounts not paid within the specified period by withholding equal amounts from Contractor's future Claims Invoice(s) and may exit from the Contract without penalty to DMH. For any Rebates not paid to DMH by the end of the Contract period, Contractor will issue a refund check to DMH in accordance with subparagraph 5.5.7 of the Contract.
- 4.5 Contractor will use reasonable efforts to provide to DMH reasonable temporary online access to reasonably redacted read only, non-downloadable copies of any or all Rebate contracts that generate Rebate revenue from Claims billed to DMH, within thirty (30) calendar days of receipt of written request from DMH, subject to any applicable restrictions against doing so contained in any such contracts. In the event such contracts restrict or prevent such disclosure, Contractor will provide reasonable temporary online access to appropriately redacted read-only, non-downloadable excerpts of the sections containing those restrictions.
  - 4.5.1 Contractor will notify DMH of any changes to said Rebate contracts between Contractor and manufacturers within seven (7) calendar days of the changes.
- 4.6 DMH reserves the right to negotiate Rebate contracts with drug manufacturers directly. DMH will notify Contractor whenever it enters or exits a direct Rebate contract with drug manufacturer(s). For drugs that DMH receives Rebates directly from manufacturers, DMH will forfeit the right to receive a Rebate from Contractor on that drug unless DMH terminates its direct Rebate contract with manufacturer.

## **5.0 PENALTIES**

- 5.1 In the event of failure by Contractor to meet performance requirements set forth in this Contract, Contractor will be liable to pay DMH penalty fees as follows:
  - 5.1.1 Fee Amounts: Contractor will refer to Attachment 22 (Performance

Requirements Summary (PRS) Chart) of Exhibit A (SOW and Attachments) for penalty fees. The total amount of penalty fees that Contractor pays DMH in a given year will not exceed 10% of total amount that DMH pays Contractor in a given year for rendered services.

- 5.1.2 Method of Payment: Contractor will issue payment for penalty fees as Credit Memo(s) applied to Contractor's next Administrative Invoice(s).
- 5.1.3 DMH reserves the right to collect any penalty fees not paid within the specified period by withholding equal amounts from Contractor's future Administrative Invoice(s) and may exit from the Contract without penalty. For any penalty fees not paid to DMH by the end of the Contract period, Contractor will issue a check to DMH in accordance with paragraph 5.5.7 of this Contract.

## **6.0 IMPLEMENTATION FEE**

- 6.1 DMH will pay Contractor a one-time flat fee to cover all services and tasks that DMH requires Contractor to complete prior to Go-Live, per Paragraph 3.0 (Implementation) of Attachment 11 (Information Technology) of Exhibit A (SOW and Attachments).

## ATTACHMENT 4 – ADMINISTRATIVE FEE AND ANCILLARY SERVICES

**Implementation Cost: \$25,000.00**

| Year                                                                                                    | Year One                                                                                 | Year Two                                               | Year Three                                             | Year Four                                              | Year Five                                              |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| <b>Administrative Fee</b>                                                                               | Higher of \$9,750 per month<br>Or<br>\$4.95/paid claim                                   | Higher of \$9,750 per month<br>Or<br>\$4.95/paid claim | Higher of \$9,750 per month<br>Or<br>\$4.95/paid claim | Higher of \$9,750 per month<br>Or<br>\$4.95/paid claim | Higher of \$9,750 per month<br>Or<br>\$4.95/paid claim |
| All the administrative services listed below are included in the fixed monthly flat Administrative Fee: | Indicate if there are any limitations (e.g. quantity, frequency, hours of service, etc.) |                                                        |                                                        |                                                        |                                                        |
| Claims Adjudication                                                                                     |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Network Management                                                                                      |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Formulary & Clinical Support                                                                            |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Utilization Analytics and Reporting                                                                     |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Data Integration                                                                                        |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Customer Service                                                                                        |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Account Management                                                                                      |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Drug Rebate Optimization                                                                                |                                                                                          |                                                        |                                                        |                                                        |                                                        |
| Pharmacy Audits                                                                                         |                                                                                          |                                                        |                                                        |                                                        |                                                        |

### ANCILLARY SERVICES

**The following are additional services not included in the Administrative Fee that DMH may request during the contract term. Contractor agrees to the rate below:**

| SERVICE                                                                                                | RATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prior Authorization Support (if not entirely done by DMH).                                             | \$30/Tech PA, \$60/Pharmacist PA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Benefit Navigation Team Program (BNTP) –<br>Recoupment of Chargeback Program<br>Support/Administration | BNTP fees are \$5 per opportunity for each attempt without an auto-solution or \$10 for each reversal done without an auto-solution. The ancillary invoice must be accompanied by a report that includes claims-level identifier information and documentation to support each intervention, including email, fax, or call log information, along with dates and times. Additional records of relevant communications with retail pharmacies must be provided upon LACDMH's request. The BNTP is separate from the SS Benefit Check Program (auto-solution). |

|                                        |                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 340B Administration                    | If the scope of the program in the future includes the 340B program, the details of the program and rate will be further defined by DMH and the Contractor.                                                                                                                                                                                 |
| Surescripts (SS), and Member Materials | 100% pass-through cost with no additional Contractor upcharge (similar to MHLA arrangement). SS Benefit Check is \$0.15 PMPM and is strongly recommended at the time of implementation. The Real-Time Prescription Benefits (prescriber formulary check) program and its associated fees will be evaluated by DMH following implementation. |

## ATTACHMENT 5A – SAMPLE INVOICES

### CLAIMS INVOICE

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

Invoice Number: \_\_\_\_\_

**To:**

Los Angeles County Department of Mental Health  
Pharmacy Services  
510 S. Vermont Ave., Rm 21D24, Los Angeles, CA 90020

**Contractor:**

**Invoice Period:**

\_\_\_\_\_  
\_\_\_\_\_

| CLAIMS            |                 |              |            |
|-------------------|-----------------|--------------|------------|
| Drug Costs        | Brand Name Drug | Generic Drug | Amount Due |
| Ingredient Cost   |                 |              | \$         |
| Dispensing Fees   |                 |              | \$         |
| Claims Subtotal:  |                 |              | \$         |
| Total Amount Due: |                 |              | \$         |

**Payment Addresses:**

Check  
(address)

ACH/Wire Transfer  
Bank Name  
Routing #:  
Acct. Name:  
Account #:

I hereby certify that all information contained above is for PBM Services and Costs are eligible under the terms and conditions for reimbursement for the PBM services Contract.

Authorized Signer \_\_\_\_\_ Date \_\_\_\_\_

| LACDMH Approval                                       |      |
|-------------------------------------------------------|------|
|                                                       |      |
| Approving Manager<br>Pharmacy Services Chief , LACDMH | Date |

## ATTACHMENT 5B – SAMPLE INVOICES

### ADMINISTRATIVE INVOICE

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

Invoice Number: \_\_\_\_\_

**To:**

Los Angeles County Department of Mental Health  
Pharmacy Services  
510 S. Vermont Ave., Rm 21D24, Los Angeles, CA 90020

**Contractor:**

**Invoice Period:**

\_\_\_\_\_  
\_\_\_\_\_

| ADMINISTRATIVE SERVICES       |      |          |            |
|-------------------------------|------|----------|------------|
|                               | Rate | Quantity | Amount Due |
|                               |      |          | \$         |
| Administrative Fees Subtotal: |      |          | \$         |
| Total Amount Due:             |      |          | \$         |

**Payment Addresses:**

Check  
(address)

ACH/Wire Transfer  
Bank Name  
Routing #:  
Acct. Name:  
Account #:

I hereby certify that all information contained above is for PBM Services and Costs are eligible under the terms and conditions for reimbursement for the PBM services Contract.

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

| LACDMH Approval                                      |      |
|------------------------------------------------------|------|
|                                                      |      |
| Approving Manager<br>Pharmacy Services Chief, LACDMH | Date |

## ATTACHMENT 5C – SAMPLE INVOICES

### ANCILLARY INVOICE

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

Invoice Number: \_\_\_\_\_

**To:**

Los Angeles County Department of Mental Health  
Pharmacy Services  
510 S. Vermont Ave., Rm 21D24, Los Angeles, CA 90020

**Contractor:**

**Invoice Period:**

\_\_\_\_\_  
\_\_\_\_\_

| ANCILLARY SERVICES       |      |          |            |
|--------------------------|------|----------|------------|
| Service                  | Rate | Quantity | Amount Due |
|                          |      |          | \$         |
|                          |      |          | \$         |
|                          |      |          | \$         |
|                          |      |          | \$         |
| Ancillary Fees Subtotal: |      |          | \$         |
| Total Amount Due:        |      |          | \$         |

**Payment Addresses:**

Check  
(address)

ACH/Wire Transfer

Bank Name

Routing #:

Acct. Name:

Account #:

I hereby certify that all information contained above is for PBM Services and Costs are eligible under the terms and conditions for reimbursement for the PBM services Contract.

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

| LACDMH Approval                                       |      |
|-------------------------------------------------------|------|
|                                                       |      |
| Approving Manager<br>Pharmacy Services Chief , LACDMH | Date |

## ATTACHMENT 6 – FINANCIAL REPORT REQUIRED PARAMETERS

| Client Information                                                                                                                                                                                              | Claim Information                                                                                                     | Prescription Drug Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Cost Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PP Information                                                                                                                                                                                                                                                | Prescriber Information                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Last Name,<br>First Name,<br>Middle Initial,<br>Date of Birth,<br>Age,<br>Age>=65 Indicator,<br>Gender,<br>Social Security Number,<br>DMH Medical Record Number,<br>Client's ID Number in Contractor's Database | Unique Claim Identifier,<br>Service Date,<br>Adjudication Date,<br>Claim Type (e.g. Paid, Reversed, Rejected, Denied) | Prescription Number,<br>Drug Label Name,<br>Drug Brand/Generic Indicator,<br>Drug Brand Name,<br>Drug Generic Name,<br>Drug Strength,<br>11-Digit National Drug Code (NDC),<br>Drug Formulation,<br>Dose/Sig/Direction For Use,<br>Quantity Dispensed,<br>Days' Supply,<br>Number of Refills,<br>Date Prescribed,<br>Service/Fill/Dispensed Date,<br>Service/Fill/Dispensed Month,<br>Service/Fill/Dispensed Year,<br>DAW Code,<br>Therapeutic Drug Class,<br>Therapeutic Drug Category,<br>Controlled Substance Indicator,<br>Controlled Substance Class,<br>Multi-Source Indicator<br>Partial Fill Indicator<br>Package Size<br>Origin Code | Ingredient Cost Paid,<br>Federal Upper Limit (FUL) Effective on DOS,<br>FUL Effective on DOS Adjusted for Quantity Dispensed,<br>FUL Effective Date,<br>National Average Drug Acquisition Cost (NADAC) Effective on DOS,<br>NADAC Effective on DOS Adjusted for Quantity Dispensed,<br>NADAC Effective Date,<br>Wholesale Acquisition Cost (WAC) Effective on DOS,<br>WAC Effective on DOS Adjusted for Quantity Dispensed,<br>WAC Effective Date,<br>Usual & Customary Cost,<br>Drug Price Effective on DOS per Proprietary Pricing Methodology,<br>Drug Price Effective on DOS per Proprietary Pricing Methodology Adjusted for Quantity Dispensed,<br>Drug Price per Proprietary Pricing Methodology Effective Date,<br>Dispensing Fee,<br>Professional Fee,<br>Total Amount Paid to Participating Pharmacy,<br>Out-of-Pocket Cost Charged to Client | Name,<br>National Practitioner Identifier (NPI) number,<br>NCPDP number,<br>Street Address,<br>City,<br>State,<br>Zip code,<br>County,<br>Phone number,<br>Fax number,<br>Surescripts Registered Indicator,<br>Retail/Mail Order/Specialty Pharmacy Indicator | Last Name,<br>First Name,<br>Middle Initial,<br>NPI number,<br>NPI taxonomy and description,<br>DEA registration number,<br>Prescriber Location |

### **ATTACHMENT 7 – MONTHLY STANDARD REPORTS**

Contractor to provide the following monthly reports upon DMH's request:

|    | <b>Description</b>                   | <b>Purpose</b>                                                                                                                             |
|----|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Summary of Drugs Dispensed           | Summarizes the drugs dispensed. Includes number of claims, average paid/claim, and average quantity/prescription.                          |
| 2  | Summary Report Card of Activity      | Includes number of members served, amount paid, average claim cost (generic, multi-sources, and single-source brands), generic percentage. |
| 3  | Alphabetical Drug Utilization        | Lists number of claims, total cost, total due, average cost, and average amount due.                                                       |
| 4  | Patients Summary Report              | Summary of the Patients based on Claim cost and prescription volume.                                                                       |
| 5  | Patients Controlled Substance Report | Summary of the Patients based on controlled substance Claim cost and claim volume.                                                         |
| 6  | Therapeutic Drug Class Summary       | Details drug utilization by therapeutic category. Includes number for claims, average paid, average cost, and generic index.               |
| 7  | Prescription Utilization Summary     | Summaries approved/non-reversed prescription Claims utilization over any given period of time based on adjudication date.                  |
| 8  | Brand/Generic Utilization            | Summaries and compares prescription Claims based on the brand class attributes (single-source, multi-source, and generic).                 |
| 9  | Drugs by Label Name                  | Summary of the top utilized drugs by both Claim cost and volume of claims.                                                                 |
| 10 | Drugs by Generic Name                | Summary of the utilized drugs by both Claim cost and volume of claims.                                                                     |
| 11 | Drugs by 11-digit NDC number         | Summary of the utilized drugs by both Claim cost and volume of claims.                                                                     |
| 12 | Therapeutic Classes                  | Summary of the therapeutic drug classes by both Claim cost and volume of claims.                                                           |
| 13 | Top Pharmacy Summary Report          | Summary of the pharmacies based on Claim cost and volume of claims.                                                                        |
| 14 | Authorized Providers Summary Report  | Summary of the Authorized Prescribers based on Claim cost and volume of claims.                                                            |
| 15 | Non-Formulary/PA Utilization         | Summary of the non-Formulary/PA drugs by both Claim cost and volume of claims.                                                             |
| 16 | Web Portal Down Time                 | Lists all instances and durations of Web Portal down time for maintenance                                                                  |
| 17 | Call Center Down Time                | Lists all instances and durations of Customer Service Call Center down time for maintenance                                                |
| 18 | Call Center Log                      | List of all calls by requestor type (e.g., Client, Caretaker, Pharmacy, Prescriber, other DMH                                              |

|    |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                 | Staff), inquiry category (e.g., Client eligibility status, Action taken on Client eligibility status such as added/terminated/extended, Claims submission assistance, Prior Authorization status, Web Portal technical support, Participating Pharmacy locations, Benefit plan information, Formulary and Generic Drug alternatives, and Replacement ID cards), inquiry description, inquiry resolution, call duration, call center staff name and title, call wait time, call outcome (e.g. blocked, resolved) |
| 19 | Tablet Splitting Candidates                     | List of CC using covered prescription drug that are eligible to be split                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 20 | Dose Consolidation                              | List of CC using covered prescription drug that can be safely administered in a single dose                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 21 | Price Guarantee Report                          | Summary of DMH Paid Ingredient cost compared to FUL, NADAC, WAC, AWP, U&C for purpose of auditing Contractor compliance with Contract guarantee                                                                                                                                                                                                                                                                                                                                                                 |
| 22 | Comprehensive Prescription Summary Report       | Summary of Medical Provider Name, Medical Provider NPI, Pharmacy Name, Pharmacy NPI, Origin Code, Rx Written Date, NDC, Drug Name, Generic Brand Identifier, Drug Strength, Drug Quantity, Days Supply, Reimbursement Amount                                                                                                                                                                                                                                                                                    |
| 23 | Turnaround Time of Prior Authorization Approval | List of all prior authorization requests categorized by specific drugs submitted to DMH for approval, submission date and time, duration in queue, duration to process, approval or denial date and time, percentage of approvals and denials                                                                                                                                                                                                                                                                   |

**ATTACHMENT 8 – CLINIC MEDICATION DISPENSARY DATA**

1. Approved Clinic dispensaries will provide Contractor with medication dispensary data in a format mutually agreed upon by the parties and in accordance with the provisions of the LACDMH Clinic Dispensaries' Contract with LACDMH.
2. Contractor will provide medication dispensary data from LACDMH Clinic Dispensaries in NCPDP format to LACDMH within 10 business days upon receipt from LACDMH Clinic Dispensaries.
3. LACDMH will work with Contractor to ensure that operating policies and procedures are in place for successful implementation of medication dispensary data transmission.

## ATTACHMENT 9 – CONTRACT DISCREPANCY REPORT

**SAMPLE**

CONTRACTOR RESPONSE DUE BY \_\_\_\_\_(enter date and time)

| <b>Date:</b> <a href="#">Click or tap here to enter text.</a>                                                                                                                                                                                                                                                                  |                                                                      | <b>Contractor Response Received:</b> <a href="#">Click or tap here to enter text.</a> |                                                  |                                                  |                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Contractor:</b> <a href="#">Click or tap here to enter text.</a>                                                                                                                                                                                                                                                            | <b>Contract No.</b> <a href="#">Click or tap here to enter text.</a> | <b>County's Project Manager:</b> <a href="#">Click or tap here to enter text.</a>     |                                                  |                                                  |                                                  |
| <b>Contact Person:</b> <a href="#">Click or tap here to enter text.</a>                                                                                                                                                                                                                                                        | <b>Telephone:</b> <a href="#">Click or tap here to enter text.</a>   | <b>County's Project Manager Signature:</b>                                            |                                                  |                                                  |                                                  |
| <b>Email:</b> <a href="#">Click or tap here to enter text.</a>                                                                                                                                                                                                                                                                 |                                                                      | <b>Email:</b> <a href="#">Click or tap here to enter text.</a>                        |                                                  |                                                  |                                                  |
| A contract discrepancy(s) is specified below. The Contractor will take corrective action and respond back to the <b>County personnel</b> identified above by the date required. Failure to take corrective action or respond to this Contract Discrepancy Report by the date specified may result in the deduction of damages. |                                                                      |                                                                                       |                                                  |                                                  |                                                  |
| No.                                                                                                                                                                                                                                                                                                                            | Contract Discrepancy                                                 | Contractor's Response*                                                                | County Use Only                                  |                                                  |                                                  |
|                                                                                                                                                                                                                                                                                                                                |                                                                      |                                                                                       | Date Correction Due                              | Date Completed                                   | Approved                                         |
| 1                                                                                                                                                                                                                                                                                                                              | <a href="#">Click or tap here to enter text.</a>                     | <a href="#">Click or tap here to enter text.</a>                                      | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> |
| 2                                                                                                                                                                                                                                                                                                                              | <a href="#">Click or tap here to enter text.</a>                     | <a href="#">Click or tap here to enter text.</a>                                      | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> |
| 3                                                                                                                                                                                                                                                                                                                              | <a href="#">Click or tap here to enter text.</a>                     | <a href="#">Click or tap here to enter text.</a>                                      | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> | <a href="#">Click or tap here to enter text.</a> |

**\*Use additional sheets if necessary**

|                                              |                                                  |
|----------------------------------------------|--------------------------------------------------|
| _____                                        | <a href="#">Click or tap here to enter text.</a> |
| <i>Contractor's Representative Signature</i> | <i>Date Signed</i>                               |

|                                                                              |
|------------------------------------------------------------------------------|
| <b>Additional Comments:</b> <a href="#">Click or tap here to enter text.</a> |
|                                                                              |

**ATTACHMENT 10  
INTENTIONALLY OMITTED**

## ATTACHMENT 11 – INFORMATION TECHNOLOGY

### 1.0 WEB PORTAL

- 1.1 Contractor will provide a web-based system or infrastructure to allow DMH to:
  - 1.1.1 Grant/terminate DMH Eligibility for Clients in real-time;
  - 1.1.2 Add/remove Authorized Prescribers in real-time;
  - 1.1.3 Adjudicate PA requests and transmit decisions for real-time access by Authorized Prescribers and Participating Pharmacies;
  - 1.1.4 View current Drug Formulary and submit Drug Formulary changes to Contractor for implementation;
  - 1.1.5 View most current list of Rebate-able drugs and drug manufacturers' Rebate criteria;
  - 1.1.6 View PPN directory;
  - 1.1.7 Review all Claims data in real-time;
  - 1.1.8 Create, configure, run and download reports of Claims data (as per Paragraph 3.5.5 of Exhibit A (SOW and Attachments));
  - 1.1.9 Submit Incident Reports to Contractor for resolution and tracking;
    - 1.1.9.1 Contractor's Web Portal will log all Incident Report submissions and DMH will be able to directly download these logs; and
  - 1.1.10 View and/or download training material relevant to navigating the Web Portal
  - 1.1.11 Contractor will provide DMH with a daily electronic report of members who at the point of service were shown to have other types of public, private, and commercial insurance coverage. The report will contain cardholder ID, person code, relationship code, last name, and first name, date of birth, and plan codes for all available insurance coverage. Information may be subject to character limitations and the Contractor will work with DMH on setup and formatting.
- 1.2 Contractor's web-based system or infrastructure will be HIPAA compliant and meet the following security parameters:  
(Please note the referenced Users are the manual operators as well as system administrators.)

- 1.2.1 Provide Unique User Identification for all Users connecting to web-based application.
- 1.2.2 User Accounts will have expiration date and the system will automatically suspend the account on the day of expiration. Only system administrators will have the ability to renew and extent expired accounts.
- 1.2.3 System will automatically suspend User Accounts exceeding 90 calendar days of inactivity.
- 1.2.4 System will lock User Accounts after five consecutive failed attempts within three minutes. Unlocking locked accounts may only be done by system administrators after validating requester's identity.
- 1.2.5 Information regarding the User's time of access, pages which were accessed, and the location from which the connection originated (connecting IP) will be logged and kept for a period of seven years in the system database.
- 1.2.6 DMH's preference is that PBM solution supports single-sign on (SSO) and integrates with DMH Azure User directory for a better User experience.
- 1.2.7 Provide a secure login screen for Users and a security system that adheres to HIPAA compliance standards. Users accessing the solution from Internet will use Multi Factor Authentication (MFA).
- 1.2.8 Users will be automatically logged out of system after 15 minutes of inactivity and required to log back into the system before they have access again.
- 1.2.9 A complete history of all changes to all records and fields will be maintained by the system to prevent past records from being overwritten. When existing records are modified or otherwise changed, the original data will be retained, and the new data will be recorded as a new line of data and tracked with the last mod timestamp field in the system.
- 1.2.10 Stored electronic Protected Health Information (PHI) data will be encrypted utilizing an industry standard AES-256 cypher locally within the drive volume as well as through Microsoft SQL.
- 1.2.11 Data transmitted over the internet, via the web-based application, will be encrypted at all times and transmitted via a secure network connection. The web-based application will utilize SSL technology to ensure a safe and reliable connection. At no point during rest, will electronic PHI data be accessible on the system. Connections via TLS 1.0, TLS 1.1 and TLS 1.2 with weak cypher may not be allowed.

- 1.2.12 Emergency access to the system will be provided through a mirrored server system in emergency situations where the webserver or database is down.
- 1.2.13 Database will be backed up on a daily basis. Backup files will be encrypted and stored separately from server hosting database.
- 1.3 Contractor's web-based system or infrastructure will meet the system requirements outlined in Paragraph 2 (Information Systems Integration) of this Attachment, as well as the following technical parameters:
  - 1.3.1 Supported by all major platforms/internet browsers and be compatible with computers, tablets, and mobile devices.
  - 1.3.2 Upon mutual discussion and acceptance, Application Programming Interface (API) that allows integration of backend data to various case management systems and electronic health record systems, to be identified by County's Contract Lead, to extract system-level and individual-level data.
- 1.4 Maintenance Down Time
  - 1.4.1 Contractor will notify DMH at least 24 hours prior to scheduled maintenance and as soon as possible prior to emergency maintenance downtime.
- 1.5 IT Support
  - 1.5.1 Contractor will ensure access to PBM Technology Lead for IT questions and as in Paragraph 4.1.3.7 of Exhibit A (SOW and Attachments), including all phases of configuration of the Web Portal and during the entire term of the Contract.
  - 1.5.2 Should DMH identify functional issues or limitations of the Web Portal, DMH will notify Contractor in writing. Contractor will resolve identified issues within seven calendar days of receipt of notification from DMH, unless based on the extent of issue(s), DMH would reasonably expect a longer period for Contractor to address issue(s). Contractor acknowledges and agrees that any failure to resolve such issue(s) within the reasonable time, as determined by DMH, is a material breach under this Contract.

## 2.0 INFORMATION SYSTEMS INTEGRATION

- 2.1 The Interface Specification Agreement (ISA) identifies the inbound and outbound files that will be transmitted to and from DMH, Contractor, and associated vendors. The frequency and schedule of transmissions is listed and the file field schema that will be used to map the transmitted files is described in detail.
- 2.2 The ISA is intended primarily for DMH's and Contractor's technical staff to identify the requirements of Contractor's electronic Claims

Adjudication system. Contractor will work closely with DMH staff to ensure that all data contained in the ISA are accurate and updated as needed.

- 2.3 Contractor will not change the file type, file naming convention, file content and format, and location of file transmission, of any transmissions, without prior written authorization by DMH for each change
- 2.4 The Contractor's system including integration must be reliable with 99.99% or greater availability and accessible by DMH staff on-site and off-site 24 hours per day 365 days per year. Contractor will provide written procedures approved by DMH for providing services, including information systems integration when Contractor's systems are down. Contractor will be able to accept the following:
  - 2.4.1 Industry standard, HIPAA mandated ANS X 12 N 834 format, or the other PBM standard enrollment format agreed upon by DMH in real-time. This includes, but is not limited to new Client enrollment, update, and merges.
  - 2.4.2 The current DMH integration environment supports the following standard transaction sets:
    - 2.4.2.1 HIPAA Standard X12 Transactions, such as:
      - 2.4.2.1.1 834 Member Enrollment
      - 2.4.2.1.2 837 Claim submission
      - 2.4.2.1.3 835 Claim Payment/Remittance
      - 2.4.2.1.4 270 Patient Eligibility Inquiry
      - 2.4.2.1.5 271 Patient Eligibility Response
      - 2.4.2.1.6 278 Authorization Request/Response
    - 2.4.2.2 HL7, such as:
      - 2.4.2.2.1 ADT – Register Patient, Update Patient, Discharge Patient
      - 2.4.2.2.2 RRA - Pharmacy/treatment administration acknowledgment
      - 2.4.2.2.3 RRD - Pharmacy/treatment dispense acknowledgment
      - 2.4.2.2.4 RRE - Pharmacy/treatment encoded order acknowledgment
      - 2.4.2.2.5 RRE - Pharmacy/Treatment Refill Authorization Acknowledgement
      - 2.4.2.2.6 RRG - Pharmacy/treatment give acknowledgment
      - 2.4.2.2.7 RDY - Dispense Information

(Response)

2.4.2.2.8 QBP – Dispense History,  
Dispense Information

2.4.2.2.9 QRY Pharmacy/treatment  
administration information,  
Pharmacy/treatment dispense  
information, Pharmacy/treatment  
encoded order information,  
Pharmacy/treatment dose  
information, Pharmacy/treatment  
order response

2.4.2.3 NCPDP, such as:

2.4.2.3.1 Request new prescription

2.4.2.3.2 New prescription response

2.4.2.3.3 Refill prescription

2.4.2.3.4 Cancel prescription

2.4.2.3.5 Request Drug History

2.4.2.3.6 Notify census

2.4.2.3.7 PA Initiation Request/Response

2.4.2.3.8 PA Request/Response

2.4.2.3.9 PA Appeal Request/Response

2.4.2.3.10 PA Cancel Request/Response

## 2.5 Custom Integration as Defined by the County

Custom Defined real-time APIs or Interfaces up to and including  
REST and/or web services

2.5.1 DMH, at its sole discretion, will determine and identify the  
specific standard transactions sets as defined herein, which  
will be supported by the selected Contractor at a later date  
based on DMH needs.

2.5.2 Contractor will support both push and pull integration. Pushed  
files and/or messages sent to Contractor system will be done  
via secure transport exchange up to and including SFTP.

2.5.3 Contractor system will track and audit all file/message  
processing and provide said data to DMH upon request.

2.5.4 Contractor will provide at minimum a TEST and PROD  
environment where all proposed modifications can be  
tested/validated prior to implementing in production.

2.5.5 Contractor system interfaces will not be changed or modified  
without mutual consent and acknowledgement from DMH.

- 2.5.6 Once changes have been mutually agreed upon by Contractor and DMH, a change management process will be followed to execute said change. Change management process is to be defined by DMH and Contractor at a later date.
- 2.5.7 The Contractor will be able to accept in real-time, a Prescriber file in a format agreed upon by DMH to include new prescribers, updates, and terminations.

### 3.0 IMPLEMENTATION

- 3.1 Implementation Team: Contractor will assign a local Implementation Team within 24 hours of receiving notification from DMH that Los Angeles County Board of Supervisors has approved and authorized DMH to execute this Contract. Contractor's implementation team will be responsible for oversight of implementation of all administrative, clinical, technical, and financial requirements by DMH.
  - 3.1.1 Contractor's Implementation Team will consist at minimum of Contractor's Account Management Team (as specified in Paragraph 4.1.6 of Exhibit A (SOW and Attachments)).
- 3.2 Timeline: DMH and Contractor will jointly define a timeline for positive and negative information technology (IT) testing. Testing and configuration will be expected to be completed and a Go-Live date for implementation of services will be determined within 12 months from the date of Contract execution. Contractor's Contract Lead will submit written notice of the agreed-upon timeline for DMH approval.
  - 3.2.1 Cycles of positive and negative IT testing will be repeated as many times as deemed necessary by DMH to ensure sound services can be delivered for DMH's CCs. Written approval from DMH will be required for Contractor to proceed with Go-Live.
- 3.3 Service Level Agreements (SLAs): Contractor's implementation team will lead business and functional requirements gathering sessions with DMH to prepare SLA Documents for DMH approval. Contractor agrees these SLA Documents, once approved by DMH, will be contractually binding.
  - 3.3.1 At DMH's written request, Contractor will revise the SLA Documents to manage and accommodate changes requested by DMH. Contractor agrees that any revisions to SLA Documents, once approved by DMH, will be contractually binding.
- 3.4 Contractor will deliver Web Portal and provide full access to DMH staff for testing of Web Portal no later than 60 calendar days before agreed upon Go-Live date.
- 3.5 All post-Go live IT changes must be pre-approved by DMH and, if approved, must undergo positive and negative IT testing prior to implementation.

- 3.6 Contractor will provide training to DMH staff for all systems utilized by Contractor pre- and post- Go-Live.
- 3.7 Go-Live date will mark the beginning of first Contract Year.

**ATTACHMENT 12 – DMH’S DRUG FORMULARY**

| GENERIC DRUG NAME         | TRADE DRUG NAME  | STRENGTH |
|---------------------------|------------------|----------|
| ACAMPROSATE               | CAMPRAL          | 333 MG   |
| ACETAMINOPHEN             | TYLENOL          | 325 MG   |
| ACETAMINOPHEN             | TYLENOL          | 500 MG   |
| AMPHETAMINE XR            | ADDERALL XR      | 5 MG     |
| AMPHETAMINE XR            | ADDERALL XR      | 10 MG    |
| AMPHETAMINE XR            | ADDERALL XR      | 15 MG    |
| AMPHETAMINE XR            | ADDERALL XR      | 20 MG    |
| AMPHETAMINE XR            | ADDERALL XR      | 25 MG    |
| AMPHETAMINE XR            | ADDERALL XR      | 30 MG    |
| AMANTADINE                | SYMMETREL        | 100 MG   |
| AMITRIPTYLINE             | ELAVIL           | 10 MG    |
| AMITRIPTYLINE             | ELAVIL           | 25 MG    |
| AMITRIPTYLINE             | ELAVIL           | 50 MG    |
| AMITRIPTYLINE             | ELAVIL           | 75 MG    |
| AMITRIPTYLINE             | ELAVIL           | 100 MG   |
| AMPHETAMINE               | ADDERALL         | 5 MG     |
| AMPHETAMINE               | ADDERALL         | 7.5 MG   |
| AMPHETAMINE               | ADDERALL         | 10 MG    |
| AMPHETAMINE               | ADDERALL         | 12.5MG   |
| AMPHETAMINE               | ADDERALL         | 15 MG    |
| AMPHETAMINE               | ADDERALL         | 20 MG    |
| AMPHETAMINE               | ADDERALL         | 30 MG    |
| ARIPIRAZOLE               | ABILIFY          | 1 MG/ML  |
| ARIPIRAZOLE               | ABILIFY          | 2 MG     |
| ARIPIRAZOLE               | ABILIFY          | 5 MG     |
| ARIPIRAZOLE               | ABILIFY          | 10 MG    |
| ARIPIRAZOLE               | ABILIFY          | 15 MG    |
| ARIPIRAZOLE               | ABILIFY          | 20 MG    |
| ARIPIRAZOLE               | ABILIFY          | 30 MG    |
| *ARIPIRAZOLE LAUROXIL     | ARISTADA         | 441 MG   |
| *ARIPIRAZOLE LAUROXIL     | ARISTADA         | 662 MG   |
| *ARIPIRAZOLE LAUROXIL     | ARISTADA         | 882 MG   |
| *ARIPIRAZOLE LAUROXIL     | ARISTADA         | 1064 MG  |
| **ARIPIRAZOLE MONOHYDRATE | ABILIFY MAINTENA | 300 MG   |
| **ARIPIRAZOLE MONOHYDRATE | ABILIFY MAINTENA | 400 MG   |
| ASPIRIN                   | ASPIRIN          | 81 MG    |
| ASPIRIN                   | ASPIRIN          | 325 MG   |
| BENZTROPINE               | COGENTIN         | 0.5 MG   |
| BENZTROPINE               | COGENTIN         | 1 MG/ML  |
| BENZTROPINE               | COGENTIN         | 1 MG     |
| BENZTROPINE               | COGENTIN         | 2 MG     |
| BETHANECHOL               | URECHOLINE       | 5 MG     |
| BETHANECHOL               | URECHOLINE       | 10 MG    |
| BETHANECHOL               | URECHOLINE       | 25 MG    |
| BETHANECHOL               | URECHOLINE       | 50 MG    |

| GENERIC DRUG NAME         | TRADE DRUG NAME | STRENGTH  |
|---------------------------|-----------------|-----------|
| BUPRENORPHINE<br>NALOXONE | SUBOXONE        | 8 MG      |
| BUPRENORPHINE<br>NALOXONE | SUBOXONE        | 2 MG      |
| BUPROPION                 | WELLBUTRIN      | 75 MG     |
| BUPROPION                 | WELLBUTRIN      | 100 MG    |
| BUPROPION SR              | WELLBUTRIN SR   | 100 MG    |
| BUPROPION SR              | WELLBUTRIN SR   | 150 MG    |
| BUPROPION SR              | WELLBUTRIN SR   | 200 MG    |
| BUPROPION XL              | WELLBUTRIN XL   | 150 MG    |
| BUPROPION XL              | WELLBUTRIN XL   | 300 MG    |
| BUSPIRONE                 | BUSPAR          | 5 MG      |
| BUSPIRONE                 | BUSPAR          | 7.5 MG    |
| BUSPIRONE                 | BUSPAR          | 10 MG     |
| BUSPIRONE                 | BUSPAR          | 15 MG     |
| BUSPIRONE                 | BUSPAR          | 30 MG     |
| CARBAMAZEPINE             | TEGRETOL        | 100 MG    |
| CARBAMAZEPINE             | TEGRETOL        | 200 MG    |
| CHLORAL HYDRATE           | NOCTEC          | 500 MG/ML |
| CHLORAL HYDRATE           | NOCTEC          | 500 MG    |
| CHLORPROMAZINE            | THORAZINE       | 10 MG     |
| CHLORPROMAZINE            | THORAZINE       | 25 MG/ML  |
| CHLORPROMAZINE            | THORAZINE       | 25 MG     |
| CHLORPROMAZINE            | THORAZINE       | 50 MG     |
| CHLORPROMAZINE            | THORAZINE       | 100 MG    |
| CHLORPROMAZINE            | THORAZINE       | 200 MG    |
| CITALOPRAM                | CELEXA          | 10 MG     |
| CITALOPRAM                | CELEXA          | 20 MG     |
| CITALOPRAM                | CELEXA          | 40 MG     |
| CLOMIPRAMINE              | ANAFRANIL       | 25 MG     |
| CLOMIPRAMINE              | ANAFRANIL       | 50 MG     |
| CLOMIPRAMINE              | ANAFRANIL       | 75 MG     |
| CLONIDINE                 | CATAPRES        | 0.1 MG    |
| CLONIDINE                 | CATAPRES        | 0.2 MG    |
| CLONIDINE                 | CATAPRES        | 0.3 MG    |
| CLOZAPINE                 | CLOZARIL        | 25 MG     |
| CLOZAPINE                 | CLOZARIL        | 50 MG     |
| CLOZAPINE                 | CLOZARIL        | 100 MG    |
| CLOZAPINE                 | CLOZARIL        | 200 MG    |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 5 MG      |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 10 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 15 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 20 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 25 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 30 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 35 MG     |
| D-METHYLPHENIDATE XR      | FOCALIN XR      | 40 MG     |
| DESIPRAMINE               | NORPRAMINE      | 10 MG     |
| DESIPRAMINE               | NORPRAMINE      | 25 MG     |
| DESIPRAMINE               | NORPRAMINE      | 50 MG     |

| GENERIC DRUG NAME | TRADE DRUG NAME | STRENGTH     |
|-------------------|-----------------|--------------|
| DESIPRAMINE       | NORPRAMINE      | 75 MG        |
| DESIPRAMINE       | NORPRAMINE      | 100 MG       |
| DESIPRAMINE       | NORPRAMINE      | 150 MG       |
| DEXTROAMPHETAMINE | DEXEDRINE       | 5 MG         |
| DEXTROAMPHETAMINE | DEXEDRINE       | 10 MG        |
| DEXTROAMPHETAMINE | DEXEDRINE       | 15 MG        |
| DIPHENHYDRAMINE   | BENADRYL        | 12.5 MG/4 ML |
| DIPHENHYDRAMINE   | BENADRYL        | 25 MG        |
| DIPHENHYDRAMINE   | BENADRYL        | 50 MG        |
| DIPHENHYDRAMINE   | BENADRYL        | 50 MG/ML     |
| DISULFIRAM        | ANTABUSE        | 250 MG       |
| DIVALPROEX        | DEPAKOTE        | 125 MG       |
| DIVALPROEX        | DEPAKOTE        | 250 MG       |
| DIVALPROEX        | DEPAKOTE        | 500 MG       |
| DIVALPROEX ER     | DEPAKOTE ER     | 250 MG       |
| DIVALPROEX ER     | DEPAKOTE ER     | 500 MG       |
| DOXEPIN           | SINEQUAN        | 10 MG/ML     |
| DOXEPIN           | SINEQUAN        | 10 MG        |
| DOXEPIN           | SINEQUAN        | 25 MG        |
| DOXEPIN           | SINEQUAN        | 50 MG        |
| DOXEPIN           | SINEQUAN        | 75 MG        |
| DOXEPIN           | SINEQUAN        | 100 MG       |
| DOXEPIN           | SINEQUAN        | 150 MG       |
| DOCUSATE SODIUM   | COLACE (DSS)    | 100 MG       |
| DOCUSATE SODIUM   | COLACE (DSS)    | 250 MG       |
| DULOXETINE DR     | CYMBALTA DR     | 20 MG        |
| DULOXETINE DR     | CYMBALTA DR     | 30 MG        |
| DULOXETINE DR     | CYMBALTA DR     | 40 MG        |
| DULOXETINE DR     | CYMBALTA DR     | 60 MG        |
| ESCITALOPRAM      | LEXAPRO         | 5 MG         |
| ESCITALOPRAM      | LEXAPRO         | 10 MG        |
| ESCITALOPRAM      | LEXAPRO         | 20 MG        |
| FLUOXETINE        | PROZAC          | 10 MG        |
| FLUOXETINE        | PROZAC          | 20 MG        |
| FLUOXETINE        | PROZAC          | 40 MG        |
| FLUOXETINE        | PROZAC          | 20 MG/5 ML   |
| FLUPHENAZINE      | PROLIXIN        | 0.5 MG/ML    |
| FLUPHENAZINE      | PROLIXIN        | 1 MG         |
| FLUPHENAZINE      | PROLIXIN DEC    | 25 MG/ML D   |
| FLUPHENAZINE      | PROLIXIN        | 2.5 MG/ML    |
| FLUPHENAZINE      | PROLIXIN        | 2.5 MG       |
| FLUPHENAZINE      | PROLIXIN        | 5 MG/ML      |
| FLUPHENAZINE      | PROLIXIN        | 5 MG         |
| FLUPHENAZINE      | PROLIXIN        | 10 MG        |
| FLURAZEPAM        | DALMANE         | 15 MG        |
| FLURAZEPAM        | DALMANE         | 30 MG        |
| FLUVOXAMINE       | LUVOX           | 25 MG        |
| FLUVOXAMINE       | LUVOX           | 50 MG        |
| FLUVOXAMINE       | LUVOX           | 100 MG       |

| GENERIC DRUG NAME | TRADE DRUG NAME | STRENGTH  |
|-------------------|-----------------|-----------|
| FLUVOXAMINE CR    | LUVOX CR        | 100 MG    |
| FLUVOXAMINE CR    | LUVOX CR        | 150 MG    |
| GABAPENTIN        | NEURONTIN       | 100 MG    |
| GABAPENTIN        | NEURONTIN       | 300 MG    |
| GABAPENTIN        | NEURONTIN       | 400 MG    |
| GABAPENTIN        | NEURONTIN       | 600 MG    |
| GABAPENTIN        | NEURONTIN       | 800 MG    |
| GUANFACINE        | TENEX           | 1 MG      |
| GUANFACINE        | TENEX           | 2 MG      |
| HALOPERIDOL       | HALDOL          | 0.5 MG    |
| HALOPERIDOL       | HALDOL          | 1 MG      |
| HALOPERIDOL       | HALDOL          | 2 MG/ML   |
| HALOPERIDOL       | HALDOL          | 2 MG      |
| HALOPERIDOL       | HALDOL          | 5 MG      |
| HALOPERIDOL       | HALDOL          | 5 MG/ML   |
| HALOPERIDOL       | HALDOL          | 10 MG     |
| HALOPERIDOL       | HALDOL          | 20 MG     |
| HALOPERIDOL       | HALDOL DEC      | 100 MG/ML |
| HALOPERIDOL       | HALDOL DEC      | 50 MG/ML  |
| HYDROXYZINE       | ATARAX          | 10 MG     |
| HYDROXYZINE       | ATARAX          | 10 MG/5ML |
| HYDROXYZINE       | ATARAX          | 25 MG     |
| HYDROXYZINE       | ATARAX          | 50 MG     |
| HYDROXYZINE       | ATARAX          | 100 MG    |
| HYDROXYZINE PAM   | VISTARIL        | 25 MG     |
| HYDROXYZINE PAM   | VISTARIL        | 50 MG     |
| ILOPERIDONE       | FANAPT          | 1 MG      |
| ILOPERIDONE       | FANAPT          | 2 MG      |
| ILOPERIDONE       | FANAPT          | 4 MG      |
| ILOPERIDONE       | FANAPT          | 6 MG      |
| ILOPERIDONE       | FANAPT          | 8 MG      |
| ILOPERIDONE       | FANAPT          | 10 MG     |
| ILOPERIDONE       | FANAPT          | 12 MG     |
| ILOPERIDONE       | FANAPT TPAK     | 6 MG      |
| IMIPRAMINE        | TOFRANIL        | 10 MG     |
| IMIPRAMINE        | TOFRANIL        | 25 MG     |
| IMIPRAMINE        | TOFRANIL        | 50 MG     |
| LAMOTRIGINE       | LAMICTAL        | 25 MG     |
| LAMOTRIGINE       | LAMICTAL        | 100 MG    |
| LAMOTRIGINE       | LAMICTAL        | 150 MG    |
| LAMOTRIGINE       | LAMICTAL        | 200 MG    |
| L-DEXAMPHETAMINE  | VYVANSE         | 20 MG     |
| L-DEXAMPHETAMINE  | VYVANSE         | 30 MG     |
| L-DEXAMPHETAMINE  | VYVANSE         | 40 MG     |
| L-DEXAMPHETAMINE  | VYVANSE         | 50 MG     |
| L-DEXAMPHETAMINE  | VYVANSE         | 60 MG     |
| L-DEXAMPHETAMINE  | VYVANSE         | 70 MG     |
| LEVOTHYROXINE     | SYNTHROID       | 0.025 MG  |
| LEVOTHYROXINE     | SYNTHROID       | 0.05 MG   |

| GENERIC DRUG NAME  | TRADE DRUG NAME | STRENGTH    |
|--------------------|-----------------|-------------|
| LEVOTHYROXINE      | SYNTHROID       | 0.075 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.088 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.1 MG      |
| LEVOTHYROXINE      | SYNTHROID       | 0.112 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.125 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.137 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.15 MG     |
| LEVOTHYROXINE      | SYNTHROID       | 0.175 MG    |
| LEVOTHYROXINE      | SYNTHROID       | 0.2 MG      |
| LEVOTHYROXINE      | SYNTHROID       | 0.3 MG      |
| LITHIUM CARBONATE  | LITHIUM         | 150MG CAPS  |
| LITHIUM CARBONATE  | LITHIUM         | 300MG TABS  |
| LITHIUM CITRATE    | CIBALITH-S      | 300 MG/5 ML |
| LITHOBID           | LITHOBID        | 300 MG      |
| LORAZEPAM          | ATIVAN          | 0.5 MG      |
| LORAZEPAM          | ATIVAN          | 1 MG        |
| LORAZEPAM          | ATIVAN          | 2 MG        |
| LOXAPINE           | LOXITANE        | 5 MG        |
| LOXAPINE           | LOXITANE        | 10 MG       |
| LOXAPINE           | LOXITANE        | 25 MG       |
| LOXAPINE           | LOXITANE        | 50 MG       |
| LURASIDONE         | LATUDA          | 20 MG       |
| LURASIDONE         | LATUDA          | 40 MG       |
| LURASIDONE         | LATUDA          | 60 MG       |
| LURASIDONE         | LATUDA          | 80 MG       |
| LURASIDONE         | LATUDA          | 120 MG      |
| METFORMIN          | METFORMIN       | 500 MG      |
| METFORMIN          | METFORMIN       | 1000 MG     |
| METHYLPHENIDATE    | RITALIN         | 5 MG        |
| METHYLPHENIDATE    | RITALIN         | 10 MG       |
| METHYLPHENIDATE    | RITALIN         | 20 MG       |
| METHYLPHENIDATE ER | CONCERTA        | 18 MG       |
| METHYLPHENIDATE ER | CONCERTA        | 27 MG       |
| METHYLPHENIDATE ER | CONCERTA        | 36 MG       |
| METHYLPHENIDATE ER | CONCERTA        | 54 MG       |
| METOPROLOL         | LOPRESSOR       | 25 MG       |
| METOPROLOL         | LOPRESSOR       | 50 MG       |
| METOPROLOL         | LOPRESSOR       | 100 MG      |
| MIRTAZAPINE        | REMERON         | 7.5 MG      |
| MIRTAZAPINE        | REMERON         | 15 MG       |
| MIRTAZAPINE        | REMERON         | 30 MG       |
| MIRTAZAPINE        | REMERON         | 45 MG       |
| NALTREXONE         | REVIA           | 50 MG       |
| NALTREXONE HCL     | VIVITROL        | 95 MG/ML    |
| NEFAZODONE         | SERZONE         | 50 MG       |
| NEFAZODONE         | SERZONE         | 100 MG      |
| NEFAZODONE         | SERZONE         | 150 MG      |
| NEFAZODONE         | SERZONE         | 200 MG      |
| NEFAZODONE         | SERZONE         | 250 MG      |

| GENERIC DRUG NAME        | TRADE DRUG NAME | STRENGTH  |
|--------------------------|-----------------|-----------|
| NIC POLACRILEX           | NICORETTE       | 2 MG      |
| NIC POLACRILEX           | NICORETTE       | 4 MG      |
| NICOTINE                 | NICODERM        | 7 MG      |
| NICOTINE                 | NICODERM        | 14 MG     |
| NICOTINE                 | NICODERM        | 21 MG     |
| NORTRIPTYLINE            | PAMELOR         | 10 MG/5ML |
| NORTRIPTYLINE            | PAMELOR         | 10 MG     |
| NORTRIPTYLINE            | PAMELOR         | 25 MG     |
| NORTRIPTYLINE            | PAMELOR         | 50 MG     |
| NORTRIPTYLINE            | PAMELOR         | 75 MG     |
| OLANZAPINE               | ZYPREXA         | 2.5 MG    |
| OLANZAPINE               | ZYPREXA         | 5 MG      |
| OLANZAPINE               | ZYPREXA         | 7.5 MG    |
| OLANZAPINE               | ZYPREXA         | 10 MG     |
| OLANZAPINE               | ZYPREXA         | 15 MG     |
| OLANZAPINE               | ZYPREXA         | 20 MG     |
| OXCARBAZEPINE            | TRILEPTAL       | 150 MG    |
| OXCARBAZEPINE            | TRILEPTAL       | 300 MG    |
| OXCARBAZEPINE            | TRILEPTAL       | 600 MG    |
| **PALIPERIDONE PALMITATE | INVEGA SUSTENNA | 39 MG     |
| **PALIPERIDONE PALMITATE | INVEGA SUSTENNA | 78 MG     |
| **PALIPERIDONE PALMITATE | INVEGA SUSTENNA | 117 MG    |
| **PALIPERIDONE PALMITATE | INVEGA SUSTENNA | 156 MG    |
| **PALIPERIDONE PALMITATE | INVEGA SUSTENNA | 234 MG    |
| PAROXETINE               | PAXIL           | 10 MG     |
| PAROXETINE               | PAXIL           | 20 MG     |
| PAROXETINE               | PAXIL           | 30 MG     |
| PAROXETINE               | PAXIL           | 40 MG     |
| PAROXETINE               | PAXIL CR        | 12.5 MG   |
| PAROXETINE               | PAXIL CR        | 25 MG     |
| PAROXETINE               | PAXIL CR        | 37.5 MG   |
| PERPHENAZINE             | TRILAFON        | 2 MG      |
| PERPHENAZINE             | TRILAFON        | 4 MG      |
| PERPHENAZINE             | TRILAFON        | 8 MG      |
| PERPHENAZINE             | TRILAFON        | 16 MG     |
| PHENOBARBITAL            | PHENOBARBITAL   | 30 MG     |
| PHENOBARBITAL            | PHENOBARBITAL   | 60 MG     |
| PHENYTOIN                | DILANTIN        | 50 MG     |
| PHENYTOIN ER             | DILANTIN ER     | 100 MG    |
| PHENYTOIN ER             | DILANTIN ER     | 200 MG    |
| PHENYTOIN ER             | DILANTIN ER     | 300 MG    |
| PRAZOSIN HCL             | MINIPRESS       | 1 MG      |
| PRAZOSIN HCL             | MINIPRESS       | 2 MG      |
| PRAZOSIN HCL             | MINIPRESS       | 5 MG      |
| PROPRANOLOL              | INDERAL         | 10 MG     |
| PROPRANOLOL              | INDERAL         | 20 MG     |
| PROPRANOLOL              | INDERAL         | 40 MG     |
| PROPRANOLOL              | INDERAL         | 80 MG     |
| QUETIAPINE               | SEROQUEL        | 25 MG     |

| GENERIC DRUG NAME | TRADE DRUG NAME | STRENGTH |
|-------------------|-----------------|----------|
| QUETIAPINE        | SEROQUEL        | 50 MG    |
| QUETIAPINE        | SEROQUEL        | 100 MG   |
| QUETIAPINE        | SEROQUEL        | 200 MG   |
| QUETIAPINE        | SEROQUEL        | 300 MG   |
| QUETIAPINE        | SEROQUEL        | 400 MG   |
| QUETIAPINE XR     | SEROQUEL XR     | 50 MG    |
| QUETIAPINE XR     | SEROQUEL XR     | 150 MG   |
| QUETIAPINE XR     | SEROQUEL XR     | 200 MG   |
| QUETIAPINE XR     | SEROQUEL XR     | 300 MG   |
| QUETIAPINE XR     | SEROQUEL XR     | 400 MG   |
| RISPERIDONE       | RISPERDAL       | 0.25 MG  |
| RISPERIDONE       | RISPERDAL       | 0.5 MG   |
| RISPERIDONE       | RISPERDAL       | 1 MG/ML  |
| RISPERIDONE       | RISPERDAL       | 1 MG     |
| RISPERIDONE       | RISPERDAL       | 2 MG     |
| RISPERIDONE       | RISPERDAL       | 3 MG     |
| RISPERIDONE       | RISPERDAL       | 4 MG     |
| SERTRALINE        | ZOLOFT          | 25 MG    |
| SERTRALINE        | ZOLOFT          | 50 MG    |
| SERTRALINE        | ZOLOFT          | 100 MG   |
| TEMAZEPAM         | RESTORIL        | 7.5 MG   |
| TEMAZEPAM         | RESTORIL        | 15 MG    |
| TEMAZEPAM         | RESTORIL        | 30 MG    |
| THIORIDAZINE      | MELLARIL        | 10 MG    |
| THIORIDAZINE      | MELLARIL        | 15 MG    |
| THIORIDAZINE      | MELLARIL        | 25 MG    |
| THIORIDAZINE      | MELLARIL        | 50 MG    |
| THIORIDAZINE      | MELLARIL        | 100 MG   |
| THIORIDAZINE      | MELLARIL        | 150 MG   |
| THIOTHIXENE       | NAVANE          | 1 MG     |
| THIOTHIXENE       | NAVANE          | 2 MG     |
| THIOTHIXENE       | NAVANE          | 5 MG     |
| THIOTHIXENE       | NAVANE          | 5 MG/ML  |
| THIOTHIXENE       | NAVANE          | 10 MG    |
| TOPIRAMATE        | TOPAMAX         | 25 MG    |
| TOPIRAMATE        | TOPAMAX         | 50 MG    |
| TOPIRAMATE        | TOPAMAX         | 100 MG   |
| TOPIRAMATE        | TOPAMAX         | 200 MG   |
| TRAZODONE         | DESYREL         | 50 MG    |
| TRAZODONE         | DESYREL         | 100 MG   |
| TRAZODONE         | DESYREL         | 150 MG   |
| TRIAZOLAM         | HALCION         | 0.125 MG |
| TRIAZOLAM         | HALCION         | 0.25 MG  |
| TRIFLUOPERAZINE   | STELAZINE       | 1 MG     |
| TRIFLUOPERAZINE   | STELAZINE       | 2 MG     |
| TRIFLUOPERAZINE   | STELAZINE       | 5 MG     |
| TRIFLUOPERAZINE   | STELAZINE       | 10 MG    |
| TRIHENXYPHENIDYL  | ARTANE          | 2 MG     |
| TRIHENXYPHENIDYL  | ARTANE          | 5 MG     |

| <b>GENERIC DRUG NAME</b> | <b>TRADE DRUG NAME</b> | <b>STRENGTH</b> |
|--------------------------|------------------------|-----------------|
| VALPROIC ACID            | DEPAKENE               | 250 MG/5 ML     |
| VALPROIC ACID            | DEPAKENE               | 250 MG          |
| VENLAFAXINE              | EFFEXOR                | 25 MG           |
| VENLAFAXINE              | EFFEXOR                | 35.7 MG         |
| VENLAFAXINE              | EFFEXOR                | 50 MG           |
| VENLAFAXINE              | EFFEXOR                | 75 MG           |
| VENLAFAXINE              | EFFEXOR                | 100 MG          |
| VENLAFAXINE ER           | VENLAFAXINE ER         | 37.5 MG         |
| VENLAFAXINE ER           | VENLAFAXINE ER         | 75 MG           |
| VENLAFAXINE ER           | VENLAFAXINE ER         | 150 MG          |
| VENLAFAXINE ER           | VENLAFAXINE ER         | 225 MG          |
| ZIPRASIDONE              | GEODON                 | 20 MG           |
| ZIPRASIDONE              | GEODON                 | 40 MG           |
| ZIPRASIDONE              | GEODON                 | 60 MG           |
| ZIPRASIDONE              | GEODON                 | 80 MG           |

**ATTACHMENT 13 – FUND-ONE DRUGS**

Branded\*:

ABILIFY MAINTENA® (Otsuka)  
ARISTADA® (Alkermes)  
FANAPT® (Vanda)  
INVEGA SUSTENNA® (Janssen)  
LATUDA® (Sunovion)

\*If a generic medication becomes available of a listed brand antipsychotic medication, then it is to not be included in the Fund One Program.

DMH is entitled to alter the list of Fund-One Drugs at any time during the Contract period by adding to, or eliminating, certain drugs or drug products. Contractor will be obligated to implement all such changes within seven (7) calendar days of Contractor's receipt of written notice from DMH. The addition or removal of drugs from DMH's list of Fund-One Drugs will not require an Amendment of Contract with County.

## ATTACHMENT 14 – PRIOR AUTHORIZATION (PA) REQUEST FORM



[Contractor Name] Phone: (###) ###-####

### PREScription DRUG PRIOR AUTHORIZATION (PA) REQUEST FORM

LACDMH Drug Formulary: <https://dmh.lacounty.gov/for-providers/clinical-tools/pharmacy/>

| Client Information                                                                                                                                                                                                                                                |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Last Name:                                                                                                                                                                                                                                                        | First Name:                                       | MI:                                                                                                                                                                                                                                           | Date of Birth:                                                                                                                                                                      | <input type="checkbox"/> Male<br><input type="checkbox"/> Female |
| IBHIS #:                                                                                                                                                                                                                                                          |                                                   | Magellan ID # (if available):                                                                                                                                                                                                                 |                                                                                                                                                                                     | Allergies:                                                       |
| Prescriber Information                                                                                                                                                                                                                                            |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| Last Name:                                                                                                                                                                                                                                                        | First Name:                                       | NPI Number (individual):                                                                                                                                                                                                                      | DEA Number (if applicable):                                                                                                                                                         |                                                                  |
| DMH Site/Clinic Name:                                                                                                                                                                                                                                             |                                                   | Phone Number:                                                                                                                                                                                                                                 | Fax Number (in HIPAA compliant area),<br><b>REQUIRED:</b>                                                                                                                           |                                                                  |
| Medication Information                                                                                                                                                                                                                                            |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| Medication Name:                                                                                                                                                                                                                                                  | Dose/Strength:                                    | Frequency:                                                                                                                                                                                                                                    | Route of Administration:<br><input type="checkbox"/> PO <input type="checkbox"/> SL <input type="checkbox"/> IM <input type="checkbox"/> SC <input type="checkbox"/><br>Transdermal |                                                                  |
| <input type="checkbox"/> New Therapy<br><input type="checkbox"/> Continuation of Therapy<br><input type="checkbox"/> Change in Dose                                                                                                                               | Date medication was initiated<br>(if applicable): | How did the patient previously receive the medication? (if applicable)<br><input type="checkbox"/> Paid under insurance name: _____<br><input type="checkbox"/> Samples ( <b>NOT</b> an acceptable justification for continuation of therapy) |                                                                                                                                                                                     |                                                                  |
| <b>1a. List Diagnoses:</b>                                                                                                                                                                                                                                        |                                                   | <b>ICD-10:</b>                                                                                                                                                                                                                                | <b>1b. List Symptoms:</b>                                                                                                                                                           |                                                                  |
|                                                                                                                                                                                                                                                                   |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| <b>2. Has the client tried formulary medications for this condition? (if YES, complete section)</b> <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                   |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| Medication Name                                                                                                                                                                                                                                                   | Strength/Dose                                     | Duration of Therapy<br>(Month/Year – Month/Year)                                                                                                                                                                                              | Response / Reason for Failure / Intolerability                                                                                                                                      |                                                                  |
|                                                                                                                                                                                                                                                                   |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| <b>3. Is there documented history of successful therapeutic control with requested medication?</b> <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                    |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| (If YES, provide date of medication initiation, assessment of interim adherence, and recent assessment of clinical response)                                                                                                                                      |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
|                                                                                                                                                                                                                                                                   |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| <b>4. REQUIRED: Please PROVIDE JUSTIFICATION for why formulary medications are not adequate for client. Please also provide any additional clinical information or comments pertinent to this request for coverage, including extenuating circumstances, etc.</b> |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
|                                                                                                                                                                                                                                                                   |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |
| <b>5. REQUIRED: ATTACH DOCUMENTATION (i.e. chart notes, medication administration/dispense history, lab results, etc.) to support answers to questions 1-4 above.</b>                                                                                             |                                                   |                                                                                                                                                                                                                                               |                                                                                                                                                                                     |                                                                  |

**Attestation:** I attest the information provided is true and accurate to the best of my knowledge. I understand that the insurer or its designees may perform a routine audit and request the medical information necessary to verify the accuracy of the information reported on this form.

**Prescriber/Furnisher’s Signature:** \_\_\_\_\_ **Date** \_\_\_\_\_

**Supervising Physician’s Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*(Required for Physician Assistants and Nurse Practitioners)*

(Prior Authorizations received on Friday after 12:00 p.m. PST will be reviewed the next Business Day)

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**ATTACHMENT 15**  
**PPN DIRECTORY PARAMETERS**

PPN Directory Minimum parameters:

- Pharmacy name
- NPI number
- NCPDP ID number
- Address
- County
- LA County Service Area Number
- Phone number
- Fax number
- Days and hours of operation
- 24-hour operation flag
- Delivery capability flag
- Mailing capability flag
- Bubble-pack capability flag
- Sublocade pharmacy flag
- Clozapine pharmacy flag
- Esketamine pharmacy flag
- ADAP pharmacy flag

Modifications to this list, if directed by DMH in writing, will not require an Amendment of Contract with County.

**ATTACHMENT 16**  
**THRESHOLD LANGUAGES**

1. Arabic
2. Armenian (Eastern)
3. Chinese (Traditional)
4. Farsi
5. Khmer (Cambodian)
6. Korean
7. Russian
8. Spanish
9. Tagalog
10. Thai
11. Vietnamese

**ATTACHMENT 17**  
**MINIMUM DAYS' SUPPLY FOR LAI ANTIPSYCHOTICS**

Abilify Maintena: 30 Days  
Invega Sustenna: 30 Days  
Invega Trinza: 90 Days  
Invega Hafyera: 180 Days

Modifications to this list, if directed by DMH in writing, will not require an Amendment of Contract with County.

**ATTACHMENT 18**  
**PP BILLING INSTRUCTIONS**

PP will:

- Use software and/or systems applications to verify CC Medi-Cal, Medicare Part D, and other third-party prescription drug payer eligibility prior to Claim submission; and
- Bill Private Insurance, Medicare and other third-party prescription drug payer(s) prior to billing Medi-Cal; and
- Bill Medi-Cal prior to billing DMH; and
- When notified that a CC is eligible, or has become retroactively eligible, for third-party prescription drug coverage (i.e., Medi-Cal, Medicare, or other third-party payer) on date of service: (1) reverse Claims processed during third-party prescription drug coverage period, (2) when applicable, submit treatment authorization requests (TARs) to appropriate payer(s), (3) backbill appropriate payer(s) for Claims.

ATTACHMENT 19 - MAP OF LAC SERVICE AREAS  
[http://file.lacounty.gov/SDSInter/dmh/192044\\_SPAsMap.pdf](http://file.lacounty.gov/SDSInter/dmh/192044_SPAsMap.pdf)



## ATTACHMENT 20 – IDENTIFICATION CARDS

- 1.0 Should Contractor issue to CCs LACDMH pharmacy benefits identification (ID) cards, Contractor will ensure:
  - 1.1 ID cards contain all NCPDP and DMH required fields, including but not limited to:
    - 1.1.1 Member Name
    - 1.1.2 Member ID #
    - 1.1.3 RxBIN #
    - 1.1.4 RxPCN #
    - 1.1.5 RxGrp #
    - 1.1.6 Customer Service Call Center contact information
  - 1.2 ID cards are accompanied by a standardized Welcome Letter that:
    - 1.2.1 provides a brief introduction to LACDMH Pharmacy Benefits Program
    - 1.2.2 accommodates a fourth-grade reading level
    - 1.2.3 is available in all threshold languages identified in Attachment 16 (Threshold Languages) of Exhibit A (SOW and Attachments)
    - 1.2.4 has been approved by LACDMH
  - 1.3 ID cards are distributed as follows:
    - 1.3.1 For CCs with mailing addresses on record, ID cards will be sent to the mailing address.
    - 1.3.2 For CCs without mailing addresses but who have residential addresses on record, ID cards will be sent to the residential address.
    - 1.3.3 For homeless CCs or CCs without any documented addresses, ID cards will not be generated or sent until CCs request ID cards and specify mailing addresses.
  - 1.4 CCs may request replacement ID cards by calling the CSCC. Contractor will only issue replacement ID cards if:
    - 1.4.1 Replacement ID card has been explicitly requested by CC or caretaker(s), DMH Directly-Operated and Contracted Staff, or PPs on CC's behalf
    - 1.4.2 Replacement is for a DMH-approved reason, including but not limited to:
      - 1.4.2.1 lost/stolen ID card
      - 1.4.2.2 CC has a name change
    - 1.4.3 Client is currently a CC

**ATTACHMENT 21**  
**LAI MEDICATIONS QUALIFYING FOR SPECIAL DISPENSING FEE**

- Abilify Maintena
- Aristada
- Aristada Initio
- Invega Sustenna
- Invega Trinza
- Invega Hafyera
- Perseris
- Risperdal Consta
- Sublocade
- Vivitrol
- Zyprexa Relprevv

**ATTACHMENT 22 – PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART**

DMH will evaluate Contractor's performance in accordance with this Attachment, which summarizes criteria, method, and frequency of evaluation, as well as penalty fees and refunds due for noncompliance.

| <b>PARAGRAPH</b> | <b>REQUIREMENT</b>                                                                                                                                                                                                                                                                                                          | <b>FREQUENCY OF AUDIT</b> | <b>METHOD OF MONITORING</b>                                                                                                                                                                                            | <b>PENALTY **</b> | <b>REFUND TO DMH *</b>                                                                                                                                                                                                                                                                                                                  |
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| SOW 3.1.2.4      | Contractor will disclose its ownership of any pharmacies that are pending addition to the PPN. Contractor will also disclose when any PPs come under its ownership during the Contract term. DMH reserves the right to exclude any or all of these pharmacies from DMH's PPN.                                               | Every 6 months            | DMH will request updated list of PPs under Contractor ownership and review against related correspondences.                                                                                                            |                   | Should DMH find that Contractor failed to disclose ownership of a pharmacy, and DMH elects to exclude that pharmacy from the PPN, Contractor will make DMH whole for all Claims paid by DMH to pharmacy while pharmacy was under Contractor's ownership.                                                                                |
| SOW 3.1.2.7      | Should DMH require Contractor to remove PP from PPN, DMH will notify Contractor in writing and include rationale. Contractor will have 14 calendar days from the date of receipt to counter or propose a corrective action plan. If counter reasons or corrective actions are deemed unsatisfactory by DMH, Contractor will | As needed                 | If no counter, CAP or updated PPN Directory is received, DMH will require an updated PPN Directory on the 30 <sup>th</sup> calendar day from the date of DMH's initial request for removal of PP from PPN, for review. |                   | If no counter, CAP or updated PPN Directory is received, or if counter reasons or corrective actions are deemed unsatisfactory by DMH, pharmacy will not be considered part of the PPN after the 30 <sup>th</sup> calendar day from the date of DMH's initial request for removal of PP from PPN. Contractor will refund DMH, within 60 |

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|                           | remove PP from PPN no later than 30 calendar days from the date of receipt of original notification from DMH.                                                                                                                                                                                                                                                                |                |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                 | calendar days from the date of DMH's initial request for removal of PP from PPN, the Total Amount Paid by DMH for any Claims submitted by pharmacy while it was not part of the PPN. |
| SOW<br>3.1.2.8            | Contractor will contract with any pharmacy identified by DMH at any time during the term of this Contract, within 14 calendar days of date of receipt of written request from DMH, as long as pharmacy meets requirements set forth in this Contract (Paragraph 3.1.3 of SOW).                                                                                               | Every 6 months | If an updated PPN Directory is not received, DMH will require an updated PPN Directory on the 14th calendar day from the date of DMH's initial request for addition of pharmacy to PPN, for review. DMH will review updated PPN Directory and related correspondences. | Unless Contractor has provided reasonable justification for why it cannot contract with pharmacy, Contractor will pay DMH a penalty fee of \$50 per week for each week that Contractor is overdue in contracting with pharmacy. |                                                                                                                                                                                      |
| SOW<br>3.1.4<br>5.3.1.1.3 | Contractor will have a Participating Pharmacies Agreement (PPA) with each pharmacy in the PPN. Each PPA should contain adequate verbiage to allow Contractor to enforce DMH's requirements (Paragraphs 3.1.4.1 –3.1.4.14 of SOW).<br><br>Upon a pharmacy's entry into PPN, Contractor will issue a memo notifying PP of requirements in Paragraph 3.1.4.1 – 3.1.4.14 of SOW. | Every 6 months | DMH will specify a list of PPs for which PPA is due from Contractor for review of completeness and compliance with requirements.<br><br>DMH will monitor date of receipt of requested PPAs                                                                             |                                                                                                                                                                                                                                 |                                                                                                                                                                                      |

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|                              | Within seven calendar days of receipt of Audit Memo from DMH, Contractor will provide to DMH its PPAs with specified PPs.                                                                                                                                                                                                                                                                                                                      |                |                                                                                                 |                                                                                                                                                                                                                               |  |
| SOW<br>3.2.1.1               | Claim Adjudication system downtime will be no more than 1% of total operating time each Month                                                                                                                                                                                                                                                                                                                                                  | Every 6 months | DMH will review system downtimes reported in Contractor's bi-annual Quality Control assessment. | For downtime exceeding 1% of total operating time each month, Contractor will pay DMH a penalty fee of \$500 per six-month reporting period.                                                                                  |  |
| SOW<br>3.2.2<br>3.5<br>5.3.3 | <p>Contractor will securely receive electronic transmission of Claims (real-time adjudication) in accordance with current HIPAA- compliant NCPDP Telecommunication Standard as outlined in Attachment 11 (Information Technology) of SOW.</p> <p>Contractor will transmit all reports and data files via secured Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant system and/or secure file transfer process.</p> | Every 6 months | DMH will inquire if there has been any incidence of breach of HIPAA in the past six months      | <p>Contractor will pay DMH a penalty fee of \$1000 for each incident of HIPAA violation.</p> <p>Failure to immediately notify DMH, correct and prevent repeated incidence to the satisfaction of DMH is a material breach</p> |  |

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|                         | Contractor will report any breach of HIPAA immediately to DMH in accordance with Paragraph 9.1, Health Insurance Portability and Accountability Act of 1996 (HIPAA), of this Contract.                                                                                                                                                                                                                                          |                |                                                                                                                                                                                           | of this Contract, and will serve as grounds for DMH to exit from the Contract without penalty.                                              |  |
| SOW<br>3.2.4<br>3.3.1.4 | <p>Contractor will submit real-time claim data to Surescripts for prescribers to assess medication fill history and adherence patterns.</p> <p>Contractor will provide DMH Formulary information to Surescripts to make real-time prescription benefit information available to prescribers for determining patient eligibility, prescription plan information, formulary coverage and alternatives at time of prescribing.</p> | Every 6 months | DMH will specify Claims for audit. Contractor will provide documentation to DMH to confirm that Contractor has been transmitting Claim data and DMH Formulary information to Surescripts. | Contractor failure to provide required information to Surescripts will result in a penalty fee of \$100 per month for each month of failure |  |

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| SOW<br>3.3.1.1 | Contractor will not change DMH's Drug Formulary unless DMH has directed such changes in writing.                                                                                                                            | Every six months | DMH will review selected Claims against DMH-approved Drug Formulary and Prior Authorizations                                                                                                                                                                      |  | Contractor will refund to DMH, within 30 calendar days of receipt of notification from DMH, the Total Amount Paid for Claims not adjudicated in accordance with DMH-approved Drug Formulary or Prior Authorization.                                                                                                                                                                                                   |
| SOW<br>3.3.1.2 | Should DMH direct the addition or removal of a drug from DMH's Drug Formulary, Contractor will apply the updated information to the formulary database within 30 calendar days of receipt of written notification from DMH. | Every six months | Contractor will notify DMH in writing the date and time when Drug Formulary updates are effective in Claims Adjudication system. If not notified, DMH will request. DMH will review selected Claims against DMH-approved Drug Formulary and Prior Authorizations. |  | If DMH has requested the removal of a drug from DMH's Drug Formulary, and Contractor has not removed it, said drug will not be considered part of DMH's Drug Formulary after the thirtieth (30th) Calendar Day. Contractor will refund DMH, within 30 calendar days from the date of DMH's initial request for removal of drug from DMH's Drug Formulary, the Total Amount Paid by DMH for any claims for said drugs. |

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| <p>SOW<br/>3.4.2.1<br/>3.4.2.2<br/>3.4.4</p> | <p>Only upon written request from DMH will Contractor adjudicate PA requests related to those listed in Paragraph 3.4.2 of SOW on behalf of DMH.</p> <p>Any PAs adjudicated by Contractor outside the finite period and scope authorized by DMH will be considered null and void for the purposes of Claims adjudication.</p> <p>When adjudicating any PAs on DMH's behalf, Contractor will follow DMH PA adjudication protocols. Any PAs adjudicated by Contractor that are not consistent with DMH PA adjudication protocols will be considered null and void for the purposes of Claims adjudication.</p> | <p>Every six months</p> | <p>DMH will review select PAs adjudicated by Contractor for compliance with authorized scope, period, and DMH adjudication protocols</p> |  | <p>Contractor will refund to DMH, within 30 calendar days of receipt of notification from DMH, the Total Amount Paid for Claims where Contractor's adjudication of Prior Authorization requests was non-compliant with requirements set forth in Paragraphs 3.4.2.1, 3.4.2.2 and 3.4.4 of SOW.</p> |
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| SOW<br>3.4.3<br>3.4.4                                                                 | <p>Unless requested otherwise by DMH, Contractor will adjudicate PA requests that fall within the categories listed in Paragraphs 3.4.3.1 – 3.4.3.3 of SOW.</p> <p>When adjudicating any PAs on DMH's behalf, Contractor will follow DMH PA adjudication protocols. Any PAs adjudicated by Contractor that are not consistent with DMH PA adjudication protocols will be considered null and void for the purposes of Claims adjudication.</p> | Every six months   | DMH will review Pas adjudicated by Contractor for compliance with DMH adjudication protocols                        |                                                                                                                                       | Contractor will refund to DMH, within 30 calendar days of receipt of notification from DMH, the Total Amount Paid for Claims where Contractor's adjudication of Prior Authorization requests was non-compliant with requirements set forth in Paragraphs 3.4.3 and 3.4.4 of SOW. |
| SOW<br>4.1.3.7                                                                        | Contractor's PBM Technology Lead will be reachable through cell phone 24 hours a day, 365 days a year, to answer escalated IT calls and resolve any pre- and post Go-Live IT issues promptly.                                                                                                                                                                                                                                                  | Ongoing            | DMH will monitor and record each incident where requirement is not met.                                             | Contractor will pay DMH a penalty fee of \$50 per incident of failure to respond within two hours.                                    |                                                                                                                                                                                                                                                                                  |
| SOW<br>5.3.2.3<br>5.3.2.4<br><br>SOW<br>Attachment 3<br>(Financial<br>Exhibit) -3.1.3 | <p>If PP does not submit to DMH the required documentation for a second level appeal within 14 calendar days of receipt of initial audit findings, Contractor will provide PP the Final Audit Report within</p>                                                                                                                                                                                                                                | Every three months | DMH will monitor date of receipt of Final Audit Report and review for completeness and compliance with requirements | Contractor will pay DMH a penalty fee of \$50 per day for every business day that Contractor is late in providing Final Audit Report. |                                                                                                                                                                                                                                                                                  |

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| (Refunds) | <p>36 calendar days of initial audit findings.</p> <p>If PP submits to DMH the required documentation for a second level appeal within 14 calendar days of receipt of initial audit findings, DMH will have 28 calendar days to review and issue final determination in writing to Contractor. Contractor will provide PP the Final Audit Report within 63 calendar days of initial audit findings.</p> <p>If DMH was inappropriately billed for Claims per final determination of a PP audit, Contractor will submit to DMH a Final Audit Report with the Claims details, including the Overpayment amount(s), within 63 calendar days of the initial audit findings.</p> |  |  |  |  |
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| SOW<br>5.3.4 | In the event of fraud, waste or abuse on the part of a PP, Contractor will immediately notify DMH and comply with Paragraph 8.0 Standard Terms of the Contract. | Every six months | DMH will inquire if there has been any incidence PP fraud, waste or abuse in the past 6 months | Failure to meet requirement is a material breach of this Contract and will serve as grounds for DMH to exit from the Contract without penalty. |  |
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| SOW<br>6.1.3.2                                                                                                                                                                 | Upon receipt of Contract Discrepancy Report (CDR), the Contractor will respond in writing to the County's Contract Monitoring Manager within the timeframe specified in the CDR acknowledging the reported discrepancies or presenting contrary evidence. The Contractor will submit a plan for correction of all deficiencies identified in the CDR to the County's Contract Monitoring Manager within a mutually agreed upon timeframe. | As needed        | DMH will monitor timeliness of Contractor's responses and resolution of issues | Contractor will pay DMH a penalty fee of \$50 per day for every business day that Contractor is late in meeting requirements. |                                                                                                                                                                                                                                                                      |
| SOW<br>Attachment 2<br>(Claims and<br>Adjudication<br>Criteria) -<br>1.1<br>(Adjudication<br>Criteria)<br><br>SOW<br>Attachment 3<br>(Financial<br>Exhibit) - 3.1<br>(Refunds) | Unless there is a Prior Authorization permitting otherwise, Contractor will only accept Clean Claims that meet the criteria listed in Paragraphs 1.1.1 - 1.1.7 of Attachment 2 (Claims Adjudication Criteria) of SOW on the date of service.                                                                                                                                                                                              | Every six months | DMH will audit selected Claims for compliance with adjudication criteria       |                                                                                                                               | For Claims that were not adjudicated in accordance with Attachment 2 (Claims Adjudication Criteria) of SOW, Contractor will refund DMH the Total Amount Paid by DMH, unless specified otherwise below, within 30 calendar days from the date of notification by DMH. |

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| 3.1.1<br>3.1.1.1<br>3.1.1.2<br>3.1.2 |  |  |  |  | <p>If DMH was billed for a Brand Name Drug when Generic Drug(s) were commercially available, without Prior Authorization, Contractor will refund the difference of the Brand Name Ingredient Cost minus Generic Ingredient Cost to DMH.</p> <p>If DMH was billed for more than one Fund-One Drug within a three three-week period, without Prior Authorization, Contractor will refund the Total Amount Paid by DMH for the higher- costing of Fund-One Drug Claim processed to DMH. If DMH was inappropriately billed for Claims per final determination of a PP audit, Contractor will submit to DMH a Final Audit Report with the Claims details, including the Overpayment amount(s), 63 calendar days of initial audit findings. Contractor will refund to DMH the full</p> |
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|                                                                                                 |                                                                                                                                                                                                                    |                  |                                                                                                                         |                                                                                                 | Overpayment amount within 30 calendar days of the issuing of the Final Audit Report. DMH reserves the right to recover any Overpayment amounts not refunded within the specified period by withholding equal amounts from Contractor's future Claims Invoice(s). |
| SOW Attachment 2 (Claims and Adjudication Criteria) - 1.2.1 (DMH Eligibility File Transmission) | Within two hours of receipt of each Eligibility File from DMH, Contractor will update Client DMH Eligibility statuses in Contractor's system, which will be effective in real-time for pharmacy Claims processing. | Every six months | For selected Clients, DMH will review log of Eligibility Status updates against times of Eligibility File transmissions | Contractor will pay DMH a penalty fee of \$10 per incident of failure to load within two hours. |                                                                                                                                                                                                                                                                  |

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| SOW<br>Attachment 2 -<br>(Claims and<br>(Adjudication<br>Criteria) -<br>1.3 -<br>(Coordination of<br>Benefits)           | DMH is always the payer of last resort. Contractor will only adjudicate Claims where Covered Client is verified by PP to be uninsured and ineligible for prescription drug coverage through Medi-Cal, Medicare Part D, or other third-party payers, on the date of service. | Every six months | DMH will audit selected Claims for compliance with adjudication criteria                                                             |                                                                                                 | For Claims where CC is eligible, or has become retroactively eligible, for third-party prescription drug coverage (i.e., Medi-Cal, Medicare, or other third-party payer) on date of service, Contractor will refund DMH the Total Amount Paid by DMH. |
| SOW<br>Attachment 2 -<br>(Claims and<br>(Adjudication<br>Criteria) -<br>1.4.1 – (DMH<br>Prescriber File<br>Transmission) | Within two hours of receipt of each Prescriber File from DMH, Contractor will update Authorized Prescriber statuses in Contractor's system, which will be effective in real-time for pharmacy Claims processing.                                                            | Every six months | For selected Prescribers, DMH will review log of Authorized Prescriber Status updates against times of Prescriber File transmissions | Contractor will pay DMH a penalty fee of \$10 per incident of failure to load within two hours. |                                                                                                                                                                                                                                                       |

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| <p>SOW<br/>Attachment 3<br/>(Financial<br/>Exhibit) - 1.1.2<br/>(Pricing and<br/>Fees) 1.1.2.1</p> | <p>Contractor will utilize a Lower of Pricing reimbursement methodology when billing DMH and reimbursing PPs.</p> <p>Contractor will apply the Lower of Pricing reimbursement methodology on a claim-by-claim basis at Point-of-Sale (POS).</p> <p>Contractor will determine Lower of Pricing in accordance with Paragraph 1.1.2.1 of Attachment 3 (Financial Exhibit) of SOW.</p> | <p>Every six months</p> | <p>For selected Claims, DMH will compare ingredient cost + Dispensing Fee (DF) billed to DMH versus FUL+DF, NADAC+DF, WAC+DF, U&amp;C, and Contractor's proprietary pricing methodology, to verify if Contractor is applying Lower of Pricing.</p> | <p>Failure to meet requirement is a material breach of this Contract, and will serve as grounds for DMH to exit from the Contract without penalty</p> | <p>Contractor will refund DMH, within 30 calendar days from the date of notification by DMH, the difference amount between the ingredient cost + DF charged to DMH versus expected based on Lower of Pricing methodology.</p> |
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| SOW<br>Attachment 3<br>(Financial<br>Exhibit) -<br>1.1.4 (Pricing<br>and Fees) | All Clean Claims will be adjudicated at 100% pass through of contracted reimbursement rates, meaning that Contractor will bill to DMH the actual amount of the ingredient cost and Dispensing Fee reimbursed to the PP. Contractor will retain zero percent of spreads (e.g. due to changing market value of drugs, renegotiated pricing schemes and fees, etc.). | Every six months | DMH will compare ingredient cost and Dispensing Fee paid to Contractor against invoices for selected Claims paid to PPs | Failure to meet requirement is a material breach of this Contract, and will serve as grounds for DMH to exit from the Contract without penalty. | On a monthly basis, or at another frequency determined by DMH, DMH will provide Contractor a file listing Claims where there are discrepancies between the Total Amount invoiced to DMH and the amount reimbursed to the PPs. Contractor will refund the difference amount to DMH within 30 calendar days from the date of notification by DMH. |
| SOW<br>Attachment 3<br>(Financial<br>Exhibit) -<br>4.3.1(Rebates)              | Should DMH be interested in a Rebate contract for specific drug(s), Contractor will provide to DMH, within a reasonable time period from receipt of a specified drug list, a Rebate contract per drug upon receipt from Manufacturer accompanied by written explanation of how Rebate amounts are calculated.                                                     | Every six months | DMH will monitor date of receipt of proposed Rebate contract                                                            | Contractor will pay DMH a penalty fee of \$50 per day for each business day that Contractor is late in providing required information           |                                                                                                                                                                                                                                                                                                                                                 |

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| SOW<br>Attachment 3<br>(Financial<br>Exhibit) -<br>4.4 (Rebates) | Contractor shall pass through to DMH 100% of Rebates received from manufacturers or other suppliers for Claims billed to DMH.                                                                                                                                                                        | Every six months | Based on the Rebate rate specified in Contractor's contracts with drug manufacturers, DMH will compare actual vs expected Rebates paid to DMH for eligible Claims. DMH will monitor date of receipt of Rebate credit(s). | Failure to meet requirements will be treated as a material breach under this Contract, and will serve as grounds for DMH to exit from the Contract without penalty to DMH | Contractor will issue Rebate payments to DMH, at 100% pass-through, no later than thirty (30) calendar days after the adjudication date of eligible Claims.<br><br>DMH reserves the right to recover any Rebates amounts not paid within the specified period by withholding equal amounts from Contractor's future Claims Invoice(s). |
| SOW<br>Attachment 3<br>(Financial<br>Exhibit) -<br>4.5 (Rebates) | Contractor shall use reasonable efforts to provide to DMH reasonable temporary online access to reasonably redacted read only, non-downloadable copies of any or all Rebate contracts that generate Rebate revenue from Claims billed to DMH, within 30 calendar days of receipt of request from DMH | Every six months | DMH will monitor date of receipt of applicable Rebate contracts                                                                                                                                                          | Contractor will pay DMH a penalty fee of \$50 per day for each business day that Contractor is late in providing required information                                     |                                                                                                                                                                                                                                                                                                                                        |

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| SOW<br>Attachment 11<br>(Information<br>Technology) -<br>2.3 (Information<br>Systems<br>Integration) | Contractor will not change the<br>file type, file naming<br>convention, file content and<br>format, and location of file<br>transmission, of any<br>transmissions, without prior<br>written authorization by DMH<br>for each change | Ongoing | DMH will monitor<br>transmitted files for<br>unapproved<br>changes impacting<br>data processing | Contractor will pay<br>DMH a penalty fee<br>of \$100 per<br>unauthorized<br>change and \$100<br>per business day<br>until Contractor<br>reverses<br>unauthorized<br>changes. |  |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

\* Contractor will be financially responsible for refunding Overpayment(s) to DMH. Contractor will issue refunds for Overpayment(s) as Credit Memo(s) applied to Contractor's next Claims Invoice(s). DMH reserves the right to recover any Overpayment amount(s) not refunded within the specified period by withholding equal amounts from Contractor's future Claims Invoice(s) and may exit from the Contract without penalty to DMH. For any Overpayment amount(s) not refunded to DMH by the end of the Contract period, Contractor will issue a refund check to DMH.

\*\* In the event of failure by Contractor to meet performance requirements set forth in this Contract, Contractor will be liable to pay DMH penalty fees. Contractor will issue payment for penalty fees as Credit Memo(s) applied to Contractor's next Administrative Invoice(s). DMH reserves the right to collect any penalty fees not paid to DMH within the specified period by withholding equal amounts from Contractor's future Administrative Invoice(s) and may exit from the Contract without penalty to DMH. For any penalty fees not paid to DMH by the end of the Contract period, Contractor will issue a refund check to DMH.

**INTENTIONALLY OMITTED**

**INTENTIONALLY OMITTED**

**COUNTY'S ADMINISTRATION**CONTRACTOR NAME: VENTEGRA FOUNDATIONCONTRACT NO. MH380001**COUNTY'S PROJECT DIRECTOR:**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.**COUNTY'S CONTRACT ANALYST:**Name: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.**COUNTY'S PROJECT MANAGER:**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.**COUNTY'S PROJECT MONITOR:**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.

**CONTRACTOR'S ADMINISTRATION**CONTRACTOR'S NAME: VENTEGRA FOUNDATIONCONTRACT NO. MH380001**CONTRACTOR'S PROJECT MANAGER:**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.**CONTRACTOR'S AUTHORIZED OFFICIAL(S):**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.**NOTICES TO CONTRACTOR:**Name: Click or tap here to enter text.Title: Click or tap here to enter text.Address: Click or tap here to enter text.Click or tap here to enter text.Telephone: Click or tap here to enter text.E-mail Address: Click or tap here to enter text.

**CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

Contractor Name: VENTEGRA FOUNDATION

Contract No MH380001

**GENERAL INFORMATION:**

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

**CONTRACTOR ACKNOWLEDGEMENT:**

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT:**

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff must keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_

DATE: [Click or tap here to enter text.](#)

PRINTED NAME: [Click or tap here to enter text.](#)

POSITION: [Click or tap here to enter text.](#)

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

Contractor Name: VENTEGRA FOUNDATION Contract No MH380001  
Employee Name: [Click or tap here to enter text.](#)

**GENERAL INFORMATION:**

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation will result in my immediate release from performance under this and/or any future contract.

**CONFIDENTIALITY AGREEMENT:**

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I must keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: \_\_\_\_\_ DATE: [Click or tap here to enter text.](#)

PRINTED NAME: [Click or tap here to enter text.](#)

POSITION: [Click or tap here to enter text.](#)

# THERE'S A BETTER CHOICE. SAFELY SURRENDER YOUR BABY.

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



Some parents of newborns can find themselves in difficult circumstances. Sadly, babies are sometimes harmed or abandoned by parents who feel that they're not ready or able to raise a child. Many of these mothers or fathers are afraid and don't know where to turn for help.

This is why California has a Safely Surrendered Baby Law, which gives parents the choice to legally leave their baby at any hospital or fire station in Los Angeles County.

### FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

- 1 Your newborn can be surrendered at any hospital or fire station in Los Angeles County up to 72 hours after birth.
- 2 You must leave your newborn with a fire station or hospital employee.
- 3 You don't have to provide your name.
- 4 You will only be asked to voluntarily provide a medical history.
- 5 You have 14 days to change your mind; a matching bracelet (parent) and anklet (baby) are provided to assist you if you change your mind.

No shame | No blame | No names



### ABOUT THE BABY SAFE SURRENDER PROGRAM

In 2002, a task force was created under the guidance of the Children's Planning Council to address newborn abandonment and to develop a strategic plan to prevent this tragedy.

Los Angeles County has worked hard to ensure that the Safely Surrendered Baby Law prevents babies from being abandoned. We're happy to report that this law is doing exactly what it was designed to do: save the lives of innocent babies. Visit [BabySafeLA.org](http://BabySafeLA.org) to learn more.

No shame | No blame | No names

ANY FIRE STATION.  
ANY HOSPITAL.  
ANY TIME.

**1.877.222.9723**  
**BabySafeLA.org**

**THERE'S A  
BETTER CHOICE.  
SAFELY SURRENDER  
YOUR BABY.**



No shame | No blame | No names





## FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

Los Angeles County firefighter Ted and his wife Becki were already parents to two boys. But when they got the call asking if they would be willing to care for a premature baby girl who'd been safely surrendered at a local hospital, they didn't hesitate.

Baby Jenna was tiny, but Ted and Becki felt lucky to be able to take her home. "We had always wanted to adopt," Ted says, "but taking

home a vulnerable safely surrendered baby was even better. She had no one, but now she had us. And, more importantly, we had her."

Baby Jenna has filled the longing Ted and Becki had for a daughter—and a sister for their boys. Because her birth parent safely surrendered her when she was born, Jenna is a thriving young girl growing up in a stable and loving family.

## ANSWERS TO YOUR QUESTIONS

### Who is legally allowed to surrender the baby?

Anyone with lawful custody can drop off a newborn within the first 72 hours of birth.

### Do you need to call ahead before surrendering a baby?

No. A newborn can be surrendered anytime, 24 hours a day, 7 days a week, as long as the parent or guardian surrenders the child to an employee of the hospital or fire station.

### What information needs to be provided?

The surrendering adult will be asked to fill out a medical history form, which is useful in caring for the child. The form can be returned later and includes a stamped return envelope. No names are required.

### What happens to the baby?

After a complete medical exam, the baby will be released and placed in a safe and loving home, and the adoption process will begin.

### What happens to the parent or surrendering adult?

Nothing. They may leave at any time after surrendering the baby.

### How can a parent get a baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days by calling the Los Angeles County Department of Children and Family Services at (800) 540-4000.

### If you're unsure of what to do:

You can call the hotline 24 hours a day, 7 days a week and anonymously speak with a counselor about your options or have your questions answered.

**1.877.222.9723 or BabySafeLA.org**

English, Spanish and 140 other languages spoken.

**INTENTIONALLY OMITTTED**

**BUSINESS ASSOCIATE AGREEMENT  
UNDER THE HEALTH INSURANCE PORTABILITY  
AND ACCOUNTABILITY ACT OF 1996 ("HIPAA")**

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

**1. DEFINITIONS**

- 1.1 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.2 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" will mean Contractor.
- 1.3 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" will mean County.

- 1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.
- 1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and will include a person

who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).

- 1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
- 1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.
- 1.16 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
- 1.21 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.22 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)

1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

**2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.
- 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4 Business Associate will make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.
- 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.
- 2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) 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 recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.
- 2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

**3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 3.1 Business Associate must not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
- 3.2 Business Associate must not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by

Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.

- 3.3 Business Associate must not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

**4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION**

- 4.1 Business Associate must implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.
- 4.2 Business Associate must comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

**5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION**

- 5.1 Business Associate must report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.
- 5.1.1 Business Associate must report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.
- 5.1.2 Business Associate must report to Covered Entity any Security Incident of which Business Associate becomes aware.
- 5.1.3. Business Associate must report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate will be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.

5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate must provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.

5.2.1 Business Associate must make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate must make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **HIPAA Compliance Officer at: Hall of Records, County of Los Angeles, Chief Executive Office, Risk Management Branch-Office of Privacy, 320 W. Temple Street, 7th Floor, Los Angeles, California 90012, [PRIVACY@ceo.lacounty.gov](mailto:PRIVACY@ceo.lacounty.gov)**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;

- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect themselves from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;
- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and
- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate must provide such information promptly thereafter as such information becomes available.

5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate must delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate must document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

**6. WRITTEN ASSURANCES OF SUBCONTRACTORS**

- 6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate must ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.
- 6.2 Business Associate must take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.
- 6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor must terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.
- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate must immediately notify County.
- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) must require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) must include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate must provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

**7. ACCESS TO PROTECTED HEALTH INFORMATION**

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a

Designated Record Set, Business Associate must, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and must provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.

- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate must notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access will be provided or denied will be determined by Covered Entity.
- 7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate must provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

## **8. AMENDMENT OF PROTECTED HEALTH INFORMATION**

- 8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate must, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate must notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment will be granted or denied will be determined by Covered Entity.

## **9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 9.1 Business Associate must maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 must include:

- (a) The date of the Disclosure;
- (b) The name, and address if known, of the entity or person who received the Protected Health Information;
- (c) A brief description of the Protected Health Information Disclosed; and
- (d) A brief statement of the purpose of the Disclosure.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate must document the information specified in Section 9.1.1, and must maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate must provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate must notify Covered Entity in writing within five (5) days of the receipt of the request, and must provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting must be in accordance with 45 C.F.R. § 164.528.

## **10. COMPLIANCE WITH APPLICABLE HIPAA RULES**

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate must comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate must comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

## **11. AVAILABILITY OF RECORDS**

11.1 Business Associate must make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.

- 11.2 Unless prohibited by the Secretary, Business Associate must immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

## 12. **MITIGATION OF HARMFUL EFFECTS**

- 12.1 Business Associate must mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

## 13. **BREACH NOTIFICATION TO INDIVIDUALS**

- 13.1 Business Associate must, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

- 13.1.1 Business Associate must notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.

- 13.1.2 The notification provided by Business Associate must be written in plain language, will be subject to review and approval by Covered Entity, and must include, to the extent possible:

- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
- (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
- (c) Any steps the Individual should take to protect themselves from potential harm resulting from the Breach;
- (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and

- (e) Contact procedures for Individual(s) to ask questions or learn additional information, including a toll-free telephone number, an e-mail address, Web site, or postal address.
- 13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.
- 13.3 Business Associate must reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity will not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

#### **14. INDEMNIFICATION**

- 14.1 Business Associate must indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.
- 14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

#### **15. OBLIGATIONS OF COVERED ENTITY**

- 15.1 Covered Entity will notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate must thereafter restrict or limit its own Uses and Disclosures accordingly.
- 15.2 Covered Entity will not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to

the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

**16. TERM**

- 16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement will be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 will survive the termination or expiration of this Business Associate Agreement.

**17. TERMINATION FOR CAUSE**

- 17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which must be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

**18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION**

- 18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate must return or, if agreed to by Covered entity, must destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate will retain no copies of the Protected Health Information.

- 18.2 Destruction for purposes of Section 18.2 and Section 6.6 will mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.
- 18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and must return or destroy all other Protected Health Information.
- 18.3.1 Business Associate must extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate must not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.
- 18.3.2 Business Associate must return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.
- 18.4 Business Associate must ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

## **19. AUDIT, INSPECTION, AND EXAMINATION**

- 19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business

Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.

- 19.2 Covered Entity and Business Associate will mutually agree in advance upon the scope, timing, and location of any such inspection.
- 19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity will execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.
- 19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.
- 19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, will not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

## **20. MISCELLANEOUS PROVISIONS**

- 20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 No Third Party Beneficiaries. Nothing in this Business Associate Agreement will confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

- 20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement will control. Otherwise, this Business Associate Agreement will be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement will be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.
- 20.7 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

## CHARITABLE CONTRIBUTIONS CERTIFICATION

VENTEGRA FOUNDATION

Company Name

450 N. Brand Blvd., Suite 600 Glendale, CA 91203

Address

[Click or tap here to enter text.](#)

Internal Revenue Service Employer Identification Number

[Click or tap here to enter text.](#)

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

**Check the Certification below that is applicable to your company.**

- ☐ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Bidder engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

**OR**

- ☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

Signature: \_\_\_\_\_

Date: [Click or tap here to enter text.](#)

Printed Name: [Click or tap here to enter text.](#)

Title: [Click or tap here to enter text.](#)

**ATTESTATION REGARDING INFORMATION SECURITY REQUIREMENTS**

Contractor must comply with Los Angeles County Board of Supervisors Policy No. 5.200 "Contractor Protection of Electronic County Information" security and privacy requirements.

VENTEGRA FOUNDATION

(hereafter "Contractor") acknowledges and certifies that safeguards are in place to protect electronically stored and/or transmitted personal identifiable information (PII); protected health information (PHI) and medical information (MI).

Contractor acknowledges it is the Contractor's responsibility to access the following link: <https://dmh.lacounty.gov/for-providers/administrative-tools/administrative-forms/contract-attachments/> **annually and upon notification by DMH of updated Information Security Attachments to complete, or update, the forms listed below that are applicable to their contract:**

- ☐ Attachment 1 – Information Security and Privacy Requirements for Contracts
- ☐ Attachment 2 – DMH Contractor's Compliance with Information Security Requirements
- ☐ Attachment 3 – Confidentiality Oath for Non-DMH Workforce Members
- ☐ Attachment 4 – Electronic Data Transmission Trading Partner Attachment (TPA)

Further, Contractor agrees to comply with the terms and conditions of the attachments listed above, which are by this reference made a part of the Contract. It is Contractor's responsibility to access the link above, complete the attachments as specified and only return the documents where submission is indicated, via email to the Contract Administrator listed in Exhibit D (County's Administration).

Name of authorized official (Official Name) \_\_\_\_\_

Printed name

Signature of authorized official \_\_\_\_\_ Date \_\_\_\_\_