RESOLUTION - ACTION REQUESTED 2015-239

MEETING: May 19, 2015

TO: The Board of Supervisors

FROM: Doug Binnewies, Sheriff-Coroner-Public Administrator

RE: CorrectCare Administration Agreement

RECOMMENDATION AND JUSTIFICATION:
Approve the Business Associate Agreement, the Third Party Administration Agreement, and the Provider Network Addendum, Utilization Management Addendum, and Claims Administration Addendum with CorrectCare for Review of Medical Services Provided to Adult Detention Facility Inmates; and Authorize the Board of Supervisors Chair to Sign the Agreements (2) and Addendum (3).

CorrectCare under this Agreement will provide medical billing reviews in an attempt to identify and dispute any unnecessary expenses. Since contracting with CorrectCare, CorrectCare has consistently provided a savings to the Mariposa County Adult Detention Facility for submitted medical claims.

The terms of the agreement state that all inmates will be enrolled in the Network Discount Program and all medical treatments will be reviewed by CorrectCare prior to an invoice being paid. After the review by CorrectCare; CorrectCare will advise Mariposa County Adult Detention Facility and the Medical Provider of the amount that is going to be paid for medical services received. If disputed, CorrectCare will present the facts and justification to support the revised invoice to the medical provider.

The terms of the agreement commence July 1, 2015, to June 30, 2016 and will not exceed the total cost of $7,200.

The Business Associate Agreement and the addendum are necessary because CorrectCare will have access to medical information pertaining to inmates and the Health Insurance Portability and Accountability Act (HIPAA) requirements must be followed.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Mariposa County Adult Detention Facility has entered into contracts in the past for services to support inmate services.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve the agreement and continue to pay medical services with no review for possible county savings by a qualified medical claims adjuster.
FINANCIAL IMPACT:
No additional impact to General Fund as project amounts for this agreement were included in 2015-2016 proposed budget with no requested increase.

ATTACHMENTS:
Business Associate Agreement (PDF)
Third Party Administration Agreement (PDF)

CAO RECOMMENDATION
Requested Action Recommended

Mary Hodson
Mary Hodson, CAO 5/13/2015

RESULT:      ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:       Marshall Long, District III Supervisor
SECONDER:    Rosemarie Smallcombe, District I Supervisor
AYES:        Rosemarie Smallcombe, Merlin Jones, Marshall Long, John Carrier
EXCUSED:     Kevin Cann
BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("Agreement") is made and entered into as of the 1st day of July, 2015 ("Effective Date"), by and between CorrectCare – Integrated Health, Inc., ("CorrectCare") and Mariposa County ("Business Associate").

WHEREAS, the parties have executed an agreement whereby Business Associate provides certain services to CorrectCare, and Business Associate receives, has access to, or creates Protected Health Information in order to provide those services; and

WHEREAS, CorrectCare is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, 45 C.F.R. Parts 160 and 164, ("HIPAA"); and

WHEREAS, the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"), adopted as part of the American Recovery and Reinvestment Act of 2009, 42 USC §§ 17921-17954, imposes certain requirements on Business Associates; and

WHEREAS, HIPAA requires CorrectCare to enter into a contract with Business Associate in order to require certain protections for the privacy and security of Health Information, and HIPAA prohibits the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Definitions. Terms used, but not otherwise defined in this Agreement shall have the meanings given them in the Standards for Privacy and Security. For convenience of reference, the definitions of certain terms as of the Effective Date are as follows:

1.1 “Breach” shall mean the acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the Standards for Privacy and Security that compromises the security or privacy of the Protected Health Information subject to the exceptions set forth in 45 C.F.R. § 164.402.

1.2 “Disclose” and “Disclosure” mean, with respect to Health Information, the release, transfer, provision of access to, or divulging in any other manner of Health Information outside Business Associate’s internal operations or to other than its employees.

1.3 “Individually Identifiable Health Information” means information that is a subset of health information, including demographic information collected from an individual, and (i) is created or received by a healthcare provider, health plan, employer, or health care clearinghouse; and (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of health care to an individual; and (a) that identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

1.4 “Protected Health Information” means Individually Identifiable Health Information that Business Associate receives from CorrectCare or from another business
associate of CorrectCare or which Business Associate creates for CorrectCare which is transmitted or maintained in any form or medium.

1.5 “Required By Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.501, and any amendments thereto.

1.6 “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

1.7 “Standards for Privacy and Security” shall mean the provisions of the Standards for Privacy and Security of Individually Identifiable Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

1.8 “Use” or “Uses” mean, with respect to Health Information, the sharing, employment, application, utilization, examination or analysis of such Health Information within Business Associate’s internal operations.

2. **Applicability of Terms; Conflicts.** This Agreement applies to all past, present, and future contracts and relationships between Business Associate and CorrectCare, written or unwritten, formal or informal, in which CorrectCare provides any Protected Health Information to Business Associate in any form whatsoever. As of the Effective Date, this Agreement automatically amends all existing agreements between Business Associate and CorrectCare involving the use or disclosure of Protected Health Information. This Agreement shall automatically be incorporated in all subsequent agreements between Business Associate and CorrectCare involving the use or disclosure of Protected Health Information whether or not specifically referenced therein. In the event of any conflict or inconsistency between a provision of this Agreement and a provision of any other agreement between Business Associate and CorrectCare, the provision of this Agreement shall control unless: (i) CorrectCare specifically agrees to the contrary in writing, or (ii) the provision in such other agreement establishes additional rights for CorrectCare or additional duties for or restrictions on Business Associate with respect to Protected Health Information, in which case the provision of such other agreement will control.

3. **Obligations and Activities of Business Associate.**

3.1 **Disclosure.** Business Associate may only Use or Disclose Protected Health Information consistent with the Business Associate Provisions of 45 C.F.R. § 164.504(e). Business Associate will not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required By Law or as otherwise authorized by CorrectCare. In disclosing Protected Health Information, Business Associate may only release the minimum necessary to accomplish the intended purpose of the disclosure in accordance with 42 USC § 17935(b) and 45 C.F.R. § 164.520.

3.2 **Safeguards.** In accordance with 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316, Business Associate will use appropriate safeguards to prevent the Use or Disclosure of the Protected Health Information other than as provided for by this Agreement. Business Associate will develop, implement, maintain, and use appropriate administrative, technical and physical safeguards to preserve the confidentiality, integrity, and availability of Protected Health Information, whether electronic or otherwise, that is created, received, maintained, or transmitted on behalf of CorrectCare, and to prevent non-permitted use or
disclosure of Protected Health Information. These safeguards are required regardless of the mechanism used to transmit the information. Business Associate will document and keep these safeguards current. Business Associate shall also comply with any and all additional security requirements contained in the HITECH Act that are applicable to Business Associates.

3.3 Mitigation. Business Associate will mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

3.4 Breach.

3.4.1 Obligation to Report Breach to CorrectCare. Business Associate will report to General Counsel of CorrectCare, in writing, any Security Incident and/or any use and/or disclosure of Protected Health Information that is not permitted or required by this Agreement of which Business Associate becomes aware. Business Associate shall be deemed to have become aware of a Security Incident upon discovery of a potential Security Incident, even if such Security Incident has not been fully investigated, even if it has not yet been determined whether such Security Incident resulted in a Breach. An employee’s, officer’s or agent’s knowledge of a Security Incident shall be imputed to the Business Associate.

3.4.2 Reporting of Breach to CorrectCare. Such report shall be made as soon as reasonably possible but in no event more than two (2) business days after discovery by Business Associate of such unauthorized use or disclosure. This reporting obligation shall include Breaches by Business Associate, its employees, subcontractors, and/or agents. Each such report of a Breach will: (i) identify the nature of the non-permitted use or disclosure; (ii) identify the Protected Health Information used or disclosed; (iii) identify who made the non-permitted use or disclosure; (iv) identify who received the non-permitted use or disclosure; (v) identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures; (vi) identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted use or disclosure; and (vii) provide such other information as CorrectCare may reasonably request.

3.4.3 Notification of Breach. At CorrectCare’s request, Business Associate shall notify individuals whose Protected Health Information has been Breached in accordance with the requirements of 45 C.F.R. § 164.404. Such notification shall be approved by CorrectCare prior to distribution or notification. In the event Business Associate shall fail to make that notification, Business Associate will indemnify CorrectCare for any reasonable expenses it incurs in doing so.

3.5 Agents and Subcontractors. Business Associate will ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of CorrectCare, executes a written agreement obligating the agent or subcontractor to comply with all terms of this Agreement, including but not limited to, implementation of reasonable and appropriate safeguards to protect Protected Health Information.

3.6 Access. Within five (5) business days of receiving a written request from CorrectCare, Business Associate will provide CorrectCare, or to an Individual as directed by CorrectCare, with access to Protected Health Information from a Designated Record Set of CorrectCare, in order to meet the requirements set forth in 45 C.F.R. §164.524. This provision
does not apply if Business Associate and its employees, subcontractors and agents have no Protected Health Information from a Designated Record Set of CorrectCare.

3.7 Amendments. Business Associate will make any amendment(s) to Protected Health Information in a Designated Record Set of CorrectCare that CorrectCare directs or agrees to pursuant to 45 C.F.R. §164.526. This provision does not apply if Business Associate and its employees, subcontractors and agents have no Protected Health Information from a Designated Record Set of CorrectCare.

3.8 Records. Business Associate will make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, CorrectCare available to the Secretary of Health and Human Services (the “Secretary”) during regular business hours within five (5) business days of receiving a written request from CorrectCare, or sooner if requested by the Secretary, for purposes of the Secretary determining CorrectCare’s compliance with HIPAA. Notwithstanding the above, no legal privilege, including the attorney/client privilege, shall be deemed waived by virtue of this provision. To the extent permitted by law, Business Associate will promptly notify CorrectCare of all requests served upon Business Associate by or on behalf of the Secretary for information which may be related to this Agreement. Business Associate shall provide CorrectCare with copies of all Protected Health Information, policies, procedures, or other records or documents provided to the Secretary pursuant to such request.

3.9 Accounting of Disclosures. Business Associate will document such disclosures by Business Associate and its employees, subcontractors and agents of Protected Health Information and information related to such disclosures as would be required for CorrectCare to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. §164.528. Within five (5) days of receiving a written request from CorrectCare, Business Associate will provide to CorrectCare or an Individual, at CorrectCare’s request, information collected in accordance with the preceding sentence, to permit CorrectCare to respond to a request by an Individual for such an accounting of disclosures.

3.10 Alternative Communications. At CorrectCare’s request, Business Associate will implement reasonable alternative means or locations of communication with an Individual as necessary to honor a request granted by CorrectCare pursuant to 45 C.F.R. §§164.522 or 164.526, respectively. Except as the Agreement or any other agreement between CorrectCare and Business Associate may provide otherwise, in the event Business Associate receives an access, amendment, disclosure accounting or confidential communications or other similar request directly from an Individual, Business Associate will redirect the Individual to appropriate CorrectCare personnel. Business Associate will maintain records related to disclosures of Protected Health Information for at least six (6) years after the date of the disclosure.

3.11 Prohibition on the Sale of Electronic Health Records and Protected Health Information. Business Associate shall comply with the prohibition on the sale of Electronic Health Records and Protected Health Information as set forth in 42 USC § 17935(d).

4. Permitted Uses and Disclosures by Business Associate.
4.1 **Functions and Activities on CorrectCare’s Behalf.** Except as otherwise limited in this Business Associate and any other agreement between Business Associate and CorrectCare, Business Associate may use or disclose Protected Health Information on behalf of, or to provide services to, CorrectCare only for purposes authorized by CorrectCare in a separate written agreement or through specific oral instruction, if such use or disclosure of Protected Health Information would not violate HIPAA if done by CorrectCare itself.

4.2 **Business Associate’s Operations.** Except as otherwise limited in this Agreement or any other agreement between Business Associate and CorrectCare: (a) Business Associate may use Protected Health Information for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities; (b) Business Associate may disclose Protected Health Information for Business Associate’s proper management and administration, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed that (i) it will remain confidential and will be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and (ii) the person will notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

5. **“Trading Partner” Provisions; Use and Disclosure in Connection with Standard Transactions.** If Business Associate conducts Standard Transactions (as defined in 45 C.F.R. Part 162) for or on behalf of CorrectCare, Business Associate will comply, and will require each subcontractor or agent involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for on behalf of CorrectCare that: (i) changes the definition, data condition, or use of a data element or segment in a Standard Transaction; (ii) adds any data elements or segments to the maximum defined data set; (iii) uses any code or data element that is marked “not used” in the Standard Transaction’s implementation specification; or (iv) changes the meaning or intent of the Standard Transaction’s implementation specification.

6. **Term and Termination.**

6.1 **Term.** This Agreement shall commence as of the Effective Date and shall be coterminous with the agreement referenced herein or attached hereto. All Protected Health Information provided by CorrectCare to Business Associate, or created or received by Business Associate on behalf of CorrectCare, must be destroyed or returned to CorrectCare, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such Protected Health Information in accordance with the provisions of this Section 6.

6.2 **Termination for Cause.** As provided in HIPAA, including 45 C.F.R. §164.504(c)(2)(iii), upon CorrectCare’s reasonable determination that Business Associate has breached a material term of this Agreement, CorrectCare shall be entitled to do any one or more of the following:

(a) Give Business Associate written notice of the existence of such breach and give Business Associate an opportunity to cure upon mutually agreeable terms. If Business Associate does not cure the breach or end the violation according to such terms, or if CorrectCare and Business Associate are unable to agree upon such terms, CorrectCare may
immediately terminate any agreement between CorrectCare and Business Associate which is the subject of such breach.

(b) Immediately terminate any agreement between CorrectCare and Business Associate which is the subject of such breach. If termination of the agreement is not feasible, CorrectCare will report the breach to the Secretary.

(c) Immediately stop all further disclosures of Protected Health Information to Business Associate pursuant to each agreement between CorrectCare and Business Associate which is the subject of such breach.

6.3 Effect of Termination. Except as provided in this section, upon termination of this Agreement for any reason, Business Associate shall return or destroy all Protected Health Information received from CorrectCare, or created or received by Business Associate on behalf of CorrectCare. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to CorrectCare notification of the conditions that make return or destruction infeasible. Upon notice that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6.4 Continuing Privacy Obligation. Business Associate’s obligation to protect the privacy of Protected Health Information is continuous and survives any termination, cancellation, expiration, or other conclusion of this Agreement or any other agreement between Business Associate and CorrectCare and the completion or earlier termination of the Services in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(I).

7. Notices. All notices pursuant to this Agreement must be given in writing and shall be effective when received if hand-delivered or if delivered by reputable overnight delivery service, facsimile or U.S. Mail to the appropriate address or facsimile number as set forth at the end of this Agreement.

8. Indemnity. Business Associate shall indemnify and hold CorrectCare harmless from all claims, damages, liabilities, judgments, costs, including reasonable attorneys’ fees, which CorrectCare may incur in connection with the performance or breach of Business Associate’s responsibilities, obligations, warranties, and representations contained in this Agreement. This provision shall survive the termination or expiration of this Agreement.


(a) Business Associate and CorrectCare agree that Individuals who are the subject of Protected Health Information are not third-party beneficiaries of this Agreement.

(b) The parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties agree that privacy and security requirements applicable to Covered Entities pursuant to the Standards for Privacy and Security are also applicable to Business Associates and are hereby
incorporated by reference. The parties further agree to take such action as may be necessary from time to time to implement the standards and requirements of HIPAA and other applicable laws relating to the security or confidentiality of Health Information. The parties understand and agree that CorrectCare must receive satisfactory written assurance from Business Associate that Business Associate will adequately safeguard all Protected Health Information that it receives or creates pursuant to this Agreement. Upon CorrectCare’s request, Business Associate agrees to promptly enter into negotiations with CorrectCare concerning the terms of any amendment to the Agreement embodying written assurances consistent with the standards and requirements of HIPAA or other applicable laws. CorrectCare may terminate this Agreement upon thirty (30) days written notice in the event (i) Business Associate does not promptly enter into negotiations to amend this Agreement when requested by CorrectCare pursuant to this Section, or (ii) Business Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of Protected Health Information that CorrectCare, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA.

(c) In the event that any provision of this Agreement violates any applicable statute, ordinance or rule of law in any jurisdiction that governs this Agreement, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.

(d) This Agreement may not be amended, altered or modified except by written agreement signed by Business Associate and CorrectCare.

(e) No provision of this Agreement may be waived except by an agreement in writing signed by the waiving party. A waiver of any term or provision shall not be construed as a waiver of any other term or provision. Nothing in this Agreement shall be deemed a waiver of any legally-recognized claim of privilege available to Business Associate.

(f) The persons signing below have the right and authority to execute this Agreement for their respective entities and no further approvals are necessary to create a binding Agreement.

(g) Neither CorrectCare nor Business Associate shall use the names or trademarks of the other party or of any of the respective party’s affiliated entities in any advertising, publicity, endorsement, or promotion unless prior written consent has been obtained for the particular use contemplated.

(h) All references herein to specific statutes, codes or regulations shall be deemed to be references to those statutes, codes or regulations as may be amended from time to time.

(i) This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky, and venue for any legal action arising under this Agreement shall be in the courts located in Lexington, Fayette County, Kentucky.

(j) Business Associate understands and acknowledges that any disclosure or misappropriation of any Protected Health Information in violation of this Agreement will cause CorrectCare irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that CorrectCare shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further disclosure or
breach and for such other relief as may be just and proper. Such right of CorrectCare is to be in addition to the remedies otherwise available to CorrectCare at law or in equity.

(k) Nothing in this Agreement shall be construed to create (1) a partnership, joint venture or other joint business relationship between the parties or any of their affiliates, or (2) a relationship of employer and employee between the parties.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement, as of the date set forth above.

BUSINESS ASSOCIATE

MARIPOSA COUNTY DETENTION

FACILITY

By: Merlin Jones
Its: Chair

CORRECTCARE – INTEGRATED HEALTH, INC.

By: Linda Goins
Its: President

APPROVED AS TO FORM:

STEVEN W. DAHLIN
COUNTY COUNSEL
THIRD PARTY ADMINISTRATION AGREEMENT

THIS THIRD PARTY ADMINISTRATION AGREEMENT ("Agreement") by and between CorrectCare-Integrated Health, Inc., 366 South Broadway, Lexington, Kentucky 40508, a Kentucky corporation ("CorrectCare"), and Mariposa County, Mariposa, California (hereinafter referred to as "Mariposa"), is entered into as of the first day of July 2015.

WHEREAS, Mariposa is responsible for providing medical services at the Mariposa County Jail; and

WHEREAS, Mariposa desires to contract with CorrectCare to provide certain medical-related administrative services as enumerated herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

WITNESSETH

A. Term.

1. The initial term of this Agreement shall be for twelve months, commencing July 1, 2015 and ending June 30, 2016 to coincide with Mariposa’s fiscal year.

B. Master Agreement.

1. CorrectCare and Mariposa agree that this Agreement constitutes the master agreement between them, and that it will be supplemented with separate addenda addressing the specific services to be provided by CorrectCare to Mariposa, including but not limited to Provider Network, Claims Administration, and Utilization Management ("Services"), as those needs arise. It is understood that the addenda will expire upon the same day as this Agreement and, if the term of this Agreement is extended beyond the scheduled expiration date for any reason, the addenda shall also be extended.

C. Duties and Responsibilities of CorrectCare.

1. CorrectCare agrees to maintain an office with facilities and personnel adequate to perform the Services and to answer the inquiries of Mariposa personnel, correctional facility personnel, and the medical providers with respect thereto. CorrectCare’s office shall be open daily, Monday through Friday, during normal working hours, except legal holidays. CorrectCare shall furnish all necessary telephone service and assume all routine daily mailing costs with respect to the Services it provides to Mariposa.

2. CorrectCare shall furnish data pertinent to the Services it provides to Mariposa in a format agreed upon by Mariposa and CorrectCare.

3. CorrectCare shall maintain a record of any inquiry with respect to the Services it provides to Mariposa and the disposition of the inquiry. These records or summaries thereof shall be made available to Mariposa at such intervals as shall be established from time to time.

4. CorrectCare shall prepare and maintain all necessary records regarding the Services it provides to Mariposa for audit purposes and shall cooperate in providing such data to Mariposa, pursuant to applicable state or federal laws.
5. CorrectCare shall, at all times during the term of this Agreement and as reasonably requested by Mariposa given the nature of the Services provided, maintain in force such insurance as is normal and customary in the industry or required by law or regulation, including the following:

a. Errors and Omissions insurance providing coverage in the amount of not less than Two Million dollars aggregate ($2,000,000.00) and One Million dollars ($1,000,000.00) per occurrence with a per claim deductible not to exceed Twenty-five Thousand dollars ($25,000.00); and

b. A fidelity bond providing coverage, including “money and securities” coverage, for all officers (except the shareholders) and other employees of the TPA in the amount not less than Five hundred Thousand ($500,000.00) with a deductible not to exceed Twenty-five Thousand dollars ($25,000); and

c. General Liability Insurance; and

d. Appropriate Employers Liability/Workers Compensation insurance covering CorrectCare’s employees.

6. CorrectCare’s duties and responsibilities are further set forth in the addenda attached hereto, which are incorporated herein by reference.

D. Duties and Responsibilities of Mariposa.

1. Mariposa’s duties and responsibilities are further set forth in the addenda attached hereto, which are incorporated herein by reference.

E. Indemnification.

1. CorrectCare agrees to defend, indemnify and hold harmless Mariposa and its employees, officers, directors and agents from and against any and all claims, causes of action, proceedings, penalties, fines, losses, damages, costs, expenses or other liabilities of whatever nature, including, without limitation, settlement costs and reasonable attorney fees, court costs and other expenses incurred in investigating, prosecuting or defending any claim or action, or any threatened claim or action, which is based upon or arises out of or in connection with any of the following:

a. Any actual or alleged act or omission on the part of CorrectCare or its affiliates, or any of its employees officers, directors, agents or independent contractors which is unreasonable in accordance with standards of its industry, unless the act or omission was at the express direction of Mariposa; provided, however, that said claims, losses or other liabilities were not directly caused by instructions from Mariposa based upon erroneous advice given to Mariposa by CorrectCare; or

b. The breach of any agreement or representation made by CorrectCare in this Agreement or any separate addenda hereto.

2. Mariposa agrees to defend, indemnify and hold harmless CorrectCare and its employees, officers, directors and agents from and against any and all claims, causes of action, proceedings, penalties, fines, losses, damages, costs, expenses or other liabilities of whatever nature, including, without limitation, settlement costs and reasonable attorney fees, court costs and other expenses incurred in investigating, prosecuting or defending any claim or action, or...
any threatened claim or action, which is based upon or arises out of or in connection with any of the following:

a. Any actual or alleged act or omission by CorrectCare performed at the specific direction of Mariposa or any of its employees, officers, directors, other agents or independent contractors with respect to the Services provided under this Agreement or any separate addenda hereto; provided however, that said claims, losses or other liabilities were not directly caused by instructions from Mariposa based upon erroneous advice given to Mariposa by CorrectCare; or

b. The breach of any agreement, or representation made by Mariposa in this Agreement or any separate addenda hereto.

3. Termination of this Agreement or any separate addenda hereto shall not relieve either party of its indemnification obligations.

F. Confidentiality of Protected Health Information.

1. The parties acknowledge that Mariposa is a “Covered Entity” and that CorrectCare is a “Business Associate”, as those terms are defined under the Health Insurance Portability and Accountability Act (“HIPAA”). The parties further acknowledge and agree that they may be exchanging “protected health information” in the course of fulfilling the obligations under this Agreement or any separate addenda hereto. Consequently, as of the date of this Agreement and during its Term and any renewals thereof, each of the parties shall be and shall thereafter remain compliant with all applicable provisions of 45 C.F.R. Part 164, Subpart E, Privacy of Individually Identifiable Health Information, and Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and C, and any amendments thereto.

G. Termination.

1. This Agreement or any separate addenda hereto may be terminated by Mariposa or CorrectCare as follows:

   a. Upon thirty (30) days prior written notice, for any reason;

   b. Upon ten (10) days prior written notice in the event of a default or material change in circumstances under this Agreement or any separate addenda hereto by CorrectCare or Mariposa; or

   c. Immediately upon written notice in the event of dissolution, loss of license, abandonment, actual, alleged or suspected fraud, gross or willful misconduct, insolvency or lack of legal capacity to act on the part of CorrectCare or Mariposa.

2. The following are events of default or material change in circumstances under this Agreement and all separate addenda hereto:

   a. any material breach of a term of this Agreement or any separate addenda hereto which is not cured by the breaching party within ten (10) days after receipt of notice of such breach from the other party;

   b. the discovery of the falsity of any representation or warranty made by one party to the other; or
c. the levying of any attachment, execution or any process against CorrectCare which is not promptly removed or the filing of any petition under any bankruptcy statute against either party or the appointment of any receiver or equivalent to take possession of its properties which is not set aside or terminated within ten (10) days from the occurrence thereof.

3. Notwithstanding the termination of this Agreement or any separate addenda hereto as provided herein, the provisions of this Agreement and all separate addenda hereto shall continue to apply to the extent needed for all obligations and liabilities incurred by each party under this Agreement or any separate addenda hereto prior to such termination to be fully performed and discharged by such parties up to the date of termination. In addition, at the request of Mariposa, CorrectCare shall continue to perform its obligations pursuant to the Agreement or any separate addenda hereto post termination in order to effect the orderly transfer of files, subject to the payment of compensation on the same basis as provided for herein.

H. Miscellaneous.

1. The parties acknowledge that CorrectCare is an independent contractor. Nothing in this Agreement or any separate addenda hereto is intended nor shall be construed to create an agency relationship or an employer/employee relationship between CorrectCare and Mariposa.

2. CorrectCare shall not assign this Agreement or any separate addenda hereto to any other corporation, other than by merger, without the prior written consent of Mariposa, which consent shall not be unreasonably withheld.

3. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement or any separate addenda hereto shall be in writing and shall be deemed to have been duly given if sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery using a nationally recognized overnight delivery service, and addressed to the appropriate party at the following address or to any other person at any other address as may be designated in writing by the parties:

a. CorrectCare  CorrectCare – Integrated Health, Inc.
   366 South Broadway
   Lexington, Kentucky 40508
   Attn: President

   With copy to: Moynahan, Irvin & Mooney, P.S.C.
   110 North Main Street
   Nicholasville, Kentucky 40356
   Attn: James M. Mooney, Esq.

b. Mariposa  Mariposa County Sheriff’s Office
   PO Box 276
   Mariposa, CA 95338
   Attn: Undersheriff

   With copy to: ______________
   Attn: __________________
4. This Agreement, the separate addenda, and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of California.

5. This Agreement and all addenda attached hereto constitute the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions and agreements that have been made in connection with the subject matter hereof. No modifications or amendments to this Agreement or any separate addenda hereto shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto. All prior negotiations, agreements and understandings with respect to the subject matter of this Agreement or any separate addenda hereto are superseded hereby.

6. This Agreement or any separate addenda hereto may be amended or revised only in writing and signed by all parties.

7. The waiver by either party of a breach or violation of any provision of this Agreement or any separate addenda hereto shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

8. The parties agree that they have not entered into this Agreement or any separate addenda hereto for the benefit of any third person or persons, and it is their express intention that the Agreement and addenda are intended to be for their respective benefit only and not for the benefit of others who might otherwise be deemed to constitute third party beneficiaries hereof.

9. In the event any provision of this Agreement or any separate addenda hereto is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement or addenda, which shall remain in full force and effect and enforceable in accordance with its terms.

10. Neither party shall be held responsible for any delay or failure in performance to the extent that such delay or failure is caused by fire, flood, explosion, war, strike, labor action, terrorism, embargo, government regulation, riot, civil or military authority, act of God, acts or omissions of carriers or other similar causes beyond its control.

11. In performing their respective obligations under this Agreement or any separate addenda hereto, each party shall comply with all requirements, as applicable to that party, of federal, state and local laws, including without limitation, HIPAA, and all regulations promulgated under any federal, state and local statute or ordinance.

12. If the parties hereto are unable to agree on any matter arising under this Agreement or any separate addenda hereto, the parties shall jointly select an individual to mediate the dispute. This individual may or may not be known to either or both parties and may be selected based on his or her knowledge of the subject matter of the dispute. After selection, the mediator shall promptly review the situation and shall meet jointly and severally with the parties, as the mediator shall determine. All matters prepared for or discussed with the mediator shall be an attempt to settle a dispute without resort to litigation and shall not be admissible as evidence should litigation arise. If the parties are not able to agree on a mediator within thirty (30) days after one party requests mediation, or if the mediation does not result in a resolution of the dispute within sixty (60) days thereafter, the parties shall have no further obligation under this paragraph.
IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

MARIPOSA COUNTY

By: Merlin Jones
Its: Chair

CORRECTCARE – INTEGRATED HEALTH, INC.

By: Linda Goins
Its: President

APPROVED AS TO FORM

STEVEN W. Dahlen
COUNTY COUNCIL
PROVIDER NETWORK ADDENDUM

THIS PROVIDER NETWORK ADDENDUM ("Addendum") by and between CorrectCare-Integrated Health, Inc., 366 South Broadway, Lexington, Kentucky 40508, a Kentucky corporation ("CorrectCare"), and Mariposa County, Mariposa, California (hereinafter referred to as "Mariposa"), is entered into as of the 1st day of July, 2015 and is attached to and made a part of that certain Third Party Administration Agreement ("Agreement") between said parties dated the 1st day of July, 2015.

B. Duties and Responsibilities of CorrectCare.

1. CorrectCare will provide Mariposa
   a. Access to network providers for each inmate covered by Prime Health Services.

2. CorrectCare understands and agrees that all health files, and all forms required for filing a claim which are maintained by it pursuant to this Addendum or otherwise for Mariposa shall be and remain the property of Mariposa and shall be delivered to Mariposa upon demand. No guaranty or warranty is made regarding the adequacy of the same for use by any other organization or person, which shall be transferred unmodified and in the operational condition existing immediately prior to any such transfer. No such transfer shall, in any event, include computer programs or systems developed or utilized by CorrectCare in the administration of this arrangement.

C. Duties and Responsibilities of Mariposa.

1. In consideration for providing access to network providers and for assuming the responsibilities of such functions, Mariposa shall pay CorrectCare a fee of Eleven dollars ($11.00) per claim for participating network providers. For secondary or wrap networks, a fee of 25% of savings will be applied. Total annual payment for all services provided by CorrectCare to Mariposa shall not exceed Seven thousand two hundred dollars ($7200) without the execution of a new addendum.

2. Mariposa shall be responsible for payment of CorrectCare’s services provided hereunder within thirty (30) days receipt of invoice.

3. Mariposa agrees to take the following actions with respect to this arrangement to facilitate proper administration by CorrectCare:
   a. Supply CorrectCare with all information required with respect to inmates eligible for medical services and notify CorrectCare of all changes occurring thereafter with respect to the status of all inmates receiving care through Mariposa.
   b. Provide CorrectCare with such additional information with respect to matters incidental to its services as may be requested by CorrectCare from time to time.
MARIPOSA COUNTY

By: Merlin Jones
Its: Chair

CORRECTCARE – INTEGRATED HEALTH, INC.

By: Linda Goins
Its: President

APPROVED AS TO FORM

STEFAN W. DAVIS
STEVEN W. DAVIS
COUNTY COUNCIL
UTILIZATION MANAGEMENT ADDENDUM

THIS UTILIZATION MANAGEMENT ADDENDUM ("Addendum") by and between CorrectCare-Integrated Health, Inc., 366 South Broadway, Lexington, Kentucky 40508, a Kentucky corporation ("CorrectCare"), and Mariposa County Mariposa, California (hereinafter referred to as "Mariposa"), is entered into as of the 1st day of July, 2015 and is attached to and made a part of that certain Third Party Administration Agreement ("Agreement") between said parties dated the 1st day of July, 2015.

B. Duties and Responsibilities of CorrectCare.

1. CorrectCare will provide Mariposa
   a. Utilization Review/Pre-certification for each inmate who is in custody at the time of service.

2. CorrectCare understands and agrees that all health files, and all forms required for filing a claim which are maintained by it pursuant to this Addendum or otherwise for Mariposa shall be and remain the property of Mariposa and shall be delivered to Mariposa upon demand. No guaranty or warranty is made regarding the adequacy of the same for use by any other organization or person, which shall be transferred unmodified and in the operational condition existing immediately prior to any such transfer. No such transfer shall, in any event, include computer programs or systems developed or utilized by CorrectCare in the administration of this arrangement.

B. Duties and Responsibilities of Mariposa.

1. In consideration for providing Utilization Review/Pre-certification and for assuming the responsibilities of such functions, Mariposa shall pay CorrectCare monthly during the term of the Agreement on the first day of the month in which services are rendered an amount equal to seventy-five cents ($0.75) per inmate per month. The monthly inmate count is determined by the average of the daily population for the month. Total annual payment for all services provided by CorrectCare to Mariposa shall not exceed Seven thousand two hundred dollars ($7200) without the execution of a new addendum.

2. Mariposa shall be responsible for payment of CorrectCare’s services provided hereunder within thirty (30) days receipt of invoice.

3. Mariposa agrees to take the following actions with respect to this arrangement to facilitate proper administration by CorrectCare:
   a. Supply CorrectCare with all information required with respect to inmates eligible for medical services and notify CorrectCare of all changes occurring thereafter with respect to the status of all inmates receiving care through Mariposa.
   b. Provide CorrectCare with the monthly inmate count within ten (10) days after the end of each month.
   c. Provide CorrectCare with such additional information with respect to matters incidental to its services as may be requested by CorrectCare from time to time.
MARIPOSA COUNTY

By: Merlin Jones
Its: Chair

CORRECTCARE - INTEGRATED HEALTH, INC.

By: Linda Goins
Its: President

APPROVED AS TO FORM

[Signature]

STEWEN W. DAHLER
COUNTY COUNCIL
CLAIMS ADMINISTRATION ADDENDUM

THIS CLAIMS ADMINISTRATION ADDENDUM ("Addendum") by and between CorrectCare-Integrated Health, Inc., 366 South Broadway, Lexington, Kentucky 40508, a Kentucky corporation ("CorrectCare"), and Mariposa County Mariposa, California (hereinafter referred to as "Mariposa"), is entered into as of the 1st day of July, 2015 and is attached to and made a part of that certain Third Party Administration Agreement ("Agreement") between said parties dated the 1st day of July, 2015.

B. Duties and Responsibilities of CorrectCare.

1. CorrectCare agrees to perform the duties of claims processing, including payment of claims, and to answer the inquiries of Mariposa with respect to claims processing for each inmate in custody at the time of service.

2. CorrectCare shall furnish claim schedules and other data in a format agreed upon by Mariposa and CorrectCare.

3. Providers shall submit properly coded claims on standard CMS claim forms – HCFA1500/UB04 directly to the Mariposa County Sheriff’s Office. Incomplete or incorrect claims will be returned to the provider with appropriate explanation for return.

4. Upon receipt of complete information with respect to a claim, CorrectCare shall process and pay such claims in accordance with the then existing discount plan and CMS standards. CorrectCare shall supply documentation of the claims processed to Mariposa and issue checks for the then existing discount plan’s claims from the private claims account for those claims. Upon reimbursement by Mariposa to the private claims account in the amount of the processed claims, CorrectCare shall issue payment to the providers.

5. The private claims account shall require dual signatures.

6. The private claims account shall be maintained in trust by CorrectCare for the sole purpose of settling inmate claims and shall not be commingled with funds belonging to other parties, including CorrectCare. In addition, with Mariposa’s prior written authorization, CorrectCare may settle from the private claims account its own fees and expenses owed pursuant to this Addendum.

7. It is understood and agreed that CorrectCare will have no obligation to pay claims except from the private claims account.

8. Upon termination of this Addendum, CorrectCare shall provide a full accounting of the private claims account and shall return any balance therein to Mariposa within thirty (30) days.

9. CorrectCare shall cooperate fully with Mariposa as to any investigation, review or inquiry regarding a claim or claim determination.

10. CorrectCare shall pay benefits in accordance with the terms of the then existing discount plan adopted by Mariposa and any rules and interpretations of the discount plan approved by Mariposa.

11. CorrectCare shall furnish a monthly claim record in a format agreed upon by Mariposa and CorrectCare.
12. It is understood and agreed that the services performed by CorrectCare under this Addendum shall be ministerial in nature and shall be performed within the framework of polices, interpretations, rules, practices and procedures made or established by Mariposa or its clients.

13. CorrectCare shall not have discretionary authority or discretionary control with respect to the management of any funds or the disposition thereof.

B. Duties and Responsibilities of Mariposa.

1. In consideration for its performance of the functions of claims processing for the then existing discount plan and assuming the responsibilities of such functions, Mariposa shall pay CorrectCare an amount equal to Ten dollars ($10.00) for each claim adjudicated during such month. Total annual payment for all services provided by CorrectCare to Mariposa will not exceed Seven thousand two hundred dollars ($7200) without the execution of a new addendum.

2. Mariposa shall be responsible for timely payment of CorrectCare’s services provided hereunder. Eligible claims shall include any incurred but unreported claims filed with CorrectCare after an inmate’s release or the termination of the Agreement or this Addendum.

3. Mariposa agrees to take the following actions with respect to this arrangement to facilitate proper administration by CorrectCare:
   a. Supply CorrectCare with all information required with respect to inmates eligible for medical services and notify CorrectCare of all changes occurring thereafter with respect to the status of all inmates receiving care through Mariposa.
   b. Provide CorrectCare with such additional information with respect to matters incidental to its services as may be requested by CorrectCare from time to time.

MARIPOSA COUNTY

By: Merlin Jones
Its: Chair

CORRECTCARE – INTEGRATED HEALTH, INC.

By: Linda Goins
Its: President

APPROVED AS TO FORM:

STEVEN W. DAHLEN
COUNTY COUNSEL