

AGREEMENT  
BETWEEN COUNTY OF TEHAMA  
AND RESTPADD INC.

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This agreement is entered into between the County of Tehama, on behalf of the Tehama County Health Services Agency, Mental Health Division ("County") and Restpadd Inc., a California S-corporation ("Contractor") for the purpose of providing Psychiatric Inpatient Services.

**1. DEFINITIONS**

General Meaning of Words and Terms. The words and terms used in this Agreement are intended to have their usual meanings unless a particular or more limited meaning is associated with their usage in Welfare and Institutions Code sections 5000 et seq. or 14000 et seq. or the associated regulations contained in Titles 9 and 22 of the California Code of Regulation, or unless specifically defined in this Agreement:

"Beneficiary" or "County Patient" means those Tehama County residents referred to Contractor by County for services hereunder, including but not limited to persons described in California Code of Regulations, title 9, section 1810.205.

"County Mental Health Director" means County's Director of Mental Health or his or her designated representative.

" Psychiatric Inpatient Services" means medically necessary clinical, medical, and ancillary services that are generally recognized and accepted for the diagnosis and treatment of a behavioral disorder or psychological injury, including but not limited to:

- a. Semi-private room accommodations including bed, board, and related services.
- b. 24-hour nursing care.
- c. Pharmaceuticals and biologicals.
- d. Dietary services.
- e. Medical and psychiatric evaluations and psychological and social assessments.
- f. Crisis intervention services.
- g. Administration and supervision of the clinical use of psychotropic medications.
- h. Individual and group psychotherapy.
- i. Art, recreational, and vocational therapy.
- j. Clinical laboratory services.

- k. Social services.
- l. Services of psychiatrist and/or psychologist under contract by Provider for a Short-Doyle Indigent.
- m. Services of psychiatrist and/or psychologist not included in the provisions for managed Medi-Cal Beneficiaries.
- n. Supplies, appliances, and equipment.
- o. Any other "Psychiatric Inpatient Hospital Services" as defined in Cal. Code Regs., title 9, § 1810.350.
- p. Discharge planning.

"Medi-Cal" means that comprehensive program of medical assistance established by the Medi-Cal Act, as contained in the California Welfare and Institutions Code sections 14000, et seq., including any amendments and administrative regulations promulgated under and pursuant to this law.

"Medically necessary" and Medical Necessity" shall have the meaning set forth in California Code of Regulations, title 9, section 1820.205, and shall be determined by County in consultation with Contractor.

"Day of Service" means the period beginning at 12:01 a.m. continuing for 24 consecutive hours or any portion thereof.

"WIC" means an acronym for the California Welfare and Institutions Code.

## **2. RESPONSIBILITIES OF CONTRACTOR**

During the term of this agreement, Contractor shall provide medically necessary voluntary and involuntary Psychiatric Inpatient Services to County Patients. Such services shall be provided in accordance with the Lanterman-Petris-Short Act and all other rules and regulations pertaining to and regulating such services. Except for "emergency admissions" subject to Cal. Code Regs., title 9, section 1820.225, Contractor shall provide only those services for which a written authorization from the County has been received. As an express condition to compensation hereunder, Contractor shall notify County within 24 hours of the time that any County patient presents for "emergency admission" under Cal. Code Regs., title 9, section 1820.225. Any other services provided without prior written authorization from the County will be the responsibility of the Contractor and will not be reimbursed by the County.

Contractor performance provisions:

### **A. Services Provided by Contractor.**

- (1) Contractor assumes full responsibility for provision of all psychiatric inpatient hospital services in accordance with regulations adopted pursuant to Section 5775, et seq., and 14680, et seq., of the Welfare and Institutions Code. Contractor agrees to accept as payment in full for these psychiatric inpatient services from County and the California Department of Health Care Services as provided in Section 3 of this Agreement.
- (2) Contractor shall at its own expense provide and maintain facilities and professional, allied, and supportive medical and paramedical personnel, including any necessary physician services, to provide all necessary and appropriate psychiatric inpatient hospital services.
- (3) Contractor shall at its own expense provide and maintain the organizational administrative capabilities to carry out its duties and responsibilities under this Agreement and all applicable statutes and regulations pertaining to Medi-Cal providers.

B. Licensure and Certification.

- (1) Contractor hereby represents and warrants that it is currently and for the duration of this Agreement shall remain licensed as an acute care hospital or acute psychiatric hospital in accordance with Section 1250 et seq., of the Health and Safety Code and the licensing regulations contained in Title XXII and XVII of the California Code of Regulations.
- (2) Contractor hereby represents and warrants that it is currently and for the duration of this Agreement shall remain certified under Title XVIII of the Federal Social Security Act.
- (3) Contractor agrees that compliance with its obligations to remain licensed as a general acute care hospital or acute psychiatric hospital as provided in B.1. above and certified under the Federal Social Security Act as provided in B.2. above shall be express conditions precedent to maturing the County's payment obligations under Sections 3 and 4 of this Agreement.

C. Services Neither Covered Nor Compensated.

- (1) County shall not be obligated to compensate Contractor pursuant to this Agreement for any services that are not covered under one (or more) of the following programs:
  - a. Short-Doyle;
  - b. Medi-Cal Mental Health;
  - c. Mental Health Services Act;
  - d. County Medical Services Program (Services covered under this program are compensable hereunder only if such compensation is specifically pre-approved by County on a case-by-case basis.)



D. Availability of Services.

- (1) Contractor shall not differentiate or discriminate in the treatment of Medi-Cal beneficiaries, nor shall Contractor discriminate on the basis of race, religion, sex, physical or mental disability, age, or sexual orientation.
- (2) Contractor shall render services to beneficiaries in the same manner and in accordance with the same time availability as offered Contractor's other patients except as limited by existing Medi-Cal restrictions.

E. Service Location. Psychiatric inpatient hospital services rendered pursuant to this Agreement shall be rendered at the following facilities:

Restpadd Inc.  
2750 Eureka Way  
Redding, CA 96001

F. Utilization Controls. County shall not be obligated to pay Contractor for any services provided to a beneficiary unless Contractor adheres to all utilization controls and obtains authorization for services in accordance with Medi-Cal policy and procedures as defined in Title XXII, State Fiscal Intermediary Provider Manual and bulletins and as specifically modified by County.

G. Services Authorization. Contractor and County acknowledge that County's responsibilities under this Agreement and governing legislation and regulations require that Contractor consult with County concerning potential patients who may be eligible for services under the terms of this Agreement. Therefore, in order to exercise its duties hereunder, County requires that the Contractor provide consultation with County concerning those patients not referred to Contractor by County so that County can determine medical necessity, appropriateness of admission, length of proposed services. Contractor shall provide such consultation by contacting County prior to admission of a patient who Contractor believes is eligible for, in a need of, contracted services in all cases in which the County staff is not the source of the referral. Except for "emergency admissions" subject to California Code of Regulations, title 9, section 1820.225, services provided without prior written authorization from the County will be the responsibility of the Contractor and will not be reimbursed by the County.

H. Utilization Controls Compliance by Contractor as Condition Precedent to County Payment Obligation. As expressed conditions precedent to any County payment obligation under the terms of this Agreement, Contractor shall adhere to the County's Quality Management Plan including utilization controls, State Department of Health Care Services Letters, Notices, as well as Sections 5777(g) and 5777(8)(n) of the Welfare and Institutions Code and regulations adopted pursuant thereto.



- I. Hospital Liason. Contractor shall designate in writing a person to act as agent and liason to County. Such person shall coordinate all communications between the parties. The written designation of such agent shall constitute full authorization to bind Contractor as principal in dealings with County.
- J. Quality of Care. As an expressed condition pursuant to any County payment under the terms of this Agreement, the Contractor shall:
- (1) Assure that any and all eligible beneficiaries receive care as required by Section 5777, et seq., and 14680, et seq., of the Welfare and Institutions Code.
  - (2) Take such actions as required by Contractor's Medical Staff Bylaws against Medical Staff members who violate those bylaws.
  - (3) Provide psychiatric inpatient hospitalization in the same manner to beneficiaries as it provides to all patients to whom it renders psychiatric inpatient services. 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.
  - (4) Ensure that all beneficiaries are provided with the rights set forth in 42 C.F.R. § 438.100.
- K. Assumption of Risk. The Contractor shall bear total risk for the cost of psychiatric inpatient services rendered to each beneficiary covered in this Agreement. The Contractor covenants to accept as payment in full for the psychiatric inpatient hospital services described herein, the payments made by County pursuant to Section 4 of this Agreement.

### **3. RESPONSIBILITIES OF COUNTY**

County will determine the appropriateness of admission to psychiatric inpatient care based on published medical necessity criteria. County may place either male or female patients at Contractor's facilities.

At County's own expense, County will transport County Patients from County to the Contractor's facility for admitting purposes and from the hospital back to County upon discharge of County Patients.

County will be responsible for determining the eligibility of County Patients for the services available under this Agreement. Contractor will not presume that any person claiming County sponsorship is County's responsibility until County has verified the person's eligibility and accepted financial responsibility and notified Contractor that the person is eligible.

County hereby designates Restpadd, Inc. in Redding, California as facilities for seventy-two (72) hour treatment and evaluation and for intensive treatment pursuant to Welfare and Institutions Code sections 5150 and 5250, subject to all the terms and conditions related to this designation. The professional person in charge of these facilities shall, and hereby does, designate the licensed staff members of County's Community Crisis Response Unit (CCRU) to perform preadmission assessments in accordance with Welfare and Institutions Code section 5151.

County shall compensate Contractor at the rate set forth in Section 4 of this agreement for the services described in Section 1.

#### **4. COMPENSATION**

County shall compensate Contractor for services rendered pursuant to the rates established in Exhibit A attached hereto and made a part hereof.

The total maximum compensation payable to Contractor under this agreement shall not exceed Six Hundred Thousand dollars and no cents (\$600,000) in any one fiscal year (July - June) and shall not exceed the maximum compensation of One Million Two Hundred Thousand Dollars and no cents (\$1,200,000).

Contractor shall not be entitled to payment or reimbursement for any tasks or services performed except as specified herein. Contractor shall have no claim against County for payment of any compensation or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Contractor shall not be paid any amount in excess of the Maximum Compensation amount set forth above, and Contractor agrees that County has no obligation, whatsoever, to compensate or reimburse Contractor for any expenses, direct or indirect costs, expenditures, or charges of any nature by Contractor that exceed the Maximum Compensation amount set forth above. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. This provision shall survive the expiration or other termination of this Agreement.

#### **5. BILLING AND PAYMENT**

- A. Contractor shall submit all claims for reimbursement under the Agreement within forty-five (45) days after the services for which reimbursement is claimed are rendered. County shall be obligated to pay only for services properly invoiced in accordance with this section. County shall make payment within 45 days of the date the services were approved for payment.
- B. County shall compensate Contractor based on: (1) the actual number of beneficiaries authorized by the County; (2) the actual number of days the Contractor provides each beneficiary; and (3) the rate(s) set forth in Exhibit A.
- C. County is the payor of last resort. Contractor shall make every reasonable effort to obtain all available Medi-Cal and Medicare benefits and any other third party or private insurance or reimbursement for which clients served hereunder may be eligible to receive for provision of Psychiatric Inpatient Services. Obtaining



verification of patient eligibility for coverage under the Medicare or other reimbursement programs or insurance is the responsibility of the Contractor. County does not assume responsibility for such certification procedures. All revenues received from any such third-party payor shall be considered as payment in full. Any claims billable to third-party payor that are denied due to Contractor's inability to submit claims in a timely and complete manner are the responsibility of the Contractor and not billable to the County.

- D. Contractor will bill CMSP for all services provided to clients eligible for CMSP. For clients referred by County, County will cover any days authorized by County after CMSP benefit is exhausted at the rates established in Exhibit A.
- E. Contractor shall be liable for State Department of Health Care Services audit exceptions due to inadequate documentation as per medical necessity requirements and shall reimburse County for any recoupments ordered by the State within sixty (60) days of the date of the State or County's notice of such recoupment order. If Contractor fails to reimburse County within such period, County may offset the unpaid amount against any sums due from County to Contractor pursuant to this agreement or any other agreement of obligation.
- F. Contractor shall provide County with an annual Cost Report in the format prescribed by the State Department of Health Care Services. This Cost Report may be considered in establishing the negotiated rate for future years of this agreement.
- G. Contractor shall maintain accurate accounting records of its costs and operating expenses. Such records of costs and expenditures shall be maintained for at least ten (10) years, or until audit findings are resolved, and shall be open to inspection by the Health Services Agency Director, or designee, the State Controller, and the State Director of Health Care Services or designees. Contractor shall also be subject to the examination and audit of the Auditor General for a period of three years after final payment under the contract (Government Code, Section 8546.7).

## **6. TERM OF AGREEMENT**

This Agreement shall commence on July 1, 2021, and terminate on June 30, 2023, unless terminated earlier as provided herein.

## **7. TERMINATION OF AGREEMENT**

If Contractor fails to perform its duties to the satisfaction of the County, or if Contractor fails to fulfill in a timely and professional manner its obligations under this agreement, or if Contractor violates any of the terms or provisions of this agreement, then the County shall have the right to terminate this agreement effective immediately upon the County giving written notice thereof to the Contractor. Either party may terminate this agreement on sixty (60) days written notice. County shall pay Contractor for all work satisfactorily completed as of the date of notice. County may terminate this contract immediately upon oral notice should funding cease or be materially decreased or should the Tehama County Board of Supervisors decline to



appropriate funding for this agreement in any fiscal year.

The County's right to terminate this agreement may be exercised by the Executive Director of the Tehama County Health Services Agency.

**8. ENTIRE AGREEMENT; MODIFICATION**

This agreement supersedes all previous agreements and constitutes the entire understanding of the parties hereto. Contractor shall be entitled to no other benefits other than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Contractor specifically acknowledges that in entering into and executing this agreement, Contractor relies solely upon the provisions contained in this agreement and no others.

**9. NON-ASSIGNMENT OF AGREEMENT**

Inasmuch as this Agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, subcontract, or sublet any obligations under this Agreement, or the Agreement as a whole, without the prior written consent of the County. Notwithstanding the foregoing, Contractor may assign its rights and obligations under this Agreement, in whole but not in part, without the County's permission, in connection with any merger, consolidation, sale of all or substantially all of Contractor's assets or equity, or any other similar transaction; *provided, that* the assignee: (a) provides prompt written notice of such assignment to the non-assigning party; (b) is capable of fully performing the obligations of the Contractor under the Agreement; and (c) agrees to be bound by the terms and conditions of this Agreement. The Agreement is binding on the parties hereto and their respective successors and permitted assigns.

**10. EMPLOYMENT STATUS**

Contractor shall, during the entire term of this agreement, be construed to be an independent contractor and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Contractor performs the services which are the subject matter of this agreement; provided always, however, that the services to be provided by Contractor shall be provided in a manner consistent with the professional standards applicable to such services. The sole interest of the County is to insure that the services shall be rendered and performed in a competent efficient and satisfactory manner. Contractor shall be fully responsible for payment of all taxes due to the State of California or the Federal government, which would be withheld from compensation of Contractor, if Contractor were a County employee. County shall not be liable for deductions for any amount for any purpose from Contractor's compensation. Contractor shall not be eligible for coverage under County's Workers Compensation Insurance Plan nor shall Contractor be eligible for any other County benefit.

**11. INDEMNIFICATION**

Contractor shall defend, hold harmless, and indemnify Tehama County, its elected

officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees of County), damages, judgments, or decrees by reason of any person's or persons' injury, including death, or property (including property of County) being damaged, arising out of contractor's performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, whether by negligence or otherwise. Contractor shall, at its own expense, defend any suit or action founded upon a claim of the foregoing. Contractor shall also defend and indemnify County against any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency against the County with respect to Contractor's "independent contractor" status that would establish a liability for failure to make social security or income tax withholding payments, or any other legally mandated payment.

## **12. INSURANCE**

Contractor shall procure and maintain insurance pursuant to Exhibit B, "Insurance Requirements For Contractor," attached hereto and incorporated by reference.

## **13. REPORTING**

Contractor agrees to provide County with reports that may be required by State or Federal agencies for compliance with this Agreement. Contractor agrees to permit County, State, and/or Federal agencies authorized by the Director, to inspect, review, and copy all records, notes, and writing of any kind in connection with the services provided by Contractor under this agreement. All such inspections and copying shall occur during normal business hours.

## **14. DOCUMENTS AND RECORDS**

- A. Upon written request, Contractor agrees to permit County, State, and/or Federal agencies authorized by the Director, to inspect, review, and copy all records, notes, and writing of any kind in connection with the services provided by Contractor under this agreement. All such inspections and copying shall occur during normal business hours.
- B. If the California Department of Health Care Services, Center for Medicare and Medicaid Services (CMS), or Office of the Inspector General of the US Department of Health and Human Services determines there is a reasonable possibility of fraud or similar risk, the State, SMC or HHS Inspector General may inspect, evaluate, and audit the subcontractor at any time.
- C. Contractor shall preserve all records relating to the services provided pursuant to this agreement until at least ten years from the final date of the contract period or ten years from the date of completion of any audit, whichever is later.
- D. At the end of the period required for record retention, Contractor shall destroy all records made pursuant to this agreement in accordance with the California Code



of Regulations, the California Welfare and Institutions Code, and Contractor's State licensing requirements.

- E. Contractor shall document compliance with all contractual requirements. Such documentation shall be provided to County upon request.

**15. NON-DISCRIMINATION**

Contractor shall not employ discriminatory practices in the treatment of persons in relation to the circumstances provided for herein, including assignment of accommodations, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age or sexual orientation.

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**16. LAW AND VENUE**

This Agreement shall be deemed to be made in, and shall be governed by and construed in accordance with the laws of, the State of California (excepting any conflict of laws provisions which would serve to defeat application of California substantive law). Venue for any action arising from this agreement shall be in Tehama County, California.

**17. QUALITY ASSURANCE**

Contractor shall notify County of any and all special incidents involving a County placement within 24 hours of the incident. All special incidents are reviewed by the County Mental Health Department's Quality Improvement Committee and any recommendations will be forwarded both to the Executive Director of the Tehama County Health Services Agency and the Contractor's Chief Executive Officer.

Contractor shall furnish County with a copy of its Quality Assurance Policies and Procedures and its Client Complaint/Grievance Procedure within thirty (30) days of execution of this Agreement.

**18. PERSONNEL**

Contractor shall furnish such qualified professional personnel as prescribed in Title IX of the California Code of Regulations required for the type of services described in Section 1.

All Contractor's personnel (including independent contractors) shall have the appropriate current State licensure required for their given profession. Contractor shall provide copies of current licensure for all clinical staff to County upon County's written request.

**19. LICENSING REQUIREMENTS**



Contractor shall comply with all necessary County or State licensing requirements and must obtain appropriate licenses and display same in a location that is reasonably conspicuous. Contractor shall abide by the Welfare and Institutions Code, section 5600 et. seq., Title IX and Title XXII of the California Code of Regulations, the State Cost Reporting/Data Collection Manual (CR/DC), and State Department of Health Care Services Policy Letters.

## **20. CULTURAL COMPETENCY**

Contractor shall insure that services delivered under the terms of this agreement reflect a comprehensive range of age appropriate, cost-effective, high quality intervention strategies directed so as to promote wellness, avert crises, and maintain beneficiaries within own communities. Contractor shall make every effort to deliver services which are culturally sensitive and culturally competent and which operationalize the following values:

- a) Services should be delivered in the client's primary language or language of choice since language is the primary "carrier of culture,"
- b) Services should encourage the active participation of individuals in their own care, protect their confidentiality at all times, and recognize the rights of all individuals regardless of race, ethnicity, cultural background, disability or personal characteristics,
- c) Service delivery staff should reflect the racial, ethnic, and cultural diversity of the population being served,
- d) Certain culturally sanctioned behaviors, values, or attitudes of individuals legitimately may conflict with "mainstream values" without indicating psychopathology or moral deviance,
- e) Service delivery systems should reflect cultural diversity in methods of service delivery as well as policy,
- f) The organization should instill values in staff which encourage them to confront racially or culturally biased behavior in themselves and others and which encourage them to increase their sensitivity and acceptance of culturally based differences.
- g) Contractor's staff shall receive cultural competency training and Contractor shall provide evidence of such training to County upon request.

## **21. CODE OF CONDUCT**

Tehama County Health Services Agency (TCHSA) maintains high ethical standards and is committed to complying with all applicable statutes, regulations, and guidelines. TCHSA and each of its employees and contractors shall follow an established Code of Conduct.

**PURPOSE** The purpose of the TCHSA Code of Conduct is to ensure that all TCHSA employees and contractors are committed to conducting their activities in accordance with the highest levels of ethics and in compliance with all applicable State and Federal statutes, regulations, and guidelines. The Code of Conduct also serves to demonstrate TCHSA's dedication to providing quality care to its patients.

### **CODE OF CONDUCT – General Statement**

- The Code of Conduct is intended to provide TCHSA employees and contractors with general guidelines to enable them to conduct the business of TCHSA in an ethical and legal manner;
- Every TCHSA employee and contractor is expected to uphold the Code of Conduct;
- Failure to comply with the Code of Conduct or failure to report non-compliance may subject the TCHSA employee or contractor to disciplinary action, up to or including termination of employment or contracted status.

**CODE OF CONDUCT** All TCHSA employees and contractors:

- Shall perform their duties in good faith and to the best of their ability.
- Shall comply with all statutes, regulations, and guidelines applicable to Federal health care programs, and with TCHSA's own policies and procedures.
- Shall refrain from any illegal conduct. When an employee or contractor is uncertain of the meaning or application of a statute, regulation, or guideline, or the legality of a certain practice or activity, he or she shall seek guidance from his or her immediate Supervisor, Division Director, the Quality Assurance Manager, the Compliance Auditor, the Assistant Executive Director-Programs, or the Assistant Executive Director-Administration.
- Shall not obtain any improper personal benefit by virtue of their employment or contractual relationship with TCHSA;
- Shall notify their Supervisor, Division Director, Assistant Executive Director-Administration, the Assistant Executive Director-Programs, or Agency Executive Director immediately upon receipt (at work or at home) of any inquiry, subpoena, or other agency or governmental request for information regarding TCHSA;
- Shall not destroy or alter TCHSA information or documents in anticipation of, or in response to, a request for documents by any applicable governmental agency or from a court of competent jurisdiction.
- Shall not engage in any practice intended to unlawfully obtain favorable treatment or business from any entity, physician, patient, resident, vendor, or any other person or entity in a position to provide such treatment or business.
- Shall not accept any gift of more than nominal value or any hospitality or entertainment, which because of its source or value, might influence the employee's or contractor's independent judgment in transactions involving TCHSA.
- Shall disclose to their Director any financial interest, official position, ownership interest, or any other relationship that they (or a member of their immediate family) has with TCHSA vendors or contractors.
- Shall not participate in any false billing of patients, governmental entities, or any other party.
- Shall not participate in preparation of any false cost report or other type of report submitted to the government.
- Shall not pay or arrange for TCHSA to pay any person or entity for the referral of patients to TCHSA, and shall not accept any payment or arrangement for TCHSA to accept any payment for referrals from TCHSA.
- Shall not use confidential TCHSA information for their own personal benefit or for the benefit of any other person or entity while employed at or under contract to TCHSA, or at any time thereafter.
- Shall not disclose confidential medical information pertaining to TCHSA's patients or clients without the express written consent of the patients or clients or pursuant to



court order and in accordance with the applicable law and TCHSA applicable policies and procedures.

- Shall promptly report to the Compliance Auditor any and all violations or suspected violations of the Code of Conduct.
- Shall promptly report to the Compliance Auditor any and all violations or suspected violations of any statute, regulation, or guideline applicable to Federal health care programs or violations of TCHSA's own policies and procedures.
- Shall not engage in or tolerate retaliation against employees or contractors who report or suspect wrongdoing.

## **22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT-HIPAA**

The Contractor acknowledges that it is a "health care provider" for purposes of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations. The Contractor agrees to use individually identifiable healthcare information obtained from the County only for purposes of providing diagnostic or treatment services to patients.

Contractor agrees to report to County any security incident or any use or disclosure of PHI (in any form) not provided for by this Agreement. Security incidents include attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or

interference with system operations in an information system. Contractor shall make this report by the next business day following discovery of the use, disclosure, or security incident.

## **23. GREEN PROCUREMENT POLICY**

Tehama County Resolution No. 49-2002, the Green Procurement Policy (available upon request) supports recycling and waste reduction, and promotes the purchase of products made with recycled materials when product fitness and quality are equal and they are available at no more than the total cost of non-recycled products. Contractor is encouraged to conform to this policy.

## **24. AUTHORITY**

Each party executing this agreement and each person executing this agreement in any representative capacity, hereby fully and completely warrants to all other parties that he or she has full and complete authority to bind the person or entity on whose behalf the signing party is purporting to act.

## **25. NONEXCLUSIVE AGREEMENT**

Contractor understands that this is not an exclusive Agreement and that County shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Contractor, or to perform such services with County's own forces, as County desires.

## **26. COMPLIANCE WITH LAWS AND REGULATIONS**

All services to be performed by Contractor pursuant to this Agreement shall be



performed in accordance with all applicable federal, state, county, and municipal and local laws, ordinances, rules, and regulations, including, but not limited to, Title XIX of the Social Security Act. Any change in status, licensure, or ability to perform activities within the Scope of Work must be reported to the County immediately.

**27. NOTICES**

Any notice required to be given pursuant to the terms and provisions of this agreement shall be in writing and shall be sent first class mail to the following addresses:

If to Contractor: Restpadd, Inc.  
Attn: Administrator  
2750 Eureka Way  
Redding, CA 96001  
PH: 530.262-6722

If to County: Tehama County Health Services Agency  
Attn: Executive Director  
P.O. Box 400  
Red Bluff CA 96080  
PH: 530.527-8491

**28. RESOLUTION OF AMBIGUITIES**

If an ambiguity exists in this Agreement, or in a specific provision hereof, neither the Agreement nor the provision shall be construed against the party who drafted the Agreement or provision.

**29. NO THIRD PARTY BENEFICIARIES**

Neither party intends that any person shall have a cause of action against either of them as a third party beneficiary under this Agreement. The parties expressly acknowledge that is not their intent to create any rights or obligations in any third person or entity under this Agreement. The parties agree that this Agreement does not create, by implication or otherwise, any specific, direct or indirect obligation, duty, promise, benefit and/or special right to any person, other than the parties hereto, their successors and permitted assigns, and legal or equitable rights, remedy, or claim under or in respect to this Agreement or provisions herein.

**30. COMPLIANCE AND PROGRAM INTEGRITY**

Contractor shall comply with all contractual provisions pursuant to Exhibit C, "COMPLIANCE AND PROGRAM INTEGRITY," attached hereto and incorporated by reference.

**IN WITNESS WHEREOF**, County and Contractor have executed this agreement on the day and year set forth below.

Date: 8/11/2021

COUNTY OF TEHAMA

Valerie S. Lucero  
Valerie S. Lucero, Executive Director

Date: 7/26/21

RESTPADD INC., a California S-corporation

April Cordova  
April Cordova, Controller, Director of Business  
Support Services

Bill Hunt  
Bill Hunt, RN, Administrator

119576  
Vendor Number

**EXHIBIT A – Rates**  
**Per Patient / Per Day**

County shall pay at the all-inclusive rate of \$1010.00 per day for each County patient admitted to Contractor's facility excluding the day of discharge.

The all-inclusive rate, as described above, is to be the only payments made by Tehama County Health Services Agency for inpatient services provided to beneficiaries hereunder.

**Host County Rate Parity**

Notwithstanding any other provision of this Exhibit "A", in the event that the rates charged by Restpadd, Inc. to Shasta County are adjusted during the term of this agreement (whether increased or decreased), Contractor shall notify County within fifteen (15) days of receiving notice of such adjustment from Shasta County. Commencing thirty (30) days after County's receipt of notice from Restpadd, Inc., County shall compensate Restpadd, Inc. at rates equal to the adjusted rates charged to Shasta County.

*End of Exhibit A*

## Exhibit B

### INSURANCE REQUIREMENTS FOR CONTRACTOR

Contractor shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work described herein and the results of that work by Contractor, his/her agents, representatives, employees or subcontractors. At a minimum, Contractor shall maintain the insurance coverage, limits of coverage and other insurance requirements as described below.

Commercial General Liability (including operations, products and completed operations) \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If coverage is subject to an aggregate limit, that aggregate limit will be twice the occurrence limit, or the general aggregate limit shall apply separately to this project/location.

#### Automobile Liability

Automobile liability insurance is required with minimum limits of \$1,000,000 per accident for bodily injury and property damage, including owned and non-owned and hired automobile coverage, as applicable to the scope of services defined under this agreement.

#### Workers' Compensation

If Contractor has employees, he/she shall obtain and maintain continuously Workers' Compensation insurance to cover Contractor and Contractor's employees and volunteers, as required by the State of California, as well as Employer's Liability insurance in the minimum amount of \$1,000,000 per accident for bodily injury or disease.

#### Professional Liability (Contractor/Professional services standard agreement only)

If Contractor is a state-licensed architect, engineer, contractor, counselor, attorney, accountant, medical provider, and/or other professional licensed by the State of California to practice a profession, Contractor shall provide and maintain in full force and effect while providing services pursuant to this contract a professional liability policy (also known as Errors and Omissions or Malpractice liability insurance) with single limits of liability not less



than \$1,000,000 per claim and \$2,000,000 aggregate on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide coverage for at least three years from termination of agreement.

If Contractor maintains higher limits than the minimums shown above, County shall be entitled to coverage for the higher limits maintained by Contractor.

All such insurance coverage, except professional liability insurance, shall be provided on an "occurrence" basis, rather than a "claims made" basis.

#### Endorsements: Additional Insureds

The Commercial General Liability and Automobile Liability policies shall include, or be endorsed to include "Tehama County, its elected officials, officers, employees and volunteers" as an additional insured.

The certificate holder shall be "County of Tehama."

#### Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions of \$25,000 or more must be declared to, and approved by, the County. The deductible and/or self-insured retentions will not limit or apply to Contractor's liability to County and will be the sole responsibility of Contractor.

#### Primary Insurance Coverage

For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

#### Coverage Cancellation

Each insurance policy required herein shall be endorsed to state that "coverage shall not be reduced or canceled without 30 days' prior written notice certain to the County."

#### Acceptability of Insurers

Contractor's insurance shall be placed with an insurance carrier holding a current A.M. Best & Company's rating of not less than A:VII unless otherwise acceptable to the County. The County reserves the right to require rating verification. Contractor shall ensure that the insurance carrier shall be authorized to transact business in the State of California.

#### Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance that meets all the requirements stated herein.

#### Material Breach

If for any reason, Contractor fails to maintain insurance coverage or to provide evidence of renewal, the same shall be deemed a material breach of contract. County, in its sole option, may terminate the contract and obtain damages from Contractor resulting from breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

#### Policy Obligations

Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

#### Verification of Coverage

Contractor shall furnish County with original certificates and endorsements effecting coverage required herein. All certificates and endorsements shall be received and approved by the County prior to County signing the agreement and before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.



## Exhibit C

### **COMPLIANCE AND PROGRAM INTEGRITY**

#### **Evidence of Contractual Compliance**

Contractor shall document evidence of compliance with all contractual provisions and provide to County upon request.

#### **Exclusions Checks**

Consistent with the requirements of 42 Code of Federal Regulations, (C.F.R.) part 455.436, Contractor shall confirm the identify and determine the exclusion status of all providers (employees and subcontractors), as well as any person with an ownership or control interest, or who is an agent or managing employee of Contractor through monthly checks of Federal and State databases. The databases to be included are:

- A. The Social Security Administration's Death Master File
- B. The National Plan and Provider Enumeration System (NPPES)
- C. The Office of Inspector General's List of Excluded Individuals/Entities (LEIE)
- D. The System for Award Management (SAM)
- E. The California Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider List (S & I List)

Contractor shall retain evidence of monthly checks and provide to County upon request. If the Contractor finds a party that is excluded, Contractor shall notify the County within one (1) business day. Contractor shall not permit an excluded provider to render services to a County client.

#### **Ownership Disclosure**

Pursuant to the requirements of 42 C.F.R. § 455.104, Contractor must make disclosures regarding any person (individual or corporation) who has an ownership or control interest in the Contractor, whether the person (individual or corporation) is related to another person with an ownership or control interest in the Contractor as a spouse, parent, child, or sibling, or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the Contractor has a five percent (5%) or more interest is related to another person with ownership or control interest in the Contractor as a spouse, parent, child or sibling.

The term "person with an ownership or control interest" means, with respect to the Contractor, a person who:

- A. Has directly or indirectly an ownership of five percent (5%) or more in the Contractor; or
- B. Is the owner of a whole or part interest in any mortgage, deed of trust, note, or other obligation secured in whole (or in part) by the Contractor or any property of or

- assets thereof, which whole or part interest is equal to or exceeds five percent (5%) of the total property and assets of the entity; or
- C. Is an officer or director of the Contractor if the Contractor is organized as a corporation; or
- D. Is a partner in the Contractor, if the Contractor is organized as a partnership

Contractor will provide County the following disclosures prior to the execution of this contract (and annually thereafter), prior to its extension or renewal (and annually thereafter), and within thirty five (35) days after any change in Contractor ownership:

- A. The name and address of any person (individual or corporation) with an ownership or control interest in the Contractor. The address for corporate entities shall include, as applicable, a primary business address, every business location, and a P.O. Box address;
- B. Date of birth and Social Security Number (in the case of an individual);
- C. Other tax identification number [in the case of a corporation with an ownership or control interest in the Contractor or in any subcontractor in which the Contractor has a five percent (5%) or more interest];
- D. Whether the person (individual or corporation) with an ownership or control interest in the Contractor is related to another person with ownership or control interest in the Contractor as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the Contractor has a five percent (5%) or more interest is related to another person with ownership or control interest in the Contractor as a spouse, parent, child, or sibling;
- E. The name of any other disclosing entity in which the Contractor has an ownership or control interest. Other disclosing entity means any other Medicaid disclosing entity and any entity that does not participate in Medicaid, but is required to disclose certain ownership and control information because of participation in any of the programs established under title V, XVIII, or XX of the Act. This includes:
  - (1) Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility, rural health clinic, or health maintenance organization that participates in Medicare (title XVIII);
  - (2) Any Medicare intermediary or carrier; and
  - (3) Any entity (other than an individual practitioner or group of practitioners) that furnishes, or arranges for the furnishing of, health-related services for which it claims payment under any plan or program established under title V or title XX of the Act.
  - (4) The name, address, date of birth, and Social Security Number of any managing employee of the managed care entity.

### **Business Transactions Disclosure**

Contractor must submit disclosures and updated disclosures to County regarding certain business transactions within thirty five (35) days, upon request. The following must be disclosed:

- A. The ownership of any subcontractor with whom Contractor had business



transactions totaling more than \$25,000 during the 12-month period ending on the date of request; and

- B. Any significant business transactions between Contractor and any wholly owned supplier, or between Contractor and any subcontractor, during the 5-year period ending on the date of request.

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### **Persons Convicted of Crimes Disclosure**

Contractor shall submit the following disclosures to County regarding Contractor's management prior to execution of this contract and at any time upon County request:

- (A) The identity of any person who is a managing employee of Contractor who has been convicted of a crime related to federal health care programs. [42 C.F.R. § 455.106(a)(1), (2).]
- (B) The identity of any person who is an agent of Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a)(1), (2).) For this purpose, the word "agent" has the meaning described in 42 C.F.R. §455.101.

### **Criminal Background Checks**

Contractor must require providers (employees and contracted) to consent to criminal background checks including livescans pursuant to 42 C.F.R. 455.434(a). Upon DHCS' determination that Contractor or a person with a five percent (5%) or more direct or indirect ownership interest in Contractor meets DHCS' criteria for criminal background checks as a high risk to the Medicaid program, Contractor's providers (employees and contracted) must submit livescans pursuant to 42 C.F.R. 455.434(b)(1).

*Exhibit C is three pages*