

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
PAYROLL MANAGER, INC.**

THIS AGREEMENT, entered into this _____ day of _____, 2004, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and PAYROLL MANAGER, INC., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of providing fiscal administration of the Wrap-Around Funds for the Child and Youth System of Care and of the Shadow Program (one-on-one mentoring to youth), and to oversee the personnel administration of the Shadow Program services.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Exhibits.

The following exhibits are attached hereto and incorporated by reference herein:

Exhibit A—Services

Exhibit B—Payments and rates

Attachment H—HIPAA Business Associate requirements

Attachment I—§ 504 Compliance

2. Services to be performed by Contractor.

In consideration of the payments set forth herein and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments.

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A", County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed TWO HUNDRED NINETY THOUSAND EIGHT HUNDRED DOLLARS (\$290,800).

4. Term and Termination.

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2004 through June 30, 2005, with one (1) one (1) year option to renew. Exercise of such option to renew is solely at the discretion of the County.

This Agreement may be terminated by Contractor, the Director of Health Services or his/her designee at any time without a requirement of good cause upon thirty (30) days written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds.

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

6. Relationship of Parties.

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers or advantages of County employees.

7. Hold Harmless.

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Assignability and Subcontracting.

Contractor shall not assign this Agreement or any portion thereof to a third party, or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the county's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance.

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the County Manager, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the County Manager with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the County Manager of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(a) Comprehensive General Liability	\$1,000,000
(b) Motor Vehicle Liability Insurance	\$1,000,000
(c) Professional Liability	\$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

10. Compliance with laws; payment of Permits/Licenses.

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, ordinances and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the Federal Regulations promulgated thereunder, as amended, and will comply with the Business Associate requirements set forth in Attachment H, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and state, federal, county or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination.

A. *Section 504 applies only to Contractors who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.

- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$2,500 per violation;
 - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this Section, the County Manager shall have the authority to examine Contractors employment records with respect to compliance with this Paragraph and/or to set off all or any portion of the amount described in this Paragraph against amounts due to Contractor under the Agreement or any other agreement between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Retention of Records.

Contractor shall maintain all required records for three years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

13. Merger Clause.

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

14. Controlling Law.

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

15. Notices.

Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

In the case of County, to:

San Mateo County
Mental Health Services Division
225 West 37th Avenue
San Mateo, CA 94403

In the case of Contractor, to:

Payroll Manager, Inc.
405 – 14th Street, #815
Oakland, CA 94612

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____

Mark Church, President
Board of Supervisors
San Mateo County


Date: _____

ATTEST:

By: _____

Clerk of Said Board

PAYROLL MANAGER, INC.



Contractor's Signature

Date: 11/18/04

Long Form Agreement/Business Associate

PAYROLL MANAGER, INC.

2004-05

Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

I. Description of Services to be Performed by Contractor

A. Fiscal Administration

1. General Description. The Contractor shall manage the fiscal distribution of the Wrap-Around Funds for the Child and Youth System of Care and of the Shadow Program (collectively referred to as "Program" or the "Programs"). Upon receiving Mental Health Services Division authorized requests for goods and services for the Programs, the Contractor shall issue a check for the amount requested to the specified vendor or to reimburse a provider.
2. Administrative Duties. Administrative duties includes the following activities:
 - a. Receiving and processing Program requests for payments (including postal costs). At receipt of these requests, the Contractor will provide confirmation of receipt.
 - b. Check requests received by Contractor from County by 5:00 PM on any given Tuesday will result in County receiving a check from Contractor by the following Monday. For emergency situations, as determined by Mental Health Services Division Child/Youth Management staff, Contractor will use best efforts to process Program requests and issue checks the same day the emergency request is received. Such emergency requests may result in a "Rush Fee" pursuant to Paragraph I.F.2.d. of Exhibit B.
 - c. Receiving authorized funds, returning documentation of completed transactions and sending fiscal expenditure reports to Mental Health Services Division Administration.
 - d. Maintaining proper documentation of checks distributed and transactions completed.

- e. Providing all pertinent documentation required for maintenance of fiscal and pragmatic accountability.
3. Staffing. Staffing must be appropriate to effectively perform the activities outlined in this Paragraph I.A. of this Exhibit A.

B. Shadow Program Personnel Administration

1. Program Description. The Shadow Program is a mentoring type program that employs adults to provide one-on-one interaction with youth, adolescents, and young adults referred by San Mateo County Mental Health Services ("Shadow(s)"). The Shadows will be employed by the Contractor. The County has a Community Program Specialist, who oversees the Shadow Program and interfaces on a regular basis with the Contractor, and will provide general supervision of the Shadows.
2. Staffing.
 - a. The Contractor will perform all recruitment, background checks, fingerprinting, hiring, and employee management of the Shadows, except for the joint recruitment interviewing and supervision with San Mateo County Mental Health Services. San Mateo County Mental Health Services will reimburse Contractor for recruitment advertising and fingerprinting of the Shadows. Contractor agrees to hire all Shadows working in the Shadow Program as of the effective date of this Agreement.
 - b. Shadows hired by Contractor must meet the following minimum requirements:
 - i. Be at least eighteen (18) years old;
 - ii. Have a clear criminal record per fingerprint clearance or formal exclusion;
 - iii. Have experience and/or knowledge of working with children/youth with serious emotional and behavioral disorders;
 - iv. Participate in all orientation and training provided by Contractor and County;
 - v. Have and maintain a valid First aid/CPR certificate;
 - vi. Able to work six (6) to twenty (20) hours per week;

- and
 - vii. Have and maintain a valid California Drivers License or equivalent, automobile insurance including liability insurance, and have a Department of Motor Vehicles clearance through the Contractor to transport children/youth.
- c. Contractor will hire one (1) or two (2) Shadows who will be assigned to providing transportation services for the children/youth served by the Wrap-Around Program. The maximum amount of time the County will reimburse for all such transportation services shall be forty (40) hours per week. Such Shadows must meet the following minimum requirements:
- i. Be at least eighteen (18) years old;
 - ii. Have a clear criminal record per fingerprint clearance or formal exclusion;
 - iii. Have experience and/or knowledge of working with children/youth with serious emotional and behavioral disorders;
 - iv. Participate in all orientation and training provided by Contractor and County;
 - v. Have and maintain a valid first aid/CPR certificate; and
 - vii. Have and maintain a valid California Drivers License or equivalent, automobile insurance including liability insurance, and cleared through County to drive County vehicles.

3. Training.

- a. The Contractor will conduct employee orientation activities with the Shadows regarding issues such as: payroll, drug and alcohol policies, child and elder reporting forms, confidentiality, unlawful harassment, workers' compensation, employee policies, sex offender notification, safety information, and Contractor policies relevant to the Shadow Program. San Mateo County Mental Health Services will reimburse Contractor for the Shadows' wages associated with such orientation training pursuant to Paragraph I.G. of Exhibit B. Such training is expected to take approximately four (4) hours and run consecutively with the training relevant to the Shadow Program described below.

- b. San Mateo will conduct a two (2) week training relevant to the Shadow Program for the Shadows. Such training will pertain to program goals, policies, procedures, protocols, and available County resources. San Mateo County Mental Health Services will reimburse Contractor for the Shadows' wages associated with such program training pursuant to Paragraph I.G. of Exhibit B.

II. Administrative Requirements for all Services

- A. Paragraph 12 of the Agreement notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.
- B. Administering Satisfaction Surveys. Contractor agrees to administer/utilize any and all survey instruments as directed by the County Mental Health Services Division, including outcomes and satisfaction measurement instruments.
- C. Cultural Competency
 1. All program staff shall receive at least one (1) in-service training per year on some aspect of providing culturally and linguistically appropriate services. At least once per year and upon request, Contractor shall provide County with a schedule of in-service training(s) and a list of participants at each such training.
 2. Contractor shall use good faith efforts to hire staff members who can communicate with clients in a culturally and linguistically appropriate manner. At least once per year and upon request, Contractor shall submit to County the cultural composition and linguistic fluencies of Contractor's staff.

- D. Contractor may not employ any persons deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: www.Exclusions.OIG.HHS.Gov.

III. GOAL AND OBJECTIVES

Goal 1: Contractor will provide timely payment for authorized goods and services for clients.

Objective 1.1: A minimum of ninety-five percent (95%) of regular check requests received by Contractor from County by 5:00 PM Tuesday will result in checks issued the following Monday.

Data to be collected by County.

Goal 2: Contractor shall maintain a positive satisfaction response from parents of youth served in the Shadow Program.

Objective 2.1: A minimum of 80% satisfaction response will be obtained from parents of youth served in the Shadow Program. This will be obtained through a parent satisfaction survey administered to all parents of youth receiving at least six (6) months of Shadow Program services.

Data to be collected by County in cooperation with Contractor.

PAYROLL MANAGER, INC.
2004-05
Exhibit B

In consideration of the services provided by Contractor in Exhibit A, County shall pay Contractor based on the following fee schedule:

I. Payments

In full consideration of the services provided by Contractor and subject to the provisions of Paragraph 3. ("Payments") of this Agreement, County shall pay Contractor in the manner described below, except that any and all payments shall be subject to the conditions contained in this Agreement.

A. Each month Contractor shall be reimbursed for the previous month's Wrap-Around Funds for Child-Youth System of Care and of the Shadow Program expenditures ("Expenditures"). In addition to the reimbursement of Expenditures, each month Contractor will receive an administrative fee of fifteen percent (15%) of the total Expenditures for each such month ("Administrative Fee"), except as provided below in Paragraphs I.F.2.d. and I.G.2. of this Exhibit B.

B. Agreement Maximum

1. In any event, the maximum amount County shall be obligated to pay for Expenditures and Administrative Fees rendered under this Agreement shall not exceed TWO HUNDRED NINETY THOUSAND EIGHT HUNDRED DOLLARS (\$290,800).
2. Of the Agreement Maximum, County shall not pay or be obligated to pay more than the amounts listed below for each component of service required under this Agreement:

SB 163 Wrap & Payroll shadows	\$212,070
Non-SB 163 Wrap & Payroll shadows	35,000
Non-SB 163 Young Adults & Payroll shadows	<u>5,800</u>
Subtotal	\$252,870
Administration fee (15%)	<u>37,930</u>
Total	\$290,800

C. County and Contractor agree and acknowledge that pursuant to the agreement between the parties dated October 7, 2003, Contractor received FORTY THOUSAND DOLLARS (\$40,000) as an advance for Expenditures and Administrative Fees. At the end of the term of this Agreement any unexpended funds remaining with Contractor shall be

returned to County except as provided below in Paragraphs I.K. and I L. of this Exhibit B.

- D. In any event, the maximum amount County shall be obligated to pay for Expenditures and Administrative Fees rendered under this Agreement shall not exceed TWO HUNDRED NINETY THOUSAND EIGHT HUNDRED DOLLARS (\$290,800).
- E. The Director of the Health Services Agency is authorized to execute subsequent amendments and minor modifications not to exceed an aggregate of \$25,000 and to make minor changes in the type of services and activities provided under the Agreement.
- F. Monthly Reports and Invoices

Payment by County to Contractor shall be monthly. Contractor shall bill County monthly, no later than ten (10) days following close of each service month. The invoice shall include:

1. A summary of services and charges for the particular month of service.
2. Reports specific to the expenditures by categories and subcategories per the following descriptions:
 - a. Non-SB 163 Wrap-Around Funds and Shadow Services: Flexible funds to purchase goods and services for children/youth with serious emotional and behavioral disorders at risk of more restrictive levels of educational and residential placement, and who are not part of the SB 163 Wrap-Around Program and Shadow Services. Subcategories of Non-SB 163 Wrap-Around Funds and Shadow Services are: after-school services, shadow services, respite care, family support, and recreation.
 - b. SB 163 Wrap-Around Program Funds and Shadow Services: Flexible funds to purchase goods and services for up to thirty (30) identified youth at risk of high level out-of-home care or returning from high level out-of-home care to home or home-like settings as authorized through Solis Bill, SB 163. Subcategories of SB 163 Wrap-Around Program Funds and Shadow Services are: after-school services, shadow services, respite care, family support, and recreation.
 - c. Non-SB 163 Young Adults Wrap-Around Funds and

Shadow Services: Flexible funds to purchase goods and services for young adults with serious emotional and behavioral disorders at risk of more restrictive levels of educational and residential placement. Subcategories of Non-SB 163 Young Adult Funds and Shadow Services are: after-school services, shadow services, respite care, family support, and recreation.

- d. Rush Fees: In the event Contractor is specifically requested by Mental Health Services Division Child/Youth Management staff to process a check on a "rush" basis, Contractor may charge County an additional FIFTEEN DOLLARS (\$15.00) administrative fee per request. Such rush fee reimbursement shall not be included in the Expenditure figure upon which the Administrative Fee is calculated.
- e. County reserves the right to change the reporting forms, instructions, and/or require the Contractor to modify their description of services as the County deems necessary.

G. Reimbursement Rates

- 1. Notwithstanding the above, the County shall reimburse wages for Shadows at the rate of SIXTEEN DOLLARS (\$16) per hour for time with County patients, and FOURTEEN DOLLARS (\$14) per hour for training time specified in this Agreement. Shadows' gross pay shall be an amount not less than the amount reimbursed by the County. All Shadow wages shall be included in the Expenditure figure upon which the Administrative Fee is calculated.
- 2. San Mateo County Mental Health Services will reimburse Contractor for recruitment advertising and fingerprinting of the Shadows. Such advertising and fingerprinting reimbursement shall not be included in the Expenditure figure upon which the Administrative Fee is calculated.

- H. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.

- I. In the event this Agreement is terminated prior to June 30, 2005, the Contractor shall be paid for services already provided pursuant to this Agreement.
- J. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.
- K. Cost Report
 1. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the expiration date of this Agreement. In the event this Agreement is renewed, then such year-end cost report shall be submitted no later than ninety (90) days past June 30th of each year this Agreement is in effect. This report shall be in accordance with the principles and format required by the County. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted along with the Cost Report.
 2. If the annual Cost Report provided to County shows that total payment to Contractor exceeds the total actual costs for all of the services rendered by Contractor to eligible patients during the reporting period, a single payment in the amount of the contractual savings shall be made to County by Contractor, unless otherwise authorized by the Director of Health Services or her designee. By mutual agreement of County and Contractor, contractual savings or "rollover" may be retained by Contractor and expended the following year, provided that these funds are expended for mental health services approved by County and are retained in accordance with Paragraph 4.L. of this Exhibit B.
 3. Where discrepancies between costs and charges are found on the Cost Report to County, Contractor shall make a single payment to County when the total charges exceed the total actual costs for all of the services rendered to eligible patients during the reporting period. Likewise, a single payment shall be made to Contractor by County when the total actual costs exceed the total charges made for all of the services rendered to eligible patients during the reporting period and shall not

exceed the total amount in Paragraph 1.D. of this Exhibit B.

L. Rollover

In the event this Agreement is renewed for subsequent years, the Contractor may rollover unspent funding from the County according to the following procedures.

1. Contractor shall submit a summary calculation of any savings 90 days after end of the fiscal year. The summary calculation will be a separate report from the year-end cost report. With the summary calculation Contractor shall return the amount of the savings.
2. At the time of the submission of the summary calculation Contractor may request to rollover some or all of any savings. The request must be made in writing to the Director of Mental Health Services or her designee. The request shall identify specifically how the rollover funds will be spent, including a detailed budget. Savings shall not be spent until Contractor receives a written approval of the request. Approved rollover funds shall be spent only for the succeeding fiscal year and only for the specific purpose(s) requested and approved.
3. Contractor shall submit an accounting report of the rollover savings. This report shall include copies of the detailed expenses. The report is due 90 days after the specific purpose has been completed, or 90 days after the end of the fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.
4. If the specific purpose is not yet complete as of the end of the succeeding fiscal year, Contractor may request to rollover the unspent funds to the succeeding fiscal year by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the request is approved by the Director of Mental Health Services or her designee.
5. A final accounting of the rollover funds shall be submitted 90 days after the specific purpose has been completed, or 90 days after the end of the succeeding fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

M. Claims Certification and Program Integrity

Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim:

"Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 200_

Signed _____ Title _____

Agency _____"

O. SAMSHA Grant

The Contractor and County acknowledge and agree that as least part of the funding for this Agreement is from SAMSHA grant funding, and as such, the following restrictions shall apply:

1. Funding must be used according to the following criteria:
 - a. Services must be provided to residents principally residing in a defined geographic area (referred to as service areas);
 - b. Outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;
 - c. 24-hour-a-day emergency care services;
 - d. Day treatment or other partial hospitalization services, or psychosocial rehabilitation services;

- e. Screening for patients being considered for admission to state mental health facilities to determine the appropriateness of such admission;
 - f. Mental health services shall be provided, within the limits of the capacities of the centers, to any individual residing or employed within the service area regardless of ability to pay for such services; and
 - g. Mental health services of the center are available and accessible promptly, as appropriate and in a manner that preserves human dignity and assures continuity and high quality care.
2. Funds may not be expended for the following purposes:
- a. To provide inpatient services;
 - b. To make cash payments to intended recipients of health services;
 - c. To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
 - d. To satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or
 - e. To provide financial assistance to any entity other than a public or nonprofit private entity.

Attachment H
Health Insurance Portability and Accountability Act (HIPAA)

Business Associate Requirements

Definitions

Terms used, but not otherwise defined, in this Attachment shall have the same meaning as those terms are defined in 45 Code of Federal Regulations section 160.103 and 164.501. (All regulatory references in this Attachment are to Title 45 of the Code of Federal Regulations unless otherwise specified.)

- (a) *Designated Record Set*. "Designated Record Set" shall have the same meaning as the term "designated record set" in Section 164.501.
- (b) *Individual*. "Individual" shall have the same meaning as the term "individual" in Section 164.501 and shall include a person who qualifies as a personal representative in accordance with Section 164.502(g).
- (c) *Privacy Rule*. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Part 160 and Part 164, Subparts A and E.
- (d) *Protected Health Information*. "Protected Health Information" shall have the same meaning as the term "protected health information" in Section 164.501 and is limited to the information created or received by Contractor from or on behalf of County.
- (e) *Required By Law*. "Required by law" shall have the same meaning as the term "required by law" in Section 164.501.
- (f) *Secretary*. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his or her designee.

Obligations and Activities of Contractor

- (a) Contractor agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as required by law.
- (b) Contractor agrees to use appropriate safeguards to prevent the use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- (c) Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- (d) Contractor agrees to report to County any use or disclosure of the Protected Health Information not provided for by this Agreement.
- (e) Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contractor on behalf of County, agrees to the

same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.

- (f) If Contractor has protected health information in a designated record set, Contractor agrees to provide access, at the request of County, and in the time and manner designated by County, to Protected Health Information in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under Section 164.524.
- (g) If Contractor has protected health information in a designated record set, Contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs or agrees to make pursuant to Section 164.526 at the request of County or an Individual, and in the time and manner designed by County.
- (h) Contractor agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, County available to the County, or at the request of the County to the Secretary, in a time and manner designated by the County or the Secretary, for purposes of the Secretary determining County's compliance with the Privacy Rule.
- (i) Contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- (j) Contractor agrees to provide to County or an Individual in the time and manner designated by County, information collected in accordance with Section (i) of this Attachment, to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.

Permitted Uses and Disclosures by Contractor

Except as otherwise limited in this Attachment, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement; provided that such use or disclosure would not violate the Privacy Rule if done by County.

Obligations of County

- (a) County shall provide Contractor with the notice of privacy practices that County produces in accordance with Section 164.520, as well as any changes to such notice.
- (b) County shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose Protected Health

Information, if such changes affect Contractor's permitted or required uses and disclosures.

- (c) County shall notify Contractor of any restriction to the use or disclosure of Protected Health Information that County has agreed to in accordance with Section 164.522.

Permissible Requests by County

County shall not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by County, unless the Contractor will use or disclose Protected Health Information for, and if the Agreement provides for, data aggregation or management and administrative activities of Contractor.

Duties Upon Termination of Agreement

- (a) Upon termination of the Agreement, for any reason, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Contractor shall extend the protections of the Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

Miscellaneous

- (a) *Regulatory References.* A reference in this Attachment to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- (b) *Amendment.* The Parties agree to take such action as is necessary to amend this Attachment from time to time as is necessary for County to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- (c) *Survival.* The respective rights and obligations of Contractor under this Attachment shall survive the termination of the Agreement.

(d) *Interpretation.* Any ambiguity in this Attachment shall be resolved in favor of a meaning that permits County to comply with the Privacy Rule.

Attachment I

(Required only from Contractors who provide services directly to the Public on County's behalf.)

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. () employs fewer than 15 persons.
- b. (✓) employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Brian Sampson, Amber Walker
Name of 504 Person - Type or Print

Payroll Manager, Inc.
Name of Contractor(s) - Type or Print

405 - 14th Street, #815
Street Address or PO Box

Oakland
City

CA
State

94612
Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

11/15/04
Date

[Signature]
Signature and Title of Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: Payroll Manager, Inc.
Contact Person: Brian Sampson
Address: 405 - 14th Street, #815
Oakland, CA 94612
Phone Number: (510) 777-1010 Fax Number: (510) 777-1280

II Employees

Does the Contractor have any employees? [X] Yes ___ No
Does the Contractor provide benefits to spouses of employees? ___ Yes [X] No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
No, the Contractor does not comply.
The Contractor is under a collective bargaining agreement which began on (date) and expires on (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 18 day of November, 2004 at Oakland, Ca
(City) (State)

Signature
Managing Partner
Title

Brian Sampson
Name (Please Print)