

COUNTY OF SISKIYOU
CONTRACT FOR SERVICES

VN# @2242
CT# E1100171 CC LOG#
ACCT 2122 401030 740100
CT AMT .01 / .01
ANNUAL TOTAL

This Contract made this 2nd day of August, 2016 between:

COUNTY: Siskiyou County Human Services Agency
Behavioral Health Division
2060 Campus Drive
Yreka, California 96097
(530) 841-4100
(530) 841-4320 FAX

And

CONTRACTOR: Victor Treatment Centers, Inc.
Attn: Lenny R. Verser, Jr., CFO
1360 East Lassen Avenue
Chico, CA 95937
(530) 893-0758
(530) 893-0502 FAX
E-mail: lverser@victor.org

ARTICLE 1. TERM OF CONTRACT

- 1.01 Contract Term: This Contract shall become effective on July 1, 2016, and shall terminate on June 30, 2019, unless terminated in accordance with the provisions of Article 7 of this Contract or as otherwise provided herein.

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

- 2.01 Independent Contractor: It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venture or partner of County. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between County and Contractor or any employee or agent of Contractor. Both parties acknowledge that Contractor is not an employee for state or federal tax purposes. Contractor shall retain the right to perform services for others during the term of this Contract.

ARTICLE 3. SERVICES

- 3.01 Specific Services: Contractor agrees to furnish the following services:
Contractor shall provide the services described in Exhibit "A" attached hereto.

No additional services shall be performed by Contractor unless approved in advance in writing by the County stating the dollar value of the services, the method of payment, and any adjustment in contract time or other contract terms. All such services are to be coordinated with County and the results of the work shall be monitored by the Siskiyou County Human Services Agency Director or his or her designee.

- 3.02** Method of Performing Services: Contractor will determine the method, details, and means of performing the above-described services including measures to protect the safety of the traveling public and Contractor's employees. County shall not have the right to, and shall not, control the manner or determine the method of accomplishing Contractor's services.
- 3.03** Employment of Assistants: Contractor may, at the Contractor's own expense, employ such assistants as Contractor deems necessary to perform the services required of Contractor by this Contract. County may not control, direct, or supervise Contractor's assistants or employees in the performance of those services.

ARTICLE 4. COMPENSATION

- 4.01** Compensation: In consideration for the services to be performed by Contractor, County agrees to pay Contractor in proportion to services satisfactorily performed as specified in Exhibit A. Services shall not exceed appropriated funding.
- 4.02** Invoices: Contractor shall submit detailed invoices for all services being rendered.
- 4.03** Date for Payment of Compensation: County will endeavor to make payment within 45 days of receipt of invoices from the Contractor to the County, and approval and acceptance of the work by the County.
- 4.04** Expenses: Contractor shall be responsible for all costs and expenses incident to the performance of services for County, including but not limited to, all costs of materials, equipment, all fees, fines, licenses, bonds or taxes required of or imposed against Contractor and all other of Contractor's costs of doing business. County shall not be responsible for any expense incurred by Contractor in performing services for County.

ARTICLE 5. OBLIGATIONS OF CONTRACTOR

- 5.01** Contractor Qualifications: Contractor warrants that Contractor has the necessary licenses, experience and technical skills to provide services under this Contract.
- 5.02** Contract Management: Contractor shall report to the Siskiyou County Human Services Agency Director (or his or her designee) who will review the activities and performance of the Contractor and administer this Contract.

- 5.03 Tools and Instrumentalities:** Contractor will supply all tools and instrumentalities required to perform the services under this Contract. Contractor is not required to purchase or rent any tools, equipment or services from County.
- 5.04 Workers' Compensation:** Contractor shall maintain a workers' compensation plan covering all its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If Contractor elects to be self-insured, the certificate of insurance otherwise required by this Contract shall be replaced with a "consent to self-insure" issued by the State Director of Industrial Relations. Proof of such insurance shall be provided before any work is commenced under this contract. No payment shall be made unless such proof of insurance is provided.
- 5.05 Indemnification:** Contractor shall indemnify and hold County harmless against any and all liability imposed or claimed, including attorney's fees and other legal expenses, arising directly or indirectly from any act or failure of Contractor or Contractor's assistants, employees, or agents, including all claims relating to the injury or death of any person or damage to any property. Contractor agrees to maintain a policy of liability insurance in the minimum amount of (\$1,000,000) One Million Dollars, to cover such claims or in an amount determined appropriate by the County Risk Manager. If the amount of insurance is reduced by the County Risk Manager such reduction must be in writing. Contractor shall furnish a certificate of insurance evidencing such insurance and naming the County as an additional insured for the above-cited liability coverage prior to commencing work. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by County of insurance certificates and endorsements required under this Contract does not relieve Contractor from liability or limit Contractor's liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Contract, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.06 General Liability and Automobile Insurance:** During the term of this Contract, Contractor shall obtain and keep in full force and effect a commercial, general liability and automobile policy or policies of at least (\$1,000,000) One Million Dollars, combined limit for bodily injury and property damage; the County, its officers, employees, volunteers and agents are to be named additional insured under the policies, and the policies shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that no other insurance effected by County or other named insured will be called on to cover a loss covered thereunder. All insurance required herein shall be provided by a company authorized to do business in the State of California

and possess at least a Best A:VII rating or as may otherwise be acceptable to County. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990 or other form satisfactory to County. The County will be named as an additional insured using ISO form CG 2010 1185 or the same form with an edition date no later than 1990, or in other form satisfactory to County.

- 5.07 Certificate of Insurance and Endorsements:** Contractor shall obtain and file with the County prior to engaging in any operation or activity set forth in this Contract, certificates of insurance evidencing additional insured coverage as set forth in paragraphs 5.04 and 5.10 and which shall provide that no cancellation, reduction in coverage or expiration by the insurance company will be made during the term of this Contract, without thirty (30) days written notice to County prior to the effective date of such cancellation. **Naming the County as a "Certificate Holder" or other similar language is NOT sufficient satisfaction of the requirement.** Prior to commencement of performance of services by Contractor and prior to any obligations of County, contractor shall file certificates of insurance with County showing that Contractor has in effect the insurance required by this Contract. Contractor shall file a new or amended certificate on the certificate then on file. **If changes are made during the term of this Contract, no work shall be performed under this agreement, and no payment may be made until such certificate of insurance evidencing the coverage in paragraphs 5.05, the general liability policy set forth in 5.06 and 5.10 are provided to County.**
- 5.08 Public Employees Retirement System (CalPERS):** In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Contract is determined by a court of competent jurisdiction or the Public Employees Retirement System (CalPERS) to be eligible for enrollment in CalPERS as an employee of the County, Contractor shall indemnify, defend, and hold harmless County for the payment of any employee and/or employer contributions of CalPERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of County. Contractor understands and agrees that his personnel are not, and will not be, eligible for memberships in, or any benefits from, any County group plan for hospital, surgical or medical insurance, or for membership in any County retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a County employee.
- 5.09 IRS/FTB Indemnity Assignment:** Contractor shall defend, indemnify, and hold harmless the County, its officers, agents, and employees, from and against any adverse determination made by the Internal Revenue Service of the State Franchise Tax Board with respect to Contractor's "independent contractor" status that would establish a liability for failure to make social security and income tax withholding payments.

5.10 Professional Liability: If Contractor or any of its officers, agents, employees, volunteers, contactors or subcontractors are required to be professionally licensed or certified by any agency of the State of California in order to perform any of the work or services identified herein, Contractor shall procure and maintain in force throughout the duration of the Contract a professional liability insurance policy with a minimum coverage level of (\$1,000,000) One Million Dollars, or as determined in writing by County's Risk Management Department.

5.11 State and Federal Taxes: As Contractor is not County's employee, Contractor is responsible for paying all required state and federal taxes. In particular:

- a. County will not withhold FICA (Social Security) from Contractor's payments.
- b. County will not make state or federal unemployment insurance contributions on behalf of Contractor.
- c. County will not withhold state or federal income tax from payment to Contractor.
- d. County will not make disability insurance contributions on behalf of Contractor.
- e. County will not obtain workers' compensation insurance on behalf of Contractor.

5.12 Records: All reports and other materials collected or produced by the Contractor or any subcontractor of Contractor shall, after completion and acceptance of the Contract, become the property of County, and shall not be subject to any copyright claimed by the Contractor, subcontractor, or their agents or employees. Contractor may retain copies of all such materials exclusively for administration purposes. Any use of completed or uncompleted documents for other projects by Contractor, any subcontractor, or any of their agents or employees, without the prior written consent of County is prohibited. It is further understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Contractor relating to the matters covered by this Contract shall be the property of the County, and Contractor hereby agrees to deliver the same to the County upon request. It is also understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Contract are prepared specifically for the County and are not necessarily suitable for any future or other use.

5.13 Contractor's Books and Records: Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the County for a minimum of five (5) years, or for any longer period required by law, from the date of final payment to the Contractor under this Contract. Any records or documents required to be maintained shall

be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the County.

- 5.14** Assignability of Contract: It is understood and agreed that this Contract contemplates personal performance by the Contractor and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Contractor under this Contract will be permitted only with the express written consent of the County.
- 5.15** Warranty of Contractor: Contractor warrants that it, and each of its personnel, where necessary, are properly certified and licensed under the laws and regulations of the State of California to provide the special services agreed to.
- 5.16** Withholding for Non-Resident Contractor: Pursuant to California Revenue and Taxation Code Section 18662, payments made to nonresident independent contractors, including corporations and partnerships that do not have a permanent place of business in this state, are subject to 7 percent state income tax withholding.

Withholding is required if the total yearly payments made under this contract exceed \$1,500.00.

Unless the Franchise Tax Board has authorized a reduced rate or waiver of withholding, and County is provided evidence of such reduction/waiver, all nonresident contractors will be subject to the withholding. It is the responsibility of the Contractor to submit the Waiver Request (Form 588) to the Franchise Tax Board as soon as possible in order to allow time for the Franchise Tax Board to review the request.

- 5.17** Compliance with Child, Family and Spousal Support Reporting Obligations: Contractor's failure to comply with state and federal child, family and spousal support reporting requirements regarding contractor's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family and spousal support obligations shall constitute a default under this Contract. Contractor's failure to cure such default within ninety (90) days of notice by County shall be grounds for termination of this Contract.
- 5.18** Conflict of Interest: Contractor covenants that it presently has no interest and shall not acquire an interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. Contractor further covenants that, in the performance of this Contract, no subcontractor or person having such an interest shall be used or employed. Contractor certifies that no one who has or will have any financial interest under this contract is an officer or employee of County.

5.19 Compliance with Applicable Laws: Contractor shall comply with all applicable federal, state and local laws now or hereafter in force, and with any applicable regulations, in performing the work and providing the services specified in this Contract. This obligation includes, without limitations, the acquisition and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this Contract.

a. Pursuant to California Code of Regulations, Title 9, Division 1, Chapter 11, Subchapter 2, Article 1, Section 1810.430 (d)....services shall meet federal contracting requirements as provided in Title 42, CFR, Section 438.6(l), and shall include the following provisions:

- (1) Treatment requirements, as a condition for reimbursement for services, that ensure beneficiaries will receive the same level of services as provided to all other patients served.
- (2) Assurances that beneficiaries will not be discriminated against in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.
- (3) Specifics on how the facility shall make records available for authorized review for fiscal audits, program compliance and beneficiary complaints.

b. Pursuant to the Single Audit Act and the Office of Management and Budget (OMB) Circular A-133, any Contractor who receives a total of \$500,000 or more per year in federal funds for the purpose of carrying out federal programs may be required to complete an annual audit. The funding threshold is aggregate funds from all sources.

If Contractor is subject to Annual Audit requirements, Contractor is required to submit a copy of the completed audit to Siskiyou County Human Services Agency department no later than thirty (30) days after term of contract, or as otherwise agreed to in writing by County and Contractor.

c. Disclosures: Medicaid Managed Care Entities, as defined in 42 C.F.R. § 455.101 and 42 C.F.R. 438.2, and subcontractors must disclose certain information pursuant to 42 C.F.R. § 455.101, 455.104, and 455.106(a)(1),(2), and the Department of Health Care Services (DHCS) contract with the County, Contract # 12-89398, Exhibit A, Attachment I, Section 19. Contractor will disclose this information in accordance with the DHCS contract, located on the Siskiyou County Behavioral Health Division web page at:

<http://www.co.siskiyou.ca.us/content/behavioral-health-services-division>

In the main center column of this page in the Section named "Behavioral Health Services Resource Center, look for the Resource Title "Specialty Mental Health Service Agreement 05-11-13 to 06-30-18", and select "Download File" next to this resource title.

- d. Pursuant to Executive Order 123549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17, Contractor must be in good standing with the federal government, and may not be barred or suspended from federal financial assistance programs and activities, nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency for the duration of this Contract, or County may elect to terminate the Contract.

Contractor may not be listed on the Excluded Parties Listing System (EPLS) (<http://www.sam.gov>) prior to or during the Contract. The Contract will not be awarded to Contractor if Contractor appears on the EPLS database as suspended or debarred.

- 5.20 Bankruptcy:** Contractor shall immediately notify County in the event that Contractor ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffer or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.
- 5.21 Confidentiality:** All information and records obtained in the course of providing services under this Agreement shall be confidential pursuant to Section 5328 of the Welfare and Institutions Code in accordance with applicable State and Federal law.
- 5.22 Patients' Rights:** Contractor shall give the patients notice of their rights pursuant to and in compliance with: California Welfare and Institutions Code Section 5323; California Administrative Code, Title 9, Chapter 1, Subchapter 4, Article 6. In addition, in all facilities providing the services described herein, the Contractor shall have prominently posted in the predominant languages of the community a list of the patient's rights.
- 5.23 Health Insurance Portability And Accountability Act (HIPAA):** Contractor shall comply with, and assist Siskiyou County Human Services Agency in complying with, the privacy and security requirements of the Health Insurance Portability and Accountability Act (HIPAA), as follows:
 - a. **Use or Disclosure of Protected Health Information:** Contractor may use or disclose protected health information (PHI) to perform its obligations under the Contract, provided that such use or disclosure does not violate this Agreement, is not prohibited by the Health Insurance Portability and

Accountability Act (HIPAA) including, but not limited to, the provisions of title 42, United States code, Section 1320d et seq. and Title 45, Code of Federal Regulations (C.F.R.), Parts 142, 160, 162 and 164, or does not exceed the scope of how County could use or disclose the information.

Contractor shall not use, disclose or allow the disclosure of PHI except as permitted herein or as required or authorized by law. Contractor shall implement appropriate safeguards to prevent use or disclosure of PHI other than as provided herein. At the request of and in the time and manner designated by County, Contractor shall provide access to PHI in a designated record set as required by 45 C.F.R. Section 164.524. Contractor shall report to County any use or disclosure of PHI not provided for herein or HIPAA regulations.

If Contractor provides PHI to a third party, including officers, agents, employees, volunteers, contractors and subcontractors, pursuant to the terms of the Contract, Contractor shall ensure that the third party complies with all HIPAA regulations and the terms set forth herein.

- b. Documentation and Accounting of Uses and Disclosures: Contractor shall document any disclosures of PHI in a manner that would allow County to respond to a request for an accounting of disclosures of PHI in accordance with 45 C.F.R. Section 164.528. Contractor shall provide County, in a time and manner designated by County, all information necessary to respond to a request for an accounting of disclosures of PHI.
- c. Amendments to Designated Record Sets: In accordance with 45 C.F.R. Section 164.526, Contractor agrees to amend PHI in its possession as requested by an individual or as directed by County, in a time and manner designated by County.
- d. Access to Records: Contractor shall make available to County or the Secretary of the United States Department of Health and Human Services (HHS), in the time and manner designed by County, or HHS, any records related to the use, disclosure and privacy protections of PHI for the purpose of investigating or auditing County's compliance with HIPAA regulations.
- e. Termination of Agreement: Upon County's knowledge of a material breach of these provisions or HIPAA regulations, County shall, at its option, either provide Contractor with an opportunity to cure the breach or immediately terminate this Contract. If Contractor is given the opportunity to cure the breach but fails to do so within the time specified by County, County may terminate the Contract without further notice.
- f. Destruction of PHI: Upon termination of this Contract, Contractor shall return to County all PHI required to be retained and return or destroy all other PHI to comply with HIPAA regulations. This provision shall apply to PHI in the possession of Contractor's officers, agents, employees, volunteers,

contractors and subcontractors who shall retain no copies of the PHI. If Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide County with notice specifying the conditions that make return or destruction not feasible. If County agrees that return of the PHI is not feasible, Contractor shall continue to extend the protection of this provision to the PHI for so long as Contractor or its officers, agents, employees, volunteers, contractors or subcontractors maintain such PHI.

5.24 Grievance Procedure: If Contractor is required by ordinance, regulation, policy, County or other authority to have a procedure for filing and considering grievances, Contractor shall provide County with a copy of Contractor grievance procedure prior to providing services under this Contract.

5.25 Changes in Regulations: If Siskiyou County Human Services Agency notifies Contractor of a change in County or State regulations or guidelines affecting contract activities, Contractor shall choose one of the following options and notify the County in writing within five (5) days of receipt of the notice as to its choice: (1) Indicate that Contractor's operations are currently in compliance with the change in regulation or guideline; (2) Indicate that Contractor is in the process of modifying operations to comply with the change and will complete these modifications and be in compliance within thirty (30) days of notification by County; or (3) Notify Siskiyou County Human Services Agency of termination of the Contract or seek modification of any terms of the Contract materially affected by a regulation or guideline change.

ARTICLE 6. OBLIGATIONS OF COUNTY

6.01 Cooperation of County: County agrees to comply with all reasonable requests of Contractor (to provide reasonable access to documents and information as permitted by law) necessary to the performance of Contractor's duties under this Contract.

ARTICLE 7. TERMINATION

7.01 Termination on Occurrence of State Events: This Contract shall terminate automatically on the occurrence of any of the following events:

1. Bankruptcy or insolvency of Contractor
2. Death of Contractor

7.02 Termination by County for Default of Contractor: Should Contractor default in the performance of this Contract or materially breach any of its provisions, County, at County's option, may terminate this Contract by giving written notification to Contractor.

7.03 Termination for Convenience of County: County may terminate this Contract at any time by providing a notice in writing to Contractor that the Contract is terminated. Said Contract shall then be deemed terminated and no further work shall be performed by Contractor. If the Contract is so terminated, the Contractor shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time of notice of termination is received.

7.04 Termination of Funding: County may terminate this Contract in any fiscal year in that it is determined there is not sufficient funding. California Constitution Article XVI Section 18.

ARTICLE 8. GENERAL PROVISIONS

8.01 Notices: Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid or return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Contract, but each party may change the address by written notice in accordance with the paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of two (2) days after mailing.

County Siskiyou County Human Services Agency
 Attn: Behavioral Health Division Fiscal Officer
 818 S. Main Street
 Yreka, California 96097

(530) 841-4732
(530) 841-4320 FAX

Contractor Victor Treatment Centers, Inc
 Attn: Lenny R. Verser, Jr., CFO
 1360 East Lassen Avenue
 Chico, CA 95973
 (530) 893-0758
 (530) 893-0502 FAX
 E-mail: lverser@victor.org

8.02 Entire Agreement of the Parties: This contract supersedes any and all contracts, either oral or written, between the Parties hereto with respect to the rendering of services by Contractor for County and contains all the covenants and contracts between the parties with respect to the enduring of such services in any manner whatsoever. Each Party to this Contract acknowledges that no representations, inducements, promises, or contract, orally or otherwise, have been made by any party, or anyone acting on behalf of any Party, which are not embodied herein, and that no other contract, statement, or promise not contained in this Contract

shall be valid or binding. Any modification of this Contract will be effective only if it is in writing signed by the Party to be charged and approved by the County as provided herein or as otherwise required by law.

- 8.03** Partial Invalidity: If any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provision will nevertheless continue in full force without being impaired or invalidated in any way.
- 8.04** Attorney's Fees: If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Contract, the prevailing Party will be entitled to reasonable attorney's fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.
- 8.05** Conformance to Applicable Laws: Contractor shall comply with the standard of care regarding all applicable federal, state and county laws, rules and ordinances. Contractor shall not discriminate in the employment of persons who work under this contract because of race, the color, national origin, ancestry, disability, sex or religion of such person.
- 8.06** Waiver: In the event that either County or Contractor shall at any time or times waive any breach of this Contract by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Contract, whether of the same or any other covenant, condition or obligation.
- 8.07** Governing Law: This Contract and all matters relating to it shall be governed by the laws of the State of California and the County of Siskiyou and any action brought relating to this Contract shall be brought exclusively in a state court in the County of Siskiyou.
- 8.08** Reduction of Consideration: Contractor agrees that County shall have the right to deduct from any payments contracted for under this Contract any amount owed to County by Contractor as a result of any obligation arising prior or subsequent to the execution of this contract. For purposes of this paragraph, obligations arising prior to the execution of this contract may include, but are not limited to any property tax, secured or unsecured, which tax is in arrears. If County exercises the right to reduce the consideration specified in this Contract, County shall give Contractor notice of the amount of any off-set and the reason for the deduction.
- 8.09** Negotiated Contract: This Contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this Contract within the meaning of California Civil Code Section 1654. Each party hereby represents and warrants that in executing this Contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice

from its attorney with respect to the matters set forth in this Contract and the rights and duties arising out of this Contract, or that such party willingly foregoes any such consultation.

- 8.10** Time is of the Essence: Time is of the essence in the performance of this Contract.
- 8.11** Materiality: The parties consider each and every term, covenant, and provision of this Contract to be material and reasonable.
- 8.12** Authority and Capacity: Contractor and Contractor's signatory each warrant and represent that each has full authority and capacity to enter into this Contract.
- 8.13** Binding on Successors: All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of Contractor. Contractor and all of Contractor's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under the Contract.
- 8.14** Cumulation of Remedies: All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.
- 8.15** No Reliance On Representations: Each party hereby represents and warrants that it is not relying, and has not relied upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this Contract, may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this Contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.
- 8.16** Audits:
- A. Services provided by Contractor under this agreement and associated documents and records shall be subject to audit by appropriate County, State and Federal agencies.
 - B. Contractor's Cost Report and Financial Statement shall be subject to audit by appropriate County, State and Federal agencies.

- C. Contractor shall provide County with on-site access to all reasonable documents, records and other supporting documentation for billing and services under this agreement.
- D. Should Contractor create a Federal or State audit exception during the course of the provision of services under this agreement, due to an error or errors of omission or commission, Contractor shall be responsible for the audit exception and any associated recoupment. Should a Contractor-caused audit exception result in financial recoupment, County shall invoice Contractor for the associated amount and Contractor shall reimburse County the full amount within 30 days. The County will not offset future billings for repayment under this agreement.
- E. All provisions in Section 8.16. Audits shall survive the termination, expiration, or cancellation of this agreement.

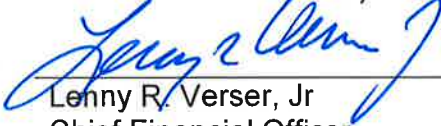
SIGNATURE PAGE TO FOLLOW

Executed in Yreka, California, on the date and year first above written.

COUNTY OF SISKIYOU, a political
subdivision of the State of California

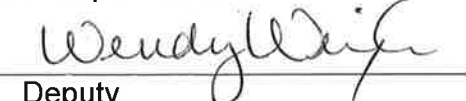
By: 
Grace Bennett, Chair
Siskiyou County Board of
Supervisors

**CONTRACTOR: VICTOR TREATMENT
CENTERS, INC.**

By: 
Lenny R. Verser, Jr
Chief Financial Officer

Taxpayer ID: On File

ATTEST: Colleen Setzer, Clerk to the
Board of Supervisors

By: 
Deputy

ACCOUNTING:

Fund	Org	Acct	Actv
2122	401030	740100	

EXHIBIT A

1. SCOPE OF SERVICES:

Victor Treatment Centers provides an intensive residential treatment program for seriously emotionally disturbed children and adolescents in the least restrictive environment possible. Case Management, Mental Health Services (including TBS), Intensive Care Coordination, Intensive Home Based Services, Crisis Intervention and Medication Support Services are offered to all clients attending our non-public school.

Victor Treatment Centers, Inc. will provide the necessary documentation to allow Counties to bill and be reimbursed for the federal financial participation portion of the costs.

- A. MODE OF SERVICE: Twenty-four Hour Care.
- B. TYPE OF SERVICE: Residential Care, Case Management, Mental Health Services (including TBS), Intensive Care Coordination, Intensive Home Based Services, Crisis Intervention and Medication Support Services.
- C. ADDRESS OF SITE: See list below.
- D. OPERATING SCHEDULE: Twenty-four hours a day, seven days a week.
- E. CATCHMENT AREA: Siskiyou County.
- F. PROGRAM GOAL: The goal of the program is to provide an intensive residential treatment setting for mentally ill adolescents and children who otherwise would require more restrictive and costly care in a hospital setting. The primary objective is for each youngster to be returned to a level of full functioning and competency in the community. It is recognized that this objective may be an idealized expectation and that some youngsters may not be able to achieve.
- G. SPECIFIC OBJECTIVES:
 - i) To significantly reduce and/or eliminate admissions to hospitals from Siskiyou County.
 - ii) To develop treatment plans for each client in such a way as to delineate the short and long term treatment and rehabilitation goals;

type and frequency of therapeutic service to be provided each child; and the support services required by each individual child.

- iii) To coordinate efforts with the Siskiyou County Superintendent of Schools or other school districts, when appropriate or so delegated, to maintain the specialized educational program for clients unable to attend classes in the community educational system.
- iv) To provide the most appropriate living, treatment and educational setting for youngsters referred to the program.
- v) To reduce the gross cost of caring for the youngsters in terms of both State and County funds.

H. SCOPE OF SERVICE: For the 2016-2019 fiscal years, Contractor will provide beds for clients referred by County on an as available basis.

I. TARGET POPULATION: Persons referred to this program will be from the ages of Seven to Seventeen (7-17) years, who are so emotionally and behaviorally disturbed as to warrant twenty-four hour psychiatric treatment away from their own homes. This population includes, but is not limited to, children with chronic psychiatric problems which have disturbed a child's ability to function at his/her intellectual and chronological maturity level and which have been diagnosed as needing treatment over a long period of time for behavior, which has resulted in alienation from parents and peers and has been diagnosed as resulting from a specific, serious emotional disorder or psychosis.

J. ADMISSION POLICIES:

- i) All referrals to the adolescent residential program must be processed through and approved by Siskiyou County Behavioral Health Services.
- ii) A screening committee shall be appointed by the Director and shall include a representative from the county schools and the county's social service agency.

Referral recommendations by the screening committee shall be submitted to the county director for forwarding to Victor Treatment Centers, Inc.

K. CLIENT DESCRIPTION:

- i) Age Range: Seven to Seventeen (7-17)

- ii) Sex: Male and Female
- iii) Diagnoses:
 - Affective disorders (Depression)
 - Pervasive developmental disorder (Childhood Schizophrenia)
 - Psychoses
 - Borderline Personality Syndrome
- iv) Legal Class: Dependents of the Court, voluntary admissions, conservatees.
- v) Impairment: Severely disturbed adolescents requiring an intensive, structured, residential treatment setting to avoid institutional care.
- vi) Client Mix: Clients will be classified as extended care clients, but also are expected to have frequent acute exacerbations.
- vii) Length of Stay: The average length of treatment from admission to discharge is (12) twelve months with a few clients staying as long as (18) eighteen months.

L. CASE MANAGEMENT: Contractor will be responsible for the management of the pre-discharge planning and the coordination of social services and will support the needs of the client while the client is in residence in the program. County will name a case manager to provide liaison between the program and the family, courts and support agencies in the referring community. County's case manager will provide ongoing oversight of the progress of the client and may, as necessary, participate in case conferences at the program site. When notified of a projected discharge date by the program, the case manager shall arrange such transportation, treatment, housing and support services as are deemed necessary to meet the post-discharge need of the client.

M. If a sudden, marked change in client's health or condition, illness, death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Contractor shall immediately notify the Director, Siskiyou County Health and Human Services Agency, Behavioral Health Division, by telephone. Contractor shall promptly submit to County a written report in such form as may be required by it of all accidents which occur in connection with the performance of this Agreement. This report must include the following information:

- i) Name and address of the injured or deceased person;
- ii) Name and address of Contractor's subcontractor, if any;
- iii) Name and address of Contractor's liability insurance carrier believed to be involved; and

- iv) A detailed description of the incident and whether any of County's equipment, tools, material or employees was involved.

N. VICTOR TREATMENT CENTERS, INC. - HOUSE ADDRESSES
 Legal Entity # 00118 Updated as of June 24, 2016.

Victor Youth Services (Redding)

Kings Way	13403 Kings Way	Central Valley	CA	96019
Paso Robles	19767 Paso Robles	Redding	CA	96003
Logan	21282 Tia Mia Lane	Redding	CA	96003
Alta Mesa	4223 Alta Mesa Drive	Redding	CA	96002
Clairvaux	20846 Clairvaux Drive	Bella Vista	CA	96008

Regional Youth Services (Stockton)

White	6111 Dill Court	Stockton	CA	95215
Island	6151 Dill Court	Stockton	CA	95215
Horizon	9254 Valley Drive	Stockton	CA	95212
Frontier	2397 White Lane	Stockton	CA	95215
Morada	6112 Dill Court	Stockton	CA	95215
Light	6166 Dill Court	Stockton	CA	95215

Willow Creek (Santa Rosa)

Wright	341 Irwin	Santa Rosa	CA	95401
Clover	1136 Clover Avenue	Santa Rosa	CA	95401
Juniper	520 Oasis Drive	Santa Rosa	CA	95407
Country Club	565 Piezzi Road	Santa Rosa	CA	95401
Irwin	600 Irwin	Santa Rosa	CA	95401
Lane	620 Irwin	Santa Rosa	CA	95401

2. COMPENSATION AND BILLING:

A. County shall pay Contractor for services provided at the following rates:

Mental Health Services (including TBS)	\$2.61 per minute
Intensive Home Based Services	\$2.61 per minute
Intensive Care Coordination	\$2.02 per minute
Case Management Services	\$2.02 per minute
Crisis Intervention Services	\$3.88 per minute
Medication Support Services (psychiatrist only)	\$4.82 per minute

Contractor within shall provide an invoice that includes a description of the services provided each month, including number of patients served, hours and types of service provided.

B. Billings: Monthly Contractor shall submit to County an invoice for the service performed over the period specified. A County representative shall evaluate the quality of the service performed, and if found to be satisfactory, shall initiate payment processing. County shall endeavor to pay invoices or claims of satisfactory work within forty-five (45) days of presentation.

C. Service Codes for use on CMS 1500 or Service Activity Log

577	Intensive Care Coordination
557	Intensive Home Based Services
100	Assessment
107	Individual Therapy
105	Collateral
108	Group Therapy
109	Rehab Individual
110	Rehab Group
111	Plan Development
113	Therapeutic Behavioral Service
114	Case Management
104	Crisis Intervention
145	Medication Evaluation (psychiatrist only)
147	Medication Management
148	Medication Refill

- D. **MEDI-CAL BILLING:** In order to allow County to be reimbursed for Medi-Cal services, Contractor will provide County with a valid claim for all Medi-Cal billable services provided. Such invoice shall include a description of the services provided each month, including number of patients served, hours and types of service(s) provided.
- i. For purposes of this section a valid claim means one submitted in the format of CMS 1500 or a CSBHS acceptable format and chart note, both with original signature containing correctly entered information, sufficient to document that an authorized service was provided to an authorized client by Contractor. Billable code information for completion of the CMS 1500 form or CSBHS acceptable format is provided to Contractor in Section B above.
 - ii. Contractor will provide to authorized client(s) only the Specialty Mental Health Service(s) authorized in advance (Authorized Services) by County for provision to that/those specific client(s). County will be responsible for ensuring that all children placed with Contractor have received prior authorization for services before placement with the Contractor. County will provide the ongoing authorization every three or six months (depending on the level of treatment) while children are in placement. Authorization for services will be provided to Contractor in writing on the County authorization form. Contractor shall be held harmless for from and against any loss to County resulting from any State denial, unresolved EOB claims, and/or Federal and /or State audit disallowances for Title 9 Medi-Cal services when County has not authorized these services either prior to placement or at three or six-month intervals thereafter.
 - iii. Contractor will provide County with the appropriate Service Function Codes and Units of Service to be included in County's cost reports.

3. COST REPORT AND SETTLEMENT:

- A. Contractor shall submit a separate detailed Mental Health Provider Cost Report ("Cost Report") in the format prescribed by the California Department of Health Care Services (DHCS) and a complete Financial Statement no later than 90 days after the end of the fiscal year. The Cost Report shall calculate the cost per unit as the lower of actual costs or published charges.
- B. Contractor may use unaudited financial statements as the basis of cost information for completion of the Cost Report and Financial Statement. Contractor shall submit a copy of the unaudited financial statements with the completed Cost Report and Financial Statement. In addition,

Contractor shall submit to County an independent audit report conducted by a Certified Public Accountant in accordance with OMB Circular A133 within 276 days after the close of each County fiscal year during which this agreement is in effect.

- C. Upon completion of the County Cost Report, which includes the Contractor's cost report data, County may conduct a settlement review. In the event the Cost Report settlement review identifies an overpayment to Contractor, County will invoice Contractor and Contractor shall reimburse County the full overpayment amount within 60 days.
- D. DHCS will review the submitted County Cost Report and issue a Preliminary Cost Report Settlement to County. DHCS will also conduct a Cost Report Audit which results in a Final Cost Report Settlement. In the event that either the DHCS preliminary settlement or final settlement indicates a denial or disallowance of services provided by Contractor or any other irregularity or errors of omission or commission irregularity on the part of Contractor which leads to a financial recoupment, County shall invoice Contractor for the associated amount and Contractor shall reimburse County the full amount within 60 days.
- E. Compensation for services rendered subsequent to the Cost Report and Financial Statement due dates may be withheld from Contractor at County's sole discretion until the Cost Report and Financial Statement have been received by County.
- F. All provisions in Section 5. Cost Reports and Settlements shall survive the termination, expiration, or cancellation of this agreement.

4. CONTRACT ADDENDUMS:

Contractor and County may mutually agree to amend the rates and/or services in this contract at the beginning of each fiscal year during the term of this contract. Contractor must submit in writing the proposed new rates and or services by the First of March of the preceding fiscal year.

5. COMPLIANCE:

Contractor shall ensure that all services and documentation shall comply with all applicable requirements in the DHCS-MHP Contract No. 12-89398 located at: <http://www.co.siskiyou.ca.us/content/behavioral-health-services-division>.