

**AMENDMENT TO COUNTY OF MENDOCINO
BOARD OF SUPERVISORS AGREEMENT NO. BOS-22-193**

This Amendment to Board of Supervisors (BOS) Agreement No. BOS-22-193 is entered into this 9th day of May, 2023, by and between the **COUNTY OF MENDOCINO**, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and **Redwood Quality Management Company DBA Anchor Health Management**, hereinafter referred to as "CONTRACTOR".

WHEREAS, BOS Agreement No. BOS-22-193 was entered into on July 1, 2022; and

WHEREAS, upon execution of this document by the Chair of the County of Mendocino Board of Supervisors and the CONTRACTOR, this document will become part of the aforementioned contract and shall be incorporated therein; and

WHEREAS, it is the desire of the CONTRACTOR and the COUNTY to update the CONTRACTOR's name to "Redwood Quality Management Company DBA Anchor Health Management"; and

WHEREAS, it is the desire of the CONTRACTOR and the COUNTY to increase the amount set out in BOS Agreement No. BOS-22-193, from \$3,257,000 to \$3,800,000; and

WHEREAS, it is the desire of the CONTRACTOR and the COUNTY to further clarify, define, and categorize certain components of "Full Service Partnership" expectations within: the Exhibit A-2, Definition of Services, Mental Health Services Act; the Exhibit B-1, Payment Terms, Specialty Mental Health Services; and the Exhibit B-2, Payment Terms, Mental Health Services Act.

NOW, THEREFORE, we agree as follows:

1. Pages 1, 7, 42-55, 57-58, 65, 66-71, and 72-76 are hereby updated, and new pages are attached herein.
2. The amount set out in BOS Agreement No. BOS-22-193 is hereby increased from \$3,257,000 to \$3,800,000.
3. The Exhibit A-2, Exhibit B-1, and Exhibit B-2 set out in Agreement No. BOS-22-193 are hereby updated, and new Exhibits are attached herein.

All other terms and conditions of Agreement No. BOS-22-193 shall remain in full force and effect.

IN WITNESS WHEREOF

DEPARTMENT FISCAL REVIEW:

By: [Signature]
Jerrine Miller, Psy.D., BHRS Director

Date: 4/24/23

Budgeted: Yes
Budget Unit: 4050 & 4051
Line Item: 86-3280
Org/Object Code: MH & MACSS
Grant: No
Grant No.: 'N/A'

COUNTY OF MENDOCINO

By: [Signature]
GLENN MCGOURTY, Chair
BOARD OF SUPERVISORS

Date: 05/09/2023

ATTEST:

DARCIE ANTLE, Clerk of said Board

By: [Signature]
Deputy 05/09/2023

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

By: [Signature]
Deputy 05/09/2023

INSURANCE REVIEW:

By: [Signature]
Risk Management

Date: 04/17/2023

CONTRACTOR/COMPANY NAME

By: [Signature]
~~Camille Schraeder, Director~~
Tim Schraeder, CEO

Date: 4.21.23

NAME AND ADDRESS OF CONTRACTOR:

Redwood Quality Management Company
DBA Anchor Health Management
376 East Gobbi, St. B
Ukiah, CA 95482
camille@rqmc.org tim@anchorhm.org
707-472-0350

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

CHRISTIAN M. CURTIS,
County Counsel

By: [Signature]
Deputy

Date: 04/17/2023

EXECUTIVE OFFICE/FISCAL REVIEW:

By: [Signature]
Deputy CEO or Designee

Date: 04/17/2023

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; \$50,001+ Board of Supervisors
Exception to Bid Process Required/Completed ☐ MH-20-006-RFP
Mendocino County Business License: Valid ☐
Exempt Pursuant to MCC Section: Located within city limits in Mendocino County

**COUNTY OF MENDOCINO
STANDARD SERVICES AGREEMENT**

This Agreement is by and between the COUNTY OF MENDOCINO, hereinafter referred to as the "COUNTY", and **Redwood Quality Management Company DBA Anchor Health Management**, hereinafter referred to as the "CONTRACTOR".

WITNESSETH

WHEREAS, pursuant to Government Code Section 31000, COUNTY may retain independent contractors to perform special services to or for COUNTY or any department thereof; and,

WHEREAS, COUNTY desires to obtain CONTRACTOR for its Administrative Services Organization for Mental Health Services in Mendocino County; and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this AGREEMENT and is willing to provide same to COUNTY.

NOW, THEREFORE it is agreed that COUNTY does hereby retain CONTRACTOR to provide the services described in Exhibits A-1 and A-2, and CONTRACTOR accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A-1	Definition of Services – Specialty Mental Health Services
Exhibit A-2	Definition of Services – Mental Health Services Act
Exhibit B-1	Payment Terms – Specialty Mental Health Services
Exhibit B-2	Payment Terms – Mental Health Services Act
Exhibit C	Insurance Requirements
Exhibit D	Assurance of Compliance with Nondiscrimination in State and Federally Assisted Programs
Exhibit E	Deficit Reduction Act
Appendix A	Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Lower Tier Covered Transactions
Addendum A	Medi-Cal Data Privacy and Security Agreement
Addendum B	Business Associate Agreement
Attachment 1	Disclosure of Ownership & Control Interest
Attachment 2	Form 42 C.F.R. Part 2
Attachment 3	Medi-Cal SMHS Monthly Claim for Reimbursement

The term of this Agreement shall be from July 1, 2022 (the "Effective Date"), and shall continue through June 30, 2023.

The compensation payable to CONTRACTOR hereunder shall not exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000) for the term of this Agreement.

Facsimile Transmission: When sent by facsimile to the facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that, (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To COUNTY: COUNTY OF MENDOCINO
Behavioral Health and Recovery Services
1120 S. Dora St.
Ukiah, CA 95482
Attn: Jenine Miller

To CONTRACTOR: Redwood Quality Management Company
DBA Anchor Health Management
PO Box 1449
Ukiah, CA 95482
Attn: Tim Schraeder

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

11. USE OF COUNTY PROPERTY: CONTRACTOR shall not use COUNTY property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
12. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: CONTRACTOR certifies that it will comply with all Federal, State, and local laws, rules and regulations pertaining to nondiscrimination in employment.
 - a. CONTRACTOR shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, pregnancy, disability, sex, sexual orientation, gender identity, ancestry,

EXHIBIT A-2

DEFINITION OF SERVICES – Mental Health Services Act

On behalf of the County of Mendocino, CONTRACTOR agrees to arrange for the provision of, provide oversight of, and pay for Mental Health Services Act (MHSA) programs, services, and activities within the Scope of Services defined in this contract and pursuant to the MHSA Payment Terms in Exhibit B-2. Such services are to be provided in accordance with: the California Welfare and Institutions Code Sections 5848-5899; California Code of Regulations (CCR) Title 9 Sections 3100-3856; the Mendocino County Mental Health Services Act Three Year Plan and Annual Plan Updates (MHSA Plan); Behavioral Health and Recovery Services (BHRS) policies and procedures; Mental Health Services Oversight and Accountability Commission guidance; Department of Health Care Services (DHCS) guidance; and with consideration of feedback from MHSA Stakeholders.

I. Management and Oversight of MHSA Services and Programs

- A. CONTRACTOR shall attend and participate in MHSA Forums, and other Community Program Planning activities, provide information about program areas, and answer questions as needed for the benefit to stakeholders and Forum Participants.
- B. CONTRACTOR shall be familiar with the demographic and geographic composition of the county and shall provide services in a manner that addresses disparities. Services shall provide equal opportunities for peers of diverse ethnic, cultural, and linguistic groups. Staff shall be trained in cultural responsiveness. Bilingual staff and or translation shall be utilized to provide services in consumer preferred languages.
- C. CONTRACTOR shall ensure the provision of community based services that increase access to mental health services, facilitate an integrated and collaborative service experience for the consumer, and prioritize least restrictive care environments.
- D. CONTRACTOR shall ensure that MHSA services are focused on mental health wellness, recovery, and resilience. Services shall be consumer driven, and when desired by the consumer shall include family and other supports (friends, neighbors, spiritual leaders, etc.) as indicated by the client.
- E. CONTRACTOR shall identify outcome measures appropriate to the services being provided. Outcome measures shall be designed to track the impact of services being provided and shall be approved by COUNTY prior to implementation.

II. Community Services and Supports (CSS) Programs

CONTRACTOR shall arrange for the provision of, provide oversight of, and issue payment for Community Services and Supports programs and services that focus on expanding and making more integrative and collaborative the specialty mental health service delivery systems for children and youth, transition age youth, adults, and older adults. These services shall focus on increasing recovery and consumer driven services to specialty mental health clients through integrated and intensive services that consider quality improvement and outcomes in collaboration with community partners.

- A. CSS programs shall serve each of the four (4) designated age groups: Child and youth ages zero to fifteen (0-15), Transition Age Youth ages sixteen to twenty-five (16-25), Adults ages twenty-six to fifty-nine (26-59), and Older Adults ages sixty years and older (60+). CONTRACTOR shall track and provide COUNTY with data on the services being provided, population being served, and demographics.
- B. CSS programs are designated in the MHSA Plan as either Full Service Partnership (FSP), General System Development, Outreach and Engagement, or Mental Health Services Act Housing Program. CONTRACTOR shall know the designation of each program and shall provide reports according to CCR Title 9 regulations for that program type.
- C. FSP are an intensive collaborative relationship between client, providers, and when appropriate the client's family and personal supports. FSP are designed to provide more intensive services to reduce likelihood of intensive, high cost urgent, and emergency mental health services and/or other forms of institutionalization. CONTRACTOR shall ensure that:
 - 1. Each FSP client has an Individualized Services and Supports Plan (ISSP). The ISSP shall be developed in collaboration with the client and when appropriate the client's family.
 - 2. Each ISSP shall include a Personal Services Coordinator to assist the client, and when appropriate family members, to access the services indicated in the ISSP.
 - 3. FSP and ISSP may include peer support.
 - 4. The ISSP shall include a plan for 24/7 access to urgent client needs. The service provider delivering 24/7 care needs, if not the Personal Services Coordinator, must be known to the client.
 - 5. CONTRACTOR shall follow regulation (CCR TITLE 9 Section 3620.05) and COUNTY policy to ensure individuals meet FSP Criteria and are enrolled according to COUNTY procedure.

6. CONTRACTOR shall collect and report data on FSP clients in accordance with CCR Title 9 Section 3620.10 and COUNTY policy.
- D. General Service Delivery programs improve the mental health service delivery system for all clients and/or targeted services for clients and when appropriate, their family members. CONTRACTOR shall ensure that as appropriate programs shall include:
1. Peer support
 2. Alternative and culturally specific services
 3. Wellness Centers
 4. Strategies for reducing ethnic/cultural disparities
 5. Improvement of mental health service delivery
 6. Family Education Services
 7. Crisis Intervention/Stabilization Services
 8. Personal support services, when appropriate, for employment, housing, and/or education
 9. Needs Assessment
 10. Project based housing
- E. CONTRACTOR shall ensure Outreach and Engagement programs identify unserved, underserved, and/or inappropriately served children and/or youth with serious emotional disorders and/or adults and older adults with serious mental health conditions, or at risk of acute inpatient hospitalization, crisis intervention, residential treatment due to mental health condition and psychosis, suicidality, or violence in order to engage the individual in the mental health system and appropriate services.
- F. CONTRACTOR acknowledges the following general data requirements for MHSA programs and that reports are due quarterly:
1. Quarterly CSS Demographic Reports for all CSS programs.
 2. Monthly CSS FSP reports and outcome data as delineated in the COUNTY Policy and Procedure and CCR Title 9 Section 3530.
 3. Semi Annual reports on Consumer Perception Surveys and demographic composition of service providers to reflect cultural responsiveness.
 4. Annual CSS reports and outcome data as delineated in COUNTY Policy and Procedure and CCR Title 9 Section 3530 and Welfare and Institutions Code section 5848 et seq.

5. FSP "Match" and "Whatever it Takes" Funding:

- a. FSP "Match" funds are MHSA funds that are used to pay for specialty mental health services for fully enrolled FSP that are not covered by Medi-Cal. This percentage varies, but is budgeted and estimated to be forty percent (40%) covered by MHSA. FSP funding is included in this Agreement in Exhibit B-1, as it augments specialty mental health costs, but the source of funding is from MHSA.
- b. FSP "Whatever it Takes" funds are a flexible spending amount to help FSP clients overcome specific barriers related to the negative outcomes to serious mental illness that impair the client in reaching client plan goals.
 - i. "Whatever it Takes" flexible spending shall be authorized prior to reimbursement, and requests for authorization must be accompanied with justification which demonstrates that the individual is a fully enrolled FSP with current and complete FSP documentation, and the expenditure helps to overcome a barrier as described above.
 - ii. "Whatever it Takes" flexible spending shall not create a dependency which the client is unable to sustain once no longer meeting criteria for FSP. Expenditures shall predominantly be one time (1x) expenses. Expenditures which are recurring will come with justification for how the service providers in the partnership are working with the FSP to meet the need on their own with a reasonable target date for "Whatever it Takes" flexible spending needs to terminate and transition to other funding.

III. Prevention and Early Intervention Services (PEI)

CONTRACTOR shall be aware of, and collaborate with PEI services. PEI programs are designed to prevent mental illnesses from becoming severe and disabling. PEI programs are designated as Prevention, Early Intervention, Outreach for Increasing Recognition of Early Signs of Mental Illness, Stigma and Discrimination Reduction, Programs for Access and Linkage to Treatment, and Suicide Prevention. CONTRACTOR shall know the designation of each type of program being provided and shall ensure reports to COUNTY are in accordance with CCR Title 9 Sections 3200.245-3755.010.

- A. CONTRACTOR acknowledges that PEI programs are designed to serve all ages. However, at least fifty-one percent (51%) of the PEI funding allocation shall be used to serve individuals who are twenty-five (25) years old or younger and/or their families.

B. CONTRACTOR acknowledges the following general data requirements for PEI programs and that reports are due quarterly [Title 9 CCR [PEI Sections 3200.245-3755.010]

1. Program Name
2. Number of unduplicated clients and/or family members served with demographic information including, but not limited to:
 - a. Age
 - b. Race
 - c. Ethnicity
 - d. Gender assigned at birth
 - e. Gender identity
 - f. Primary language used in home
 - g. Sexual orientation
 - h. Veteran's Status
 - i. Disability- which is not a result of severe mental illness, but includes physical, communication, health, or mental (including but not limited to a learning, or developmental disability)
 - j. Number of respondents who refuse to answer any of the categories above
3. Description of culturally responsive considerations.
4. Description of any changes made in the program from beginning of year to end.
5. Description of any evidence-based practice, Promising Practice, or community based practices that were used.
6. Outcomes and indicators: approaches used to select specific indicators, and changes in outcomes and indicators as attributed to service delivery, including how often the data is collected and analyzed.
7. An analysis of the strengths and challenges experienced by the program in meeting prevention goals in the preceding year, which shall include a narrative of anecdotal information, with concrete examples, and/or quotes from participants, peer volunteers, and service providers that may be used to show effectiveness, and/or improve services.

- C. CONTRACTOR shall ensure that Stigma and Discrimination Reduction programs shall be activities or programs that reduce negative feelings, improve attitudes/beliefs/perceptions or increase acceptance, dignity, inclusion, and equity for individuals with mental illness, and/or reduce stereotypes and/or discrimination related to being diagnosed with a mental illness, having a mental illness, or seeking treatment for mental health services. Approaches shall be culturally congruent with the target population.

Stigma and Discrimination Reduction programs will document and report the number of individuals reached, demographic information for individuals served, which attitudes/beliefs/perceptions they aim to change, the target population, strategies and methods used to effect change, any measurement of change in attitudes/beliefs/perceptions.

CONTRACTOR acknowledges the following additional data required for Stigma and Discrimination programs and that reports are due quarterly:

1. Strategies to avoid stigma.
 2. Description of any measured or anecdotal impact on community changes in attitude or behavior.
 3. Description of how the program reduced the negative attitudes, feelings, beliefs, perception, stereotypes, and/or discrimination related to having a mental illness.
 4. Description of funding other than MHSA that was used for the program.
- D. CONTRACTOR shall ensure that Access and Linkage to Treatment programs or activities shall connect individuals with serious mental illness as early in onset to the conditions as practical to medically necessary care and treatment. The care and treatment shall include, but not be limited to services provided through the Mental Health Plan or other MHSA services. CONTRACTOR shall include strategies chosen to target the underserved population chosen and why the strategies were chosen for that population.

CONTRACTOR shall document and report the number of individuals referred to treatment, what kind of treatment the individuals were referred to, the number of individuals that followed through on treatment, and the duration of untreated mental illness prior to referral (as self-reported).

CONTRACTOR acknowledges the following additional data required for Access and Linkage to Treatment programs and that reports are due quarterly:

1. Program names and specific populations targeted.
2. Total number unduplicated clients referred to clinicians for treatment and what type of treatment (including other MHSA programs).
3. Number of clients with Serious Mental Illness (SMI).

4. Number of clients who followed through on referrals at least once.
 5. Average interval between referral and participation to other services, and/or treatment disaggregated by demographic groups.
 - a. Standard deviation of average time to services
 - b. Whether the average time to services is considered a reduction (improvement) for the target population.
 6. Average duration of untreated mental illness measured by the interval between referral and engagement in treatment.
 7. Number of unique services provided to each client and/or family member.
 8. Description of ways the CONTRACTOR encouraged access to services and followed through on referrals.
 9. Strategies employed to promote access for the underserved population.
- E. All PEI programs shall be designed to be culturally responsive, and shall include the perspective of those with lived experience.
- F. CONTRACTOR shall submit required reports to COUNTY in accordance with the following schedule:
1. Semi-Annually Schedule:
 - a. July – December data – due January 31
 - b. January – June date – due July 31
 2. Quarterly Reporting Schedule:
 - a. October 31, 2022
 - b. January 31, 2023
 - c. April 30, 2023
 - d. July 31, 2023
 3. Annual Reports: July 31, 2023
- G. COUNTY shall issue Corrective Action Letters for reports not received on time.
- H. CONTRACTOR shall participate in and provide survey data to COUNTY pertaining to the semi-annual Consumer Perception Survey [CCR Title 9 Section 3530.30].
- I. CONTRACTOR shall provide to COUNTY the names of the staff conducting the MHSA Program, the fluent languages they speak, cultural proficiencies they have, and any cultural responsiveness training they have had during the reporting period.

[END OF EXHIBIT A-2 – Mental Health Services Act]

EXHIBIT B-1

Payment Terms – Specialty Mental Health Services

COUNTY shall reimburse CONTRACTOR for Administrative Services, Utilization Review Services, Quality Assurance and Performance Improvement Services required for the appropriate administration of the County of Mendocino Mental Health Plan (MHP) Agreement with the State of California, as defined in the Definition of Services, Exhibit A-1. COUNTY shall also reimburse CONTRACTOR for inpatient psychiatric hospitalizations, physician fees, and foster youth placements mental health services cost.

- I. CONTRACTOR shall provide administrative services, utilization review services, quality assurance and performance improvement services of Specialty Mental Health Services as directed by the Mendocino County Behavioral Health Director and in compliance with the County of Mendocino MHP Agreement with the State of California.
- II. CONTRACTOR shall ensure subcontracts meet the following standards for billing specialty mental health Medi-Cal:
 - A. Billing for services shall be completed as per instructions in the DHCS Mental Health Services Division Medi-Cal Billing Manual, and the Mendocino County Mental Health Policy and Procedure, "Claims Processing and Payment to contract provider under the Mental Health Medi-Cal Managed Care Plan".
 - B. In no event shall COUNTY be obligated to pay for any Short-Doyle/Medi-Cal claims, where payment has been denied, disallowed by State or Federal authorities. Should such denials or disallowances occur, COUNTY may, at their discretion, deduct the value of the disallowances from future payments to subcontractors.
 - C. In no event shall COUNTY be obligated to pay subcontractors for any Short-Doyle/Medi-Cal claims for clients with other coverage where subcontractor has not billed for reimbursement or denial of benefits in accordance with coordination of coverage requirements. Coordination of Benefits (COB) information shall be provided to COUNTY at the time of submission or the claim will be denied. Per California Welfare and Institutions Code Section 14124.795, all other forms of coverage must pay their portion of a claim before Medi-Cal pays its portion. Medi-Cal is always the payer of last resort.
 - D. Services provided to clients eligible for benefits under both Medicare (Federal) and Medi-Cal (CA) plans must be billed and adjudicated by Medicare before the claim can be submitted to COUNTY. Claims for reimbursement of Medicare-

eligible services performed by Medicare-certified providers in a Medicare-certified facility must be submitted to Medicare before being submitted to Medi-Cal. Medicare Coordination of Benefits (COB) information shall be provided to COUNTY at the time of submission or the claim will be denied. The following specialty mental health services do not require Medicare COB as specified in Information Notices 09-09 and 10-11: T1017 Targeted Case Management, H2011 Crisis Intervention, H2013 Psychiatric Health Facility, H0018 Crisis Residential Treatment Services, H0019 Adult Residential Treatment Services S9484 Crisis Stabilization H2012 Day Treatment Intensive / Day Rehabilitation H2019 Therapeutic Behavioral Services, 0101 Administrative Day Services.

- E. Some clients may have what is known as Medi-Cal Share of Cost (SOC). The SOC is similar to a deductible based on the fact that the client must meet a specified dollar amount for medical expenses before the COUNTY will pay claims for services provided over and above the amount of the SOC in that month. The SOC is usually determined by the County Department of Social Services and is based upon the client or family income.

- III. Compensation payable to CONTRACTOR shall be dependent on CONTRACTOR compliance with all requirements of the County of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters and notices of the County of Mendocino and/or the California DHCS.

COUNTY shall pay CONTRACTOR a fee for allowable costs of Administrative Services, Utilization Review, Quality Assurance and Quality Improvement activities, in an amount not to exceed Nine Hundred Ninety-Four Thousand Four Hundred Eighty-Four Dollars (\$994,484) for FY 2022 – 23. Payment shall be on a monthly basis in the amount of Eighty-Two Thousand Eight Hundred Seventy-Three Dollars and Sixty-Six Cents (\$82,873.66). COUNTY shall issue payment to CONTRACTOR no later than the 10th of each month.

For Administrative Services, Utilization Review, Quality Assurance and Quality Improvement activities COUNTY reimbursement has been determined based the Federal Uniform Admin Requirements, Cost Principles and Audit Requirements for Federal Awards 2 CFR 200 et. seq. and time study reports, completed by CONTRACTOR's staff, documenting time spent on utilization review, quality assurance and quality improvement activities.

For inpatient psychiatric hospitalizations, physician fees, and youth placements mental health services, COUNTY shall reimburse CONTRACTOR for allowable costs of inpatient psychiatric hospitalizations, physician fees, and youth placements mental health services, not to exceed Two Million Six Hundred Thousand Dollars

(\$2,600,000). Reimbursement shall be based on actual claims for inpatient psychiatric hospitalization, physician fees, and youth placements. CONTRACTOR shall submit copies of placement invoicing along with CONTRACTOR's invoice.

- IV. CONTRACTOR shall submit Specialty Mental Health Services claims to COUNTY on behalf of subcontractors in HIPAA compliant electronic files or other COUNTY approved form as expeditiously as possible. For in-county providers, claims are due no later than sixty (60) days after the end of the month during which services were rendered (i.e. billing for services rendered in July are due no later than September 30). For out-of-county providers, claims are due no later than ninety (90) days after the end of the month during which services were rendered (i.e. billing for services rendered in July are due no later than October 31).
- V. Claims submitted by CONTRACTOR in excess of one hundred fifty (150) days from date of service must be accompanied with justification (i.e. explanation of benefits) for the late submission or services may be denied. Late claims will be reviewed with the Behavioral Health Director and Behavioral Health Fiscal Manager for approval regarding late submission. COUNTY is aware that some services may require a late submission. If CONTRACTOR and Behavioral Health Fiscal Manager are unable to come to an agreement regarding late submission, the Behavioral Health Director shall make the final determination as to whether payment is to be remitted to CONTRACTOR. If late submission is not approved, CONTRACTOR shall be responsible for payment to any subcontractors owed reimbursement for services subject to such late billing.
- VI. COUNTY is responsible for the submission of Specialty Mental Health Services received from the subcontractors for Short-Doyle/Medi-Cal services to the State. All services that do not meet medical necessity and are not sufficient to achieve the purpose for which the services are furnished, shall be disallowed. COUNTY shall be reimbursed by subcontractors for the total claimed amount of all services disallowed (by State and/or County) audit and/or review, within thirty (30) days of the notice of disallowance.
 - A. CONTRACTOR shall submit to COUNTY, the following documents:
 - 1. Monthly – by the 10th of the month, the previous month's Invoices related to Specialty Mental Health Services.
 - 2. End of Year, by October 15th General Ledger Expenditure Reports that details placement cost.
 - 3. Quarterly Administration, Utilization Review, and Quality Assurance Time Study Report – One week Review.
 - B. Quarterly Expenditure Summary Actual Reports
 - 1. Quarterly Reporting Schedule:
 - 2. October 31, 2022
 - 3. January 31, 2023

4. April 30, 2023

5. July 31, 2023

C. If CONTRACTOR is out of compliance with the monthly or quarterly report submissions, CONTRACTOR agrees that funds to be distributed under the terms of this agreement shall be withheld until such time as CONTRACTOR submits acceptable monthly or quarterly documents.

VII. CONTRACTOR shall comply with all requirements of the County of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters and notices of the County of Mendocino and/or the California DHCS. CONTRACTOR is responsible for the submission of an Initial Cost Reports for FY 22-23 by October 15, 2023. Initial Cost Reports must be completed using the appropriate templates approved by COUNTY and in accordance with the annual DHCS Fiscal Year Cost Report Policy Information Notice. Initial Cost Reports shall include all services delivered in FY 2022 – 2023. CONTRACTOR shall maintain all Cost Report documentation and evidence for a minimum of ten (10) years after the COUNTY final Cost Report settlement with DHCS. Payment shall be required by either COUNTY or CONTRACTOR within sixty (60) days of settlement or as otherwise mutually agreed, after final Cost Report settlement with DHCS. CONTRACTOR makes no representation regarding the accuracy, truthfulness or allowability of subcontractor costs or subcontractor costs report(s). The foregoing sentence in no way limits the application of Paragraph 2 or Paragraph 30 of the General Terms and Conditions or any other term affecting CONTRACTOR's liability for the action(s) or inaction(s) of its subcontractors.

VIII. If the CONTRACTOR is out of compliance with the Initial Cost Report submission requirements under any previous Agreement, CONTRACTOR agrees that funds to be distributed under the terms of this Agreement shall be withheld until such time as CONTRACTOR submits acceptable Initial Cost Report(s). Acceptable Initial Cost Reports are Cost Reports that comply with State guidelines and are deemed complete by the COUNTY.

IX. CONTRACTOR is responsible for the submission of final claims reconciliation of all subcontractors for FY 2022-23 no later than October 15, 2023.

X. The compensation payable to CONTRACTOR shall be dependent on CONTRACTOR satisfying all components of this Agreement, the County of Mendocino MHP Agreement with the State of California, and all direction from the Behavioral Health Director.

XI. The compensation payable to CONTRACTOR for Specialty Mental Health Services and Indigent Mental Health Services (which services are addressed in the Definition of Services located at Exhibit A-1) shall not exceed Three Million Five Hundred Ninety-Four Thousand Four Hundred Eighty-Four Dollars (\$3,594,484) for the term of this Agreement.

[END OF EXHIBIT B-1 – Specialty Mental Health Services]

EXHIBIT B-2

PAYMENT TERMS – Mental Health Services Act

- I. COUNTY shall reimburse CONTRACTOR for Mental Health Services Act (MHSA) services, as defined in the Definition of Services, Exhibit A-2, provided per the following instructions:
 - A. CONTRACTOR shall provide administrative, quality assurance and performance improvement for the provision of programs and services as directed by the Mendocino County Behavioral Health Director, and in compliance with the Mendocino County Mental Health Services Act plan and the California MHSA Plan.
 - B. COUNTY shall provide reimbursement for MHSA Programs as follows:
 1. MHSA Services and Programs are funded by MHSA and shall be performed in accordance with the MHSA Annual Plan, MHSA laws, and regulations.
 - a. FSP "Match" funding will be submitted for reimbursement through specialty mental health services outlined in Exhibit A-2, and shall be accompanied by a current list of FSP served during the month.
 - b. FSP invoices and requests for reimbursement shall include the date of birth (DOB) and FSP age category of the FSP.
 - c. Invoices will not be authorized or paid until the FSP is in good standing as described in Exhibit A-2.
 - d. FSP funds shall be transferred by COUNTY from MHSA into SMH.
 - e. FSP "Match" and "Whatever It Takes" funding are budgeted as divided, with eighty-five percent (85%) in "Match", and fifteen percent (15%) in "Whatever it Takes" (however this is flexible, more of either type is allowed to be spent with COUNTY approval, provided the total allocation is not exceeded).
 2. COUNTY shall pay CONTRACTOR a fee for Administrative Services, Utilization Review Services, Quality Assurance and Quality Improvement Services required for the appropriate administration of the County of Mendocino MHP Agreement with the State of California.
 3. Compensation payable to CONTRACTOR shall be dependent on CONTRACTOR compliance with all requirements of the County of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters and notices of the County of Mendocino and/or DHCS.

4. COUNTY shall pay CONTRACTOR a fee for allowable costs of Administrative Services, Utilization Review, Quality Assurance and Quality Improvement activities, an amount not to exceed Two Hundred Five Thousand Five Hundred Sixteen Dollars (\$205,516) for FY 2022 – 23. Payment shall be on a monthly basis in the amount of Seventeen Thousand One Hundred Twenty-Six Dollars and Thirty-Three Cents (\$17,126.33). COUNTY shall issue payment to CONTRACTOR no later than the 10th of each month.
5. As to MHSA Administrative Services, Utilization Review, Quality Assurance and Quality Improvement activities, COUNTY reimbursement has been determined based the Federal Uniform Admin Requirements, Cost Principles and Audit Requirements for Federal Awards 2 CFR 200 et. seq. and time study reports, completed by CONTRACTOR's staff, documenting time spent on utilization review, quality assurance and quality improvement activities.
6. CONTRACTOR shall provide COUNTY quarterly the following reports, in a form and manner approved by COUNTY:
 - a. Complete and accurate spreadsheet reporting PEI and CSS expenditures by Provider with services categorized by Adult and Children.
 - b. Quarterly invoices for PEI and CSS costs from each provider for the month being billed.
 - c. Complete and accurate spreadsheet reporting MHSA Flex Fund expenditures by Provider with services categorized by Adult and Children.
 - d. Quarterly invoices for MHSA Flex Fund for the quarter being billed.
 - e. MHSA Quarterly Expenditure reports.
5. CONTRACTOR shall submit required reports to COUNTY in accordance with the following schedule:
 - a. Quarterly Reporting Schedule:
 - i. October 31, 2022
 - ii. January 31, 2023
 - iii. April 30, 2023
 - iv. July 31, 2023

MHSA Evaluation and Administration: July 1, 2022 to June 30, 2023		
Program/Services	Funding Source	Maximum Payable
Evaluation and Administration	CSS	\$205,516
Total MHSA Maximum Payable		\$205,516

- C. CONTRACTOR shall comply with all direction(s) from the Behavioral Health Director and all policies, procedures, MHSA Plan, and the California DHCS Information Notices. CONTRACTOR agrees to utilize all funds in accordance with the terms of this Agreement, and MHSA laws and regulations. Funds shall not be used for lobbying or other administrative activities not related to the delivery of services under the MHSA Plan.
- D. All Specialty Mental Health Services provided as a component of an MHSA program shall comply with the applicable requirements of the County of Mendocino State MHP Agreement and California Code of Regulations (CCR) Title 9. Billing for Specialty Mental Health Services shall be completed as per instructions in the DHCS Mental Health Services Division Medi-Cal Billing Manual, and the Mendocino County Mental Health Policy and Procedure, "Claims Processing and Payment to contract provider under the Mental Health Medi-Cal Managed Care Plan".
- E. For Fiscal Year 2022 – 2023, CONTRACTOR is responsible for the submission of all subcontractor expenditure reports and final end of year MHSA Expenditures Reports by October 15, 2023. MHSA Expenditure Reports shall include costs of all programs and services delivered through June 30, 2023. Payment shall be made based on Expenditure Reports in accordance with the Mendocino County Mental Health Services Act plan and the California MHSA Plan. CONTRACTOR makes no representation regarding the accuracy, truthfulness or allowability of subcontractor costs or subcontractor costs report(s). The foregoing sentence in no way limits the application of Paragraph 2 or Paragraph 30 of the General Terms and Conditions or any other term affecting CONTRACTOR's liability for the action(s) or inaction(s) of its subcontractors.
- F. If the CONTRACTOR is out of compliance with the Revenue Expense Report (RER) submission requirements under this Agreement or any previous Agreement, CONTRACTOR agrees that funds to be distributed under the terms of this Agreement shall be withheld until such time as CONTRACTOR submits accurate and complete Expenditure Reports. Accurate and complete Expenditure Reports are Expenditure Reports that are deemed complete by the COUNTY.
- II. The compensation payable to CONTRACTOR for MHSA services (which services are addressed in the Definition of Services located at Exhibit A-2) shall not exceed Two Hundred Five Thousand, Five Hundred Sixteen Dollars (\$205,516) for the term of this Agreement.

[END OF EXHIBIT B-2 – Mental Health Services Act]

EXHIBIT D
CONTRACTOR ASSURANCE OF COMPLIANCE WITH
THE MENDOCINO COUNTY
Behavioral Health and Recovery Services
NONDISCRIMINATION IN STATE
AND FEDERALLY ASSISTED PROGRAMS

NAME OF CONTRACTOR: **Redwood Quality Management Company**
DBA Anchor Health Management

HEREBY AGREES THAT it will comply with Federal Law Requirements:

1. Title VI of the Civil Rights Act of 1964, Section 2000d, as amended, prohibiting discrimination based on race, color, or national origin in federally funded programs.
2. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of housing.
3. Age Discrimination Act of 1975 (45 CFR Part 90), as amended (42 USC Sections 6101 – 6107), which prohibits discrimination on the basis of age.
4. Age Discrimination in Employment Act (29 CFR Part 1625).
5. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting discrimination against the disabled in employment.
6. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting discrimination against the disabled by public entities.
7. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.
8. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), prohibiting discrimination on the basis of individuals with disabilities.
9. Executive Order 11246, 42 USC 2000e et seq., and 41 CFR Part 60 regarding nondiscrimination in employment under federal contracts and construction contracts greater than \$10,000 funded by federal financial assistance.
10. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.
11. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse.
12. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A – E).
13. Title 42, United States Code (USC), Section 300 x-24, Requirements regarding tuberculosis and human immunodeficiency virus
14. Title 45, United States Code (USC), Section 96.128 Requirements regarding human immunodeficiency virus
15. 45 Code of Federal Regulations (CFR) Parts 80, 84, and 91 Nondiscrimination Under Programs Receiving Federal Assistance, including handicap or age
16. Title 28, United States Code (USC), part 42, Nondiscrimination and Equal Employment
17. Title 7, United States Code (USC), part 15, Nondiscrimination Under Programs Receiving Assistance from the Department of Agriculture
18. Food Stamp Act of 1977, as amended and in particular section 272.6
19. Section 1808 of the Removal of Barriers to Interethnic Adoption Act of 1996
20. 22 U.S.C. 7104 section 106 - Trafficking Victims Protection Act of 2000

21. Title 45, United States Code (USC), Section 96.131 - Admission Priority and Interim Services for Pregnant Women
22. CLAS (Culturally and Linguistically Appropriate Services National Standards); Civil Rights, Division 21 and ADA as amended
23. Title 42, CFR, Part 54 - Charitable Choice

As well as comply with State Law Requirements:

1. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).
2. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135-1119.5 as amended.
3. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.
4. No state, federal, or County Realignment funds shall be used by the Contractor or its subcontractors for sectarian worship, instruction, or proselytization. No state funds shall be used by the Contractor or its subcontractors to provide direct, immediate, or substantial support to any religious activity.
5. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for DHCS to withhold payments under this Contract or terminate all, or any type, of funding provided hereunder.
6. Title 1, Division 5 Chapter 7, of the Government Code, Section 4450 Access to Public Buildings by Physically Handicapped Persons
7. Title 22, Division 8 of the California Code of Regulations, Sections 98000-98413
8. California Civil Code Section 51 et seq., which is the Unruh Civil Rights Act
9. California Government Code section 12940 - California Fair Employment
10. California Government Code section 4450 -Access to Public Buildings
11. California Government Code Section 7290-7299.8 - the Dymally-Alatorre Bilingual Services Act

AND HEREBY GIVE ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE CONTRACTOR HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited. BY ACCEPTING THIS ASSURANCE, CONTRACTOR agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws, rules and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code section 10605, or Government Code section 11135-11139.5, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on CONTRACTOR directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

4.21.23
Date

TB Schneider
CONTRACTOR Signature

PO Box 1449 Ukiah, CA 95482
Address of CONTRACTOR

Appendix A
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, and OTHER RESPONSIBILITY MATTERS
LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 **Federal Register** (pages 19160-19211).

- (1) The primary principal certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency:
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment tendered against them for commission of fraud or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsifications or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification, and
 - (d) Have not, within a three-year period preceding this application/proposal, had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the primary principal is unable to certify to any of the statements in this certification, such principal shall attach an explanation.

Tim Schraeder

(Type Name)

Chief Executive Officer

(Title)



(Signature)

Redwood Quality Management Company
DBA Anchor Health Management

(Organization Name)

PO Box 1449
Ukiah, CA 95482

(Organization Address)

4.21.23

(Date)

Addendum A
Medi-Cal Data Privacy and Security
Agreement

The California Department of Health Care Services (DHCS) and the County of Mendocino Health and Human Services Agency (MC-HHSA) have entered into a Medi-Cal Data Privacy and Security Agreement in order to ensure the privacy and security of Medi-Cal Personally Identifiable Information (PII).

Medi-Cal PII is information directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining Medi-Cal eligibility or conducting IHSS operations, that can be used alone, or in conjunction with any other information, to identify a specific individual. PII includes any information that can be used to search for or identify individuals, or can be used to access their files, such as name, social security number, date of birth, driver's license number or identification number. PII may be electronic or paper.

AGREEMENTS

NOW THEREFORE, County and the Contractor mutually agree as follows:

I. Privacy and Confidentiality

- A. Contractors may use or disclose Medi-Cal PII only to perform functions, activities or services directly related to the administration of the Medi-Cal program in accordance with Welfare and Institutions Code section 14100.2 and 42 Code of Federal Regulations section 431.300 et.seq, or as required by law.

Disclosures which are required by law, such as a court order, or which are made with the explicit written authorization of the Medi-Cal client, are allowable. Any other use or disclosure of Medi-Cal PII requires the express approval in writing of DHCS. Contractor shall not duplicate, disseminate or disclose Medi-Cal PII except as allowed in the Agreement.

- B. Access to Medi-Cal PII shall be restricted to only contractor personnel who need the Medi-Cal PII to perform their official duties in connection with the administration of the Medi-Cal program.
- C. Contractor and/or their personnel who access, disclose or use Medi-Cal PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable Federal and State statutes.

II. Employee Training and Discipline

Contractor agrees to advise its personnel who have access to Medi-Cal PII of the confidentiality of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in applicable Federal and State laws. Contractor shall:

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- A. Train and use reasonable measures to ensure compliance with the requirements of this Agreement by their personnel who assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII; and take corrective action against such personnel who intentionally violate any provisions of this Agreement, up to and including by termination of employment. New employees will receive privacy and security awareness training from Contractor within 30 days of employment and receive regular reminders throughout their employment. This information will be recorded in employee records with dates of each training/reminder. These records are to be retained and available for inspection for a period of three years after completion of the training/reminders.

III. Management Oversight and Monitoring

The Contractor agrees to establish and maintain ongoing management oversight and quality assurance for monitoring workforce compliance with the privacy and security safeguards in this Agreement when using or disclosing Medi-Cal PII and ensure that ongoing management oversight includes periodic self-assessments.

IV. Confidentiality Statement

Contractor agrees to ensure that all contractor personnel who assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII sign a confidentiality statement. The statement shall include at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement shall be signed by the Contractor and their personnel prior to access to Medi-Cal PII.

V. Physical Security

Contractor shall ensure that Medi-Cal PII is used and stored in an area that is physically safe from access by unauthorized persons during working hours and non-working hours. Contractor agrees to safeguard Medi-Cal PII from loss, theft or inadvertent disclosure and, therefore, agrees to:

- A. Secure all areas of Contractor facilities where personnel assist in the administration of the Medi-Cal program and use or disclose Medi-Cal PII. The Contractor shall ensure that these secure areas are only accessed by authorized individuals with properly coded key cards, authorized door keys or access authorization; and access to premises is by official identification.
- B. Ensure that there are security guards or a monitored alarm system with or without security cameras 24 hours a day, 7 days a week at Contractor facilities and leased facilities where a large volume of Medi-Cal PII is stored. Issue Contractor personnel who assist in the administration of the Medi-Cal program identification badges and require County Workers to wear the identification badges at facilities where Medi-Cal PII is stored or used.

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- C. Store paper records with Medi-Cal PII in locked spaces, such as locked file cabinets, locked file rooms, locked desks or locked offices in facilities which are multi-use (meaning that there are personnel other than contractor personnel using common areas that are not securely segregated from each other.) The contractor shall have policies which indicate that Contractor and their personnel are not to leave records with Medi-Cal PII unattended at any time in vehicles or airplanes and not to check such records in baggage on commercial airlines.
- D. Use all reasonable measures to prevent non-authorized personnel and visitors from having access to, control of, or viewing Medi-Cal PII.

VI. Computer Security Safeguards

The Contractor agrees to comply with the general computer security safeguards, system security controls, and audit controls in this section. In order to comply with the following general computer security safeguards, the Contractor agrees to:

- A. Encrypt portable computer devices, such as laptops and notebook computers that process and/or store Medi-Cal PII, with a solution using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution. One source of recommended solutions is specified on the California Strategic Sourced Initiative (CSSI) located at the following link: www.pd.dgs.ca.gov/masters/EncryptionSoftware.html. The Contractor shall use an encryption solution that is full-disk unless otherwise approved by DHCS.
- B. Encrypt workstations where Medi-Cal PII is stored using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- C. Ensure that only the minimum necessary amount of Medi-Cal PII is downloaded to a laptop or hard drive when absolutely necessary for current business purposes.
- D. Encrypt all electronic files that contain Medi-Cal PII when the file is stored on any removable media type device (i.e. USB thumb drives, floppies, CD/DVD, etc.) using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- E. Ensure that all emails sent outside the Contractor's e-mail environment that include Medi-Cal PII are sent via an encrypted method using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.
- F. Ensure that all workstations, laptops and other systems that process and/or store Medi-Cal PII have a commercial third-party anti-virus software solution and are updated when a new anti-virus definition/software release is available.

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- G. Ensure that all workstations, laptops and other systems that process and/or store Medi-Cal PII have current security patches applied and up-to-date.
- H. Ensure that all Medi-Cal PII is wiped from systems when the data is no longer legally required. The Contractor shall ensure that the wipe method conforms to Department of Defense standards for data destruction.
- I. Ensure that any remote access to Medi-Cal PII is established over an encrypted session protocol using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI. The Contractor shall ensure that all remote access is limited to minimum necessary and least privilege principles.

VII. System Security Controls

In order to comply with the following system security controls, the Contractor agrees to:

- A. Ensure that all Contractor systems containing Medi-Cal PII provide an automatic timeout after no more than 20 minutes of inactivity.
- B. Ensure that all Contractor systems containing Medi-Cal PII display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User shall be directed to log off the system if they do not agree with these requirements.
- C. Ensure that all Contractor systems containing Medi-Cal PII log successes and failures of user authentication and authorizations granted. The system shall log all data changes and system accesses conducted by all users (including all levels of users, system administrators, developers, and auditors). The system shall have the capability to record data access for specified users when requested by authorized management personnel. A log of all system changes shall be maintained and be available for review by authorized management personnel.
- D. Ensure that all Contractor systems containing Medi-Cal PII use role based access controls for all user authentication, enforcing the principle of least privilege.
- E. Ensure that all Contractor data transmissions over networks outside of the Contractor's control are encrypted end-to-end using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI, when transmitting Medi-Cal PII. The Contractor shall encrypt Medi-Cal PII at the minimum of 128 bit AES or 3DES (Triple DES) if AES is unavailable.
- F. Ensure that all Contractor systems that are accessible via the Internet or store Medi-Cal PII actively use either a comprehensive third-party real-time host based intrusion detection and prevention program or be protected at the perimeter by a network based IDS/IPS solution.

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VIII. Audit Controls

Contractor agrees to an annual system security review by the County to assure that systems processing and/or storing Medi-Cal PII are secure. This includes audits and keeping records for a period of at least three (3) years. A routine procedure for system review to catch unauthorized access to Medi-Cal PII shall be established by the Contractor.

IX. Paper Document Controls

In order to comply with the following paper document controls, the Contractor agrees to:

- A. Dispose of Medi-Cal PII in paper form through confidential means, such as crosscut shredding and pulverizing.
- B. Not remove Medi-Cal PII from the premises of the Contractor except for identified routine business purposes or with express written permission of DHCS.
- C. Not leave faxes containing Medi-Cal PII unattended and keep fax machines in secure areas. The Contractor shall ensure that faxes contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Contractor personnel shall verify fax numbers with the intended recipient before sending.
- D. Use a secure, bonded courier with signature of receipt when sending large volumes of Medi-Cal PII. The Contractor shall ensure that disks and other transportable media sent through the mail are encrypted using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.

X. Notification and Investigation of Breaches

The Contractor agrees to notify John Martire, Chief Welfare Investigator, at 467-5856.

XI. Assessments and Reviews

In order to enforce this Agreement and ensure compliance with its provisions, the Contractor agrees to inspections of its facilities, systems, books and records, with reasonable notice from the County, in order to perform assessments and reviews.

XII. Assistance in Litigation or Administrative Proceedings

In the event of litigation or administrative proceedings involving DHCS based upon claimed violations, the Contractor shall make all reasonable effort to make itself and its personnel who assist in the administration of the Medi-Cal program and using or disclosing Medi-Cal PII available to DHCS at no cost to DHCS to testify as witnesses.

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Signature Page

Tim Schraeder
Contractor Name (printed)


Contractor Signature

Chief Executive Officer
Contractor Title

Redwood Quality Management Company DBA Anchor Health Management
Contractor's Agency Name

4-21-23
Date

Addendum B

Business Associate Agreement

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is entered into effective July 1, 2022 (the "Effective Date"), by and between **Redwood Quality Management Company DBA Anchor Health Management** ("Business Associate/Qualified Service Organization") and **Mendocino County Behavioral Health and Recovery Services** (the "Covered Entity").

Business Associate and Covered Entity have a business relationship ("Agreement") in which Business Associate may perform functions or activities on behalf of Covered Entity involving the use and/or disclosure of protected health information received from, or created or received by, Business Associate on behalf of Covered Entity. ("PHI"). Therefore, if Business Associate is functioning as a Business Associate to Covered Entity, Business Associate agrees to the following terms and conditions set forth in this HIPAA Business Associate Agreement.

1. **Definitions.** For purposes of this Agreement, the terms used herein, unless otherwise defined, shall have the same meanings as used in the Health Insurance Portability and Accountability Act of 1996, and any amendments or implementing regulations ("HIPAA"), or the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009), and any amendments or implementing regulations ("HITECH").
2. **Compliance with Applicable Law.** The parties acknowledge and agree that, beginning with the relevant effective dates, Business Associate shall comply with its obligations under this Agreement and with all obligations of a Business Associate under HIPAA, HITECH and other related laws, as they exist at the time this Agreement is executed and as they are amended, for so long as this Agreement is in place.
3. **Permissible Use and Disclosure of Protected Health Information.** Business Associate may use and disclose PHI to carry out its duties to Covered Entity pursuant to the terms of the Relationship. Business Associate may also use and disclose PHI (i) for its own proper management and administration, and (ii) to carry out its legal responsibilities. If Business Associate discloses Protected Health Information to a third party for either above reason, prior to making any such disclosure, Business Associate must obtain: (i) reasonable assurances from the receiving party that such PHI will be held confidential and be disclosed only as required by law or for the purposes for which it was disclosed to such receiving party; and (ii) an agreement from such receiving party to immediately notify Business Associate of any known breaches of the confidentiality of the PHI.
4. **Limitations on Uses and Disclosures of PHI.** Business Associate shall not, and shall ensure that its directors, officers, employees, and agents do not, use or disclose PHI in any manner that is not permitted or required by the Relationship, this Agreement, or required by law. All uses and disclosures of, and requests by Business Associate/Qualified Service Organization, for PHI are subject to the minimum necessary rule of the Privacy Standards and shall be limited to the information contained in a limited data set, to the extent practical, unless

additional information is needed to accomplish the intended purpose, or as otherwise permitted in accordance with Section 13405(b) of HITECH and any implementing regulations.

5. **Required Safeguards To Protect PHI.** Business Associate agrees that it will implement appropriate safeguards in accordance with the Privacy Standards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement.
6. **Reporting of Improper Use and Disclosures of PHI.** Business Associate shall report within 24 business hours to Covered Entity a use or disclosure of PHI not provided for in this Agreement by Business Associate/Qualified Service Organization, its officers, directors, employees, or agents, or by a third party to whom Business Associate disclosed PHI. Business Associate shall also report within 24 business hours to Covered Entity a breach of unsecured PHI, in accordance with 45 C.F.R. §§ 164.400-414, and any security incident of which it becomes aware. Report should be made to:

Compliance Officer
1-866-791-9337
7. **Mitigation of Harmful Effects.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement, including, but not limited to, compliance with any state law or contractual data breach requirements. Business Associate shall cooperate with Covered Entity's breach notification and mitigation activities, and shall be responsible for all costs incurred by Covered Entity for those activities.
8. **Agreements by Third Parties.** Business Associate shall enter into an agreement with any agent or subcontractor of Business Associate that will have access to PHI. Pursuant to such agreement, the agent or subcontractor shall agree to be bound by the same restrictions, terms, and conditions that apply to Business Associate under this Agreement with respect to such PHI.
9. **Access to Information.** Within five (5) days of a request by Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to Covered Entity such PHI for so long as such information is maintained by Business Associate in the Designated Record Set, as required by 45 C.F.R. § 164.524. In the event any individual delivers directly to Business Associate a request for access to PHI, Business Associate shall within two (2) days forward such request to Covered Entity.
10. **Availability of PHI for Amendment.** Within five (5) days of receipt of a request from Covered Entity for the amendment of an individual's PHI or a record regarding an individual contained in a Designated Record Set (for so long as the PHI is maintained in the Designated Record Set), Business Associate shall provide such information to Covered Entity for amendment and incorporate any such amendments in the PHI as required by 45 C.F.R. § 164.526. In the event any individual delivers directly to Business Associate a request for amendment to PHI, Business Associate shall within two (2) days forward such request to Covered Entity.

11. **Documentation of Disclosures.** Business Associate agrees to document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
12. **Accounting of Disclosures.** Within five (5) days of notice by Covered Entity to Business Associate that it has received a request for an accounting of disclosures of PHI regarding an individual during the six (6) years prior to the date on which the accounting was requested, Business Associate shall make available to Covered Entity information to permit Covered Entity to respond to the request for an accounting of disclosures of PHI, as required by 45 C.F.R. § 164.528. In the case of an electronic health record maintained or hosted by Business Associate on behalf of Covered Entity, the accounting period shall be three (3) years and the accounting shall include disclosures for treatment, payment and healthcare operations, in accordance with the applicable effective date of Section 13402(a) of HITECH. In the event the request for an accounting is delivered directly to Business Associate/Qualified Service Organization, Business Associate shall within two (2) days forward such request to Covered Entity.
13. **Electronic PHI.** To the extent that Business Associate creates, receives, maintains or transmits electronic PHI on behalf of Covered Entity, Business Associate shall:
 - (a) Comply with 45 C.F.R. §§164.308, 301, 312, and 316 in the same manner as such sections apply to Covered Entity, pursuant to Section 13401(a) of HITECH, and otherwise implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI;
 - (b) Ensure that any agent to whom Business Associate provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect it; and
 - (c) Report to Covered Entity any security incident of which Business Associate becomes aware.
14. **Judicial and Administrative Proceedings.** In the event Business Associate receives a subpoena, court or administrative order or other discovery request or mandate for release of PHI, Covered Entity shall have the right to control Business Associate/Qualified Service Organization's response to such request. Business Associate shall notify Covered Entity of the request as soon as reasonably practicable, but in any event within two (2) days of receipt of such request.
15. **Availability of Books and Records.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure and privacy protection of PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of the Covered Entity, available to the Covered Entity, the State of California, and the Secretary of the Department of Health and Human Services, in the time and manner designated by the Covered Entity, State or Secretary, for purposes of determining Covered Entity's compliance with the Privacy Standards. Business Associate shall notify the Covered Entity upon receipt

of such a request for access by the State or Secretary, and shall provide the Covered Entity with a copy of the request as well as a copy of all materials disclosed.

16. **Breach of Contract by Business Associate.** In addition to any other rights Covered Entity may have in the Relationship, this Agreement or by operation of law or in equity, Covered Entity may i) immediately terminate the Relationship if Covered Entity determines that Business Associate has violated a material term of this Agreement, or ii) at Covered Entity's option, permit Business Associate to cure or end any such violation within the time specified by Covered Entity. Covered Entity's option to have cured a breach of this Agreement shall not be construed as a waiver of any other rights Covered Entity has in the Relationship, this Agreement or by operation of law or in equity.
17. **Effect of Termination of Relationship.** Upon the termination of the Relationship or this Agreement for any reason, Business Associate shall return to Covered Entity or, at Covered Entity's direction, destroy all PHI received from Covered Entity that Business Associate maintains in any form, recorded on any medium, or stored in any storage system, unless said information has been de-identified and is no longer PHI. This provision shall apply to PHI that is in the possession of Business Associate/Qualified Service Organizations or agents of Business Associate/Qualified Service Organization. Business Associate shall retain no copies of the PHI. Business Associate shall remain bound by the provisions of this Agreement, even after termination of the Relationship or the Agreement, until such time as all PHI has been returned, de-identified or otherwise destroyed as provided in this Section.
18. **Injunctive Relief.** Business Associate stipulates that its unauthorized use or disclosure of PHI while performing services pursuant to this Agreement would cause irreparable harm to Covered Entity, and in such event, Covered Entity shall be entitled to institute proceedings in any court of competent jurisdiction to obtain damages and injunctive relief.
19. **Indemnification.** Business Associate shall indemnify and hold harmless Covered Entity and its officers, trustees, employees, and agents from any and all claims, penalties, fines, costs, liabilities or damages, including but not limited to reasonable attorney fees, incurred by Covered Entity arising from a violation by Business Associate of its obligations under this Agreement.
20. **Exclusion from Limitation of Liability.** To the extent that Business Associate has limited its liability under the terms of the Relationship, whether with a maximum recovery for direct damages or a disclaimer against any consequential, indirect or punitive damages, or other such limitations, all limitations shall exclude any damages to Covered Entity arising from Business Associate/Qualified Service Organization's breach of its obligations relating to the use and disclosure of PHI.
21. **Owner of PHI.** Under no circumstances shall Business Associate be deemed in any respect to be the owner of any PHI used or disclosed by or to Business Associate by Covered Entity.
22. **Third Party Rights.** The terms of this Agreement do not grant any rights to any parties other than Business Associate and Covered Entity.

23. **Independent Contractor Status.** For the purposed of this Agreement, Business Associate is an independent contractor of Covered Entity, and shall not be considered an agent of Covered Entity.
24. **Changes in the Law.** The parties shall amend this Agreement to conform to any new or revised legislation, rules and regulations to which Covered Entity is subject now or in the future including, without limitation, HIPAA, HITECH, the Privacy Standards, Security Standards or Transactions Standards.

IN WITNESS WHEREOF, each Party hereby executes this Agreement as of the Effective Date.

Redwood Quality Management Company DBA Anchor Health Management

By: TB Schraeder

Name: Tim Schraeder

Title: Chief Executive Officer

Mendocino County

By: J Miller

Name: Jenine Miller, Psy.D.

Title: Behavioral Health Director