HOUSING SERVICES CONTRACT

This **CONTRACT** is between Cenpatico Behavioral Health of Arizona, LLC, (Hereinafter the "RBHA") the Regional Behavioral Health Authority for the Arizona counties of Yuma, LaPaz, Gila and Pinal Counties. Cenpatico is located at 1501 West Fountainhead Parkway, Tempe, AZ 85282 and:

Housing Subsidy Administrator

Housing Services Contractor (Hereinafter the "Contractor")

Gila County Community Action\Housing Services
Gila County Public Housing Authority
Community Services Department
5515 South Apache Avenue, Suite 200
Globe, Arizona 85501
(928) 425-7631
(928) 425- 9468 (fax)

TERM: The term of this Contract shall extend until June 30, 2015 from the Effective Date which shall be January 30, 2011.

SERVICE OR SUPPLY PROVIDED: Administration and management of housing assistance funds and the provision of housing assistance services for adults with serious mental illnesses in conformance with HUD standards, ADHS/DBHS and Arizona law.

FOR AND ON BEHALF OF THE RBHA:

SIGNATURE

Terry Stevens, CEO
Cenpatico Behavioral Health of Arizona, LLC
Regional Behavioral Health Authority

FOR AND ON BEHALF OF SUBSIDY ADMINISTRATOR:

SIGNATURE

Michael Pastor, Chairman
Gila County Board of Supervisors
Subsidy Administrator
Approved as to form:

Bryan B. Chambers,
Chief Deputy County Attorney

A. DEFINITIONS

ADHS means the Arizona Department of Health Services, Division of Behavioral Health Services.

ADOH means the Arizona Department of Housing.

AHCCCSA means the Arizona Health Care Cost Containment System Administration as defined by A.R.S. Title 36, Chapter 29.

CONTRACT means the existing and any future agreement between the RBHA and ADHS to provide Regional Behavioral Health Authority Services in Gila County Arizona.

COVERED PERSON shall mean an individual who is entitled to receive housing Services under the RBHA/ADHSDBHS Contract

ELIGIBLE PERSON shall mean an individual who needs or is at risk of needing Housing Rent Subsidy and who is entitled to receive State housing services under the RBHA/ADHS Contract. An Eligible Person may be one of the following:

- Eligible Person means an individual who is enrolled in the RBHA and living in a supervised setting ready to live independently.

- Homeless Eligible Person means an adult who meets the ADHS/DBHS definition of homelessness who lacks a fixed, regular and adequate nighttime residence, and has a primary nighttime residency that is:
  - A supervised publicly or privately operated shelter designed to provide temporary living accommodations
  - An Institution that provides temporary residence for individuals intended to be institutionalized for a certain time period
  - A public or private place not fit or designed or ordinarily used as a regular sleeping accommodations for human beings
  - Adults with serious mental illnesses who are living in cars, parks, public spaces, abandoned buildings, substandard housing bus or train stations.
  - A RBHA enrolled adult served with written eviction notices from the court giving them 30 days or less to vacate.

- An adult head of the household with or without children enrolled in the RBHA with a serious mental illness and have no place to sleep at night.

ENROLLED PERSON/MEMBER shall mean a Title XXI or Title XIX Eligible Person recorded in the ADHS/DBHS Client Information System as specified by the ADHS/DBHS and entitled to receive Housing Services under the RBHA/ADHS Contract.

HOMELESS PERSON means a person who 1) lacks a fixed, regular and adequate residence, or 2) has a primary nighttime residence that is a.) supervised publicly or privately-operated shelter designed to provide temporary living accommodations, or b) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. *See eligible person.*

HOUSING PLAN shall mean the document entitled *Strategic Plan for Housing.*

HOUSING SERVICES shall mean the housing assistance which a Covered Person is eligible to receive as provided in the RBHA/ADHS Contract, which services are administered and in accordance with standards established by the State of Arizona, and HUD and pursuant to applicable state and federal law.

HOUISNG SUBSIDY ADMINSITRATOR shall mean the administrator of the Bridge Subsidy Rental Housing Program for Adults with Serious Mental Illness (SMI).

HUD means the United States Department of Housing and Urban Development.

LESSOR means property owners, landlords, housing providers, or apartment complex managers who have entered into a contractual relationship for the pilot Bridge Subsidy Program for the provision of Housing Services pursuant to this Contract.

RESIDENTIAL TREATMENT FACILITY Community Housing that consists of housing and housing related services in a supervised setting for enrolled members eligible who may be moving towards in independent living. These living situations offer a less restrictive and limited programmed setting where tenants attend school and/or work and engage in community activities. Services include enhanced support in independent living skills, money management, employment, community integration, group/family counseling and vocational training. The focus is on assisting consumers in establishing a social support system and access to community resources successfully. Rental subsidy is provided with consumers paying no more than 30% of their adjusted income towards rent as listed in their lease/occupancy agreement.

SERIOUSLY MENTALLY ILL (SMI) shall mean those adult persons with a mental disorder who meet diagnostic requirements as set forth by the ADHS/DBHS and whose emotional or behavioral functioning is so impaired as to interfere with their capacity to remain in the community without supportive treatment. Although persons with primary diagnoses of mental retardation, developmental disabilities, head injuries or Alzheimer's disease frequently have similar problems or limitations, they are not included in this definition.

SERVICES shall mean those housing related services that a Covered Person is entitled to receive under the terms of the Contract for the Bridge Subsidy Program.

B. COVERED SERVICES–CONTRACTOR'S AND THE RBHA'S OBLIGATIONS

1. **Managed Care.** The Contractor and RBHA acknowledge that the ADHS/DBHS and RBHA Contract is designed around the concept of recovery. The Contractor agrees to participate in the RBHAs behavioral health care programs including quality assurance, utilization management, risk management, and cost containment, as applicable.

2. **Housing Plan.** The Contractor agrees to be responsible for working with the RBHA and ADHS to implement the goals and strategies contained in the Housing Plan.

3. **Referral.** The Contractor shall be responsible for the timely and accurate processing of referrals in accordance with the RBHAs Policy and Procedures for Covered Persons referred to the Contractor from all sources for Housing Services as outlined in the Housing Plan and this Contract.

    a. The Contractor shall be accountable for meeting housing quality standards established by HUD. In addition, the Contractor shall require landlords who accept vouchers to comply with the Arizona Residential Landlord Tenant Act, the Americans with Disabilities Act, and the State and Federal Fair Housing Laws, as well as the contract grievance resolution requirements of ADHS/DBHS.

    b. The Contractor shall provide a copy of RBHAs' Housing Policies and Procedures to all Bridge Subsidy Housing staff and each staff member shall be required to perform in accordance with the RBHAs' Housing Policies and Procedures. The Contractor shall assure that the property managers implement the applicable provisions of the Housing Policies and Procedures.

    c. The Contractor agrees to timely and accurately manage and administer all Housing Services required by this Contract to all Covered Persons.

4. **ADHS Program Requirements.** The Contractor shall comply with all applicable federal, state and local laws, rules and regulations governing the Contractor's performance under this Contract. The Contractor shall comply with the specific ADHS/RBHA requirements referenced in this Contract including, the Housing Policies and Procedures, and shall comply with the ADHS State Contract Requirements, and the ADHS subcontract requirements included as a part of this Contract as Exhibit III, as applicable. In the event that applicable federal, state or local law or regulations change, the Contractor agrees to comply with such changes.

5. **Representations.** The Contractor represents and warrants that the Contractor is, to the extent necessary, qualified to do business as a non-profit corporation or Public Housing Authority and is registered and licensed and is in good standing through all required state and federal agencies including HUD, ADHS and the Arizona Corporation Commission. To the extent required by law or the Contract, the Contractor shall maintain in good standing all such licenses, registrations, certificates through out the four year (4) year term of this Contract and shall notify the RBHA and the ADHSD/DBHS within twenty-four (24) hours should any action of any kind be initiated against the Contractor which could result in the suspension or loss of such license, registration or certification, the suspension or loss of any accreditation, or the imposition of any sanctions against the Contractor. The Contractor agrees to furnish the RBHA and ADHS/DBHS copies of any such certificate, license and appropriate registration referenced herein upon execution of this Contract.

6. **Quality Assurance.** The Contractor agrees to comply with the RBHA's quality management requirements relating to housing quality standards for Covered Persons. A copy of the applicable quality standards has been provided to the Contractor by the RBHA. The Contractor agrees to resolve any quality of service complaints from Covered Persons in a timely manner.

7. **Organizational Infrastructure.** The Contractor hereby represents and warrants that it shall have in place and operational an organizational infrastructure to timely and accurately implement the administration and management of the Housing Services required by the Contract. The Contractor further represents and warrants that it has the necessary space, equipment, financial and human resources necessary to carry out its obligations of administering and managing the Housing Services required by this Contract.

C. COMPENSATION

1. **Billing/Payment:**

   a. **Sources of Payment/Adjustments.** Not withstanding any other funds generated by the Contractor independent of this contract, only funds from this contract and funds from Participants as herein authorized shall be utilized for payment of rental housing until the adults with serious mental illnesses become eligible for a Section 8 voucher.

   b. **Availability of Funds.** Payments made by the RBHA to the Contractor pursuant to this Contract and the continued authorization are conditioned upon the availability and authorization of funds through ADHS/DBHS to the RBHA.

c. **Compliance by Contractor.** If the Contractor is in any manner in default in the performance of any material obligation under this Contract, or if financial, compliance or performance audit exceptions are identified, the RBHA may, at its option and in addition to other available remedies, either adjust the amount of payment or cause payment to be withheld until satisfactory resolution. The *RBHA* shall provide written notice of any such action. Under no circumstances shall payments exceed amount specified in this Contract without an approved written amendment to this Contract. The RBHA may, at its option, withhold or adjust final payment to the Contractor until receipt and approval of all final reports and deliverables.

d. **No Carryover.** The Contractor shall not have discretion under this Contract or otherwise to carryover funds or services delivery beyond the four years stated in this Contract.

e. **Provisional Nature of Payments.** All payments to the Contractor shall be provisional and shall be subject to review and audit for their conformity with the provisions hereof and of any applicable Contract schedules.

f. **Fund Amounts.** The amount to be funded under this contract shall not exceed the rates cited on Exhibit I herein. This is the RBHAs' maximum financial liability for tenants and does not indicate a guaranteed amount.

2. **Payment for Services.** Payment for services shall be in accordance with Exhibit I of this Contract.

3. **Non-Liability of Covered Persons.** The Contractor hereby agrees that in no event, including but not limited to, non-payment by ADHS/DBHS or the RBHA's insolvency or breach of this Contract, shall the Contractor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a tenant or persons acting on behalf of a tenant for services provided pursuant to this Contract. The Contractor further agrees that this provision shall survive the termination of the RBHA contract regardless of the cause giving rise to termination.

D. FINANCIAL INFORMATION

1. The Contractor must maintain an official accounting system that records all financial transactions and equitably allocates expenses to programs or services in accordance with GAAP (Generally Accepted Accounting Procedures). The accounting system must provide an audit trail that allows reported financial data to be verified.

2. The accounting system must maintain a segregation of revenue and expenditures by fund source. Allocation of cost to a fund source is acceptable provided an adopted, consistently applied cost allocation system which accurately documents cost as an integral part of the Contractor's accounting system.

3. The Contractor shall provide the RBHA no later than 45 days following the end of each of the Contractor's fiscal quarters, its internally prepared balance sheet, statement of revenues and expenses and statement of cash flow, all for the preceding fiscal quarter and fiscal year to date. The information shall be certified by an officer of the Contractor that to the best of his or her knowledge the information is correct and complete and fairly present the financial condition and results of the Contractor as of and to the date thereof.

4. The Contractor shall participate in such cost finding procedures as may be required by the RBHA and shall provide the RBHA at such times as may be requested by the RBHAs information sufficient to enable the RBHA to ascertain the amount of all incurred expenses.

E. ASSIGNMENTS/DELEGATION:

Assignment/Delegation of Contractor's Rights and Obligations. The Contractor's rights or obligations under this Contract shall not be assigned or transferred without written approval by the RBHA and the ADHS.

F. TERM AND TERMINATION

1. **Term.** This Contract shall take effect on the "Effective Date" designated on the signature page and shall continue until June 30, 2015.

2. **Termination Without Cause.** Either party may terminate this Contract without cause upon at least sixty (60) days prior written notice. In the event of termination, the Contractor shall be paid as provided in this Contract for all services provided through the effective date of termination, and for any services which are provided thereafter to transition Covered Persons.

3. **Immediate Termination.** The RBHA/ADHSDBHS shall have the unilateral right to terminate this Contract by giving written Notice to the Contractor under any of the following events:

   a. the limitation suspension or revocation of Contractor's license(s) or accreditation(s), or

   b. the Contractor or property manager's action or inaction that results in a threat to the health or well-being of a tenant;

c. cancellation or termination of the RBHA's Contract with ADHS; or

d. breach of this Contract by Contractor and failure of the Contractor to cure the breach within the cure period as specified in this Contract. In the event that the RBHA alleges a breach by the Contractor, the RBHA shall notify the Contractor in writing of the alleged breach and the Contractor shall have a reasonable time not to exceed thirty (30) days to cure such breach, except for those conditions described in section F (3)(b), above in which case no opportunity for cure shall be allowed; or

e. failure of Contractor to maintain liability insurance coverages required by this Contract.

4. **Effect of Termination.** Upon termination, regardless of cause or reason, the Contractor agrees that any Covered Person receiving Housing Services prior to termination will continue to receive properly authorized and approved Housing Services until the RBHA can arrange transfer of responsibility for the Covered Person to another Housing Contractor. The RBHA agrees that the Contractor shall be paid upon receipt of final invoice for all services performed until such time as the transfer is completed. The RBHA also agrees to pay all amounts due the Contractor pursuant to this Contract within thirty (30) days of the effective date of Termination. Upon termination, all rights and obligations of the parties to this Contract shall immediately cease except as otherwise provided herein.

5. **Transfer of Records.** Upon termination, the Contractor shall comply with reasonable RBHA requests for the transfer of Records for Tenants. The Contractor shall timely deliver or cause to be delivered accurate and legible photocopies of complete Records of Covered Person to another party, in the manner and time period as reasonably directed by the RBHA.

G. RECORD KEEPING

1. **Record Keeping Requirements.** The Contractor shall ensure that its property manager maintain complete, accurate and timely records for each Covered Person receiving Housing Services. The Contractor shall keep summary records related to the administration of the Housing Services referenced in this Contract. The Records referenced herein shall be maintained by the Contractor for at least five (5) years following the termination of this Contract unless otherwise extended by law, HUD, ADHS, or AHCCCSA. The RBHA, HUD and ADHS shall have the right to inspect, review and have copies made of all Covered Person records within ten (10) days of any request at no charge to the RBHA, HUD or ADHS. In addition, the Contractor agrees to make complete accurate and timely accounting of all funds as required by each funding source and/or applicable law.

2. **Safeguarded and Confidential Information.** The Contractor's Records of Covered Persons and other information relating to Covered Persons are safeguarded by law. This safeguarded and confidential information may only be released as authorized by law. It is the responsibility of the Contractor to follow and adhere to all laws, state and federal, related to safeguarded and confidential information.

3. **Express Representation.** The Contractor expressly represents and warrants that it has in place the required record keeping and cost accounting system required by the *RBHA*, ADOH, HUD and ADHS to fulfill its obligations contained in this Contract. In addition, ADHS may audit and inspect any of the Contractor's records that pertain to services performed and accounting of all funds received and expended relating to such services.

4. **RBHA Audit.** RBHA shall be entitled during the term of this Contract to audit, monitor and evaluate the Housing Services delivered pursuant to this Contract upon reasonable notice and at reasonable hours. In addition, the RBHA shall be entitled during the same period of time and under these same circumstances to audit the State funds received and expended by the Contractor and other funds received by the Contractor pursuant to this Contract.

H. ACCESS TO INFORMATION AND RECORDS:

1. The *RBHA*, ADOH and HUD, shall have full and complete rights to inspect, reproduce, duplicate, adapt, distribute, display, disclose and otherwise use all reports, information, data and material prepared by the Contractor in the performance of the Contract. Applicable State and Federal confidentiality laws shall apply.

2. The Contractor agrees that the *RBHA* and any other appropriate agent of the State or Federal government, or any of their duly authorized representatives, shall have access to the Contractor's facilities and the right to examine any books, documents and records of the Contractor involving transactions related to this Contract and that such books, documents and records shall not be disposed of except as provided herein. The *RBHA* will comply with all applicable copyright laws.

I. INSURANCE AND INDEMNIFICATION

1. **Insurance Requirements.** The Contractor shall secure and maintain at Contractor's expense, throughout the term of this Contract, such policy or policies of professional liability insurance in an amount not less than One Million Dollars ($1,000,000.00) each occurrence, not less than Three Million Dollars ($3,000,000.00) aggregate, for all of Contractor's activities under this Contract. Upon execution of this Contract, the Contractor shall provide the RBHA copies of

all certificates of insurance and upon renewal; Contractor shall provide copies to the RBHA within thirty (30) Days of renewal. The Contractor shall notify the RBHA within five (5) days from the time the Contractor receives notice of cancellation or amendment to these insurance policies. The Contractor shall notify the RBHA promptly of any legal action alleging professional negligence against the Contractor and of any final judgment that may be rendered against the Contractor relating to such legal action. If any policy of liability insurance is terminated, the Contractor shall immediately notify the RBHA and, if the insurance was "claims made" coverage, the Contractor shall purchase "tail" coverage in an amount necessary and adequate to continue coverage which meets all of the requirements of this paragraph relating to any Housing Services rendered during the term of this Contract. The Contractor further agrees that this provision shall survive the termination of this Contract regardless of the cause giving rise to termination.

2. **Indemnification.** The Contractor hereby agrees to defend, indemnify and hold the RBHA and the ADHS/DBHS harmless against any claim, legal action for injunctive relief or damages and administrative proceedings by a third party of any type where such claim, legal action or administrative proceeding arises as a result of the acts or omissions, including services provided, of the Contractor, its directors, officers, employees or agents, under the terms and conditions of this Contract. The Contractor further agrees that this provision shall survive the termination of this Contract regardless of the cause giving rise to termination.

3. The Contractor shall comply with all laws regarding Unemployment Insurance, Workers' Compensation and the Fair Labor Standards Act and shall also be responsible for all tax withholding obligations for itself and its employees. The *RBHA* shall not have any responsibility for any of the foregoing items or responsibilities.

4. The Contractor shall provide and maintain at the Contractor's expense appropriate liability insurance for all occurrences except damage cost incurred to units occupied by the *RBHA* authorized participants. In no event shall the total coverage be less than the minimum insurance coverage specified above.

5. Comprehensive automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars ($1,000,000.00), each occurrence, with respect to the Contractor's vehicles (whether owned, hired, non-owned), assigned to or utilized in the performance of this Contract.

6. Director and Officer Coverage of one million dollars shall be required for non-profit Contractors. Fidelity coverage of five hundred thousand ($500,000) shall be required for all Contractors.

7. The Contractor shall name the *RBHA* their agents, officials and employees as additional insurers and shall specify that the insurance afforded by the Contractor shall be primary insurance and any insurance or self-insurance of the *RBHA* or its employees shall be excess, not contributory insurance, to that provided by the Contractor. Such policy shall contain a severability of interest's provision and provision for at least thirty (30) days prior written notice to the *RBHA* of any cancellations, non-renewal or material change in coverage. The *RBHA* reserves the right to continue payment of premiums for which reimbursement shall be deducted from amounts due or subsequently due to the Contractor. Insurers qualified to transact business in Arizona shall issue all policies. .

8. The Contractor's failure to procure and maintain the required liability insurance or to provide proof thereof to the *RBHA* within 30 days following the commencement of a new policy period, shall constitute a material breach of this Contract upon which the *RBHA* may obtain coverage and adjust Contractor's payments to reflect cost of policy and acquisition or terminate this Contract. Prior to the effective date of this Contract, the Contractor shall furnish the *RBHA* with copies of the State of Arizona Certificate of Insurance (RM7200.1) or a certificate of substantially the same content.

J. SANCTIONS & PENALTIES

1. **Sanctions.** If *the RBHA* is ever subject to any penalty or find under its Contract with ADHS, ADOH, or AHCCCS due to the Contractor's failure to timely or accurately pay any claim or submit timely or accurate records and reports to the RBHA, the Contractor shall reimburse the RBHA for all penalties and fines within ten (10) business days after providing notice of the fine or penalty to the Contractor.

2. **Penalties.**

   a. In any instance where the Contractor knowingly submitted claims for services that were not provided, the *RBHA* may assess monetary penalties two (2) times the amount of the claims or $1000 whichever is greater for each occurrence against the Contractor.

   b. The *RBHA* may impose on the Contractor any other sanction or financial penalty imposed on the *RBHA* related to performance or non-performance by the Contractor.

K. GRIEVANCES AND APPEALS

The Contractor agrees to comply with the RBHA' grievance and investigation polices and procedures related to enrolled members including the RBHA informal mechanism to resolve issues before they arise to the level of a formal grievance. The Contractor further agrees to establish and implement its own internal grievance procedure based on written polices to resolve complaints by providers and enrolled members as required by ADHS, ADOH, and/or HUD. The Contractor shall comply with all written grievance polices and procedures for enrolled member in accordance with applicable federal and state law as outlined in the RBHA contract with ADHS.

L. ADDITIONAL PROVISIONS

1. **Merger/Reorganization.** Any merger, reorganization or change in ownership of the Contractor wherein Contractor would be related to or affiliated with the RBHA shall require a contract amendment and prior approval of ADHS.

2. **Contractor Liabilities.** The Contractor shall be fully responsible for all tax obligations, worker's compensation insurance and all other applicable obligations which arise under this Contract, for itself and its employees, and neither the RBHA nor ADHS shall have any responsibility for any such taxes or insurance coverage.

3. **No Assignment of Rights.** The Contractor shall not assign its rights, duties, or obligations under this Contract without the prior express, written permission of the RBHA.

4. **Independent Contractor.** None of the provisions of this Contract are intended to create nor shall be deemed to create any relationship between the RBHA and the Contractor other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Contract. Neither of the parties hereto, nor any of their respective employees shall be construed to be the agent, employer, employee or representative of the other.

5. The operation and maintenance of the offices, facilities and equipment of the Contractor and the provision of Housing Services shall be solely and exclusively under the control and supervision of the Contractor. The RBHA shall have no right of control over the selection of the Contractor's support staff, supervision of Contractor's personnel or the financial operation of the Contractor's business. Nothing contained in this Contract shall be construed to give the RBHA any right to manage or conduct the actual business or operations of Contractor as a manager, proprietor, lessor or otherwise.

6. **Notice.** Any notice required or permitted by this Contract shall be in writing and unless stated otherwise shall be mailed or delivered in person to:

Cenpatico Behavioral Health of Arizona, LLC
Attention: Housing Administrator
1501 West Fountainhead Corporate Park, Suite 295
Tempe, Arizona 85282

and to the Contractor at:

Gila County Community Action\Housing Services
Gila County Public Housing Authority
Community Services Department
5515 South Apache Avenu, Suite 200
Globe, Arizona 85501

The date of receipt of any notice shall be, if delivered, the date of personal delivery to the other party during normal business hours. If mailed, the date of receipt of the notice shall be three (3) business days after deposit in the U.S. mail. In addition, notices required or permitted pursuant to terms of this Contract may be faxed or electronically mailed to the other party. The date of receipt of a faxed or electronically mailed notice shall be the date of transmission of the fax or electronic mail so long as the date of transmission is a business day between 8:00 a.m. and 5:00 p.m. Otherwise, the faxed or electronically mailed notice shall be deemed delivered on the first business day thereafter.

7. **Incorporation by Reference.** All the Exhibits attached hereto are hereby incorporated by this reference. However, if any provision of this Contract conflicts with or is inconsistent with any provision in any of the incorporated documents the provisions of this Contract shall govern.

8. **Entire Agreement.** This Contract contains the complete understanding and agreement between the Contractor and the RBHA and supersedes all representations, understandings or agreements that may have existed prior to the execution hereof.

9. **Governing Law.** This Contract shall be construed in accordance with the laws of the State of Arizona, except to the extent such laws are preempted by federal law.

10. **Joint Responsibilities.** In order to facilitate performance of the Contractor's management and administration responsibilities and provide the required Housing Services under the terms of this Contract, the Contractor agrees to meet with representatives of the RBHA on a regular basis, but not less than quarterly, to discuss and evaluate the Contractor's performance under the terms of this Contract.

11. **Approval of Contract.** This Contract is subject to prior approval of ADHS. The RBHA shall notify ADHS of this Contract and acquire the necessary approvals. Any amendment or termination is also subject to prior approval of ADHS and such approval will be acquired by the RBHA. In addition, this Contract is subject to and governed by the Minimum Subcontract Provisions required by ADHS attached hereto as Exhibit III and incorporated herein by this reference.

12. **Non-Discrimination Requirements.** The Contractor shall comply with State Executive Order No. 99-4 which mandates that all people regardless of race, color, religion, gender, age, national origin or political affiliation shall have equal access to employment opportunities and other applicable federal and state laws, rules and regulations. The Contractor shall take affirmative action to ensure that applicants for employment, employees and persons to whom the Contractor provides Housing Services are not discriminated against due to race, creed, color, religion, gender, national origin or disability. Additionally, the Contractor shall comply with all other applicable Federal and State Laws, including but not limited to the following:
Title VII of the Civil Rights Act of 1964, as amended.
Age Discrimination in Employment Act of 1975.
A.R.S. §41-1461, *et seq.*
Section 503 of the Rehabilitation Act of 1973.
Title VI of the Civil Rights Act of 1964, as amended.
504 of the Rehabilitation Act of 1973, as amended.
Federal Fair Housing Act (Title VIII of the 1964 Civil Right Act as amended).
Americans with Disabilities Act of 1990.

13. **Warranty of Services.** The Contractor represents and warrants that all the Services required by this Contract shall be performed in conformity with the applicable Housing Services requirements of the RBHA Contract with ADHS. The Contractor further represents and warrants that it will perform its duties and obligations under this Contract through qualified personnel in accordance with standards required by federal or state law, and applicable rules and regulations.

14. **Documents to Be Supplied by Contractor.** Upon execution of this Contract, the Contractor shall provide to the RBHA one (I) copy of all licenses, certifications, registrations and accreditations referenced in this Contract; (ii) copies of the certificates of insurance referenced in this Contract; and (iii) documents revealing the existence of the Contractor entity as a for-profit corporation.

15. **Amendments.** Any changes, modifications or amendments to the terms and conditions of this Contract are ineffective unless they are reduced to writing and signed by both parties. Except as authorized herein, no condition or requirement contained in or made a part of this Contract shall be waived or modified without an approved, written amendment. Amendments shall be effective when signed by

all parties. The terms and provisions of this Contract shall, except as and to the extent so amended, remain in full force and effect. The immediately foregoing notwithstanding, the Contractor shall give notice to the *RBHA* of any non-material alternation to this Contract. Non-material alternations do not require a written amendment and are:
1) Change of administrative address; 2) telephone number; 3) authorized signatory agent; 4) the name and/or address of the person to whom notices are to be sent; and 5) the Contractor name changes where the ownership remains the same.

16. **Dispute Resolution.** In the event the Contractor shall have any dispute with respect to the performance or interpretation of this Contract, the Contractor agrees to attempt in good faith to resolve any matters of controversy pursuant to the *RBHA'* Provider Grievance and Appeal Process (as specified in the *RBHA'* Maricopa County Provider Manual) prior to the initiation by Contractor of any legal action of the exercise by the Contractor of any termination rights under Section F of this Contract. Any dispute not related to claims payment issues between the parties which cannot be resolved pursuant to the *RBHA'* Provider Grievance and Appeals Process shall be resolved through binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The final decision of the arbitrator shall be enforceable in any court of competent jurisdiction.

M. ENTIRE AGREEMENT:

This Contract and its subsequent Amendments signed by both parties constitutes the final terms of this Contract and is a complete and exclusive statement of those terms.

N. BINDING EFFECT:

This Contract shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors.

SCHEDULE OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
I	Project Funding
II	Scope of Work
III	ADHS Minimum Subcontract Provisions
IV	Attachment A

Exhibit I

PROJECT FUNDING

1. ADMINISTRATIVE FEES. The *RBHA* will pay Contractor management fees equal to 8% per month for the value of each Rent Subsidy Voucher expended during the month reported.

2. CONTRACT MAXIMUM. The *RBHA* shall pay Contractor, for services provided, **a total not to exceed $128,115.84 (for four Vouchers)** for the period of 01-12-2011 through 06-30-2015. Original invoices are required, with statements of expense detailed by member by program, detailed by member by program.

3. MONTHLY REPORTS. Payment Requests with statements of expense detailed by member by program are required to be submitted monthly by the fifth day of the month following the month reported through-out the five year terms of this contract.

4. TIMING OF PAYMENTS. The *RBHA* shall pre-pay the estimated expenses for the first quarter of each contract year. Subsequent payments will be made monthly based on previous invoices received. It is agreed that payments shall be due and payable within fourteen (14) working days of receipt of monthly Contractor invoices. In the month following the last month of the fiscal year, reconciliation between prepaid amounts and actual expenses will be performed and an adjusting payment or notice to recoup funds will be issued.

5. LEASING VOUCHERS The contractor shall immediately, at the signing of the contract, begin interviewing referred applicants and executing leases with private landlords. 100% of the four contracted vouchers should be leased by June 30, 2011. If by 4-30-2011, all four vouchers are not leased, the RBHA reserves the right to move the voucher to another PHA that can lease 100% of the vouchers by 06-30-2011.

6 LINKAGE BONUS. A one time only Linkage Bonus of $200.00 per household will be paid to the Contractor when any participant moves off the Bridge Voucher Program and on to the mainstream Section 8 Housing Choice Voucher program or Conventional Housing program. The Linkage Bonus will be paid within fourteen (14) days of the submission of evidence that the participant has moved to the Section 8 program.

7. DELIVERABLES.

- Monthly invoice tracking detail of voucher payments by resident by assigned voucher;
- Monthly list of number of unassigned vouchers;
- Log of Annual Income Assessments completed, by tenant, and any changes in status of tenant responsible amounts.
- Log reflecting all units rented using Bridge Vouchers are reviewed and meet Housing Quality Standards at move-in and annually.

8. AUTHORIZATION PROCEDURES.

- Contractor agrees to coordinate assignment of Vouchers with the *RBHA* Housing Administrator, ADHS AND ADOH.
- Only individuals referred from Cenpatico and RBHA service providers are eligible to be assigned a Bridge Voucher.
- Contractor will abide by the Program Policies and Procedures Manual for the Bridge Subsidy Program developed by ADHS/DBHS and ADOH, January, 2009.

7. ALLOWABLE EXPENSES. The following expenses are reimbursable in full to the Contractor, when incurred for the benefit of enrolled members:

- Rental payments, net of tenant rent received;
- A one time only Linkage Bonus when individual on a Bridge Voucher moves into a mainstream Section 8 Housing Choice Voucher or is able to move off the Bridge Voucher to self-pay.

EXHIBIT II

SCOPE OF WORK
TENANT-BASED BRIDGE SUBSIDY PROGRAM

I. SUMMARY

This Contract reflects a new pilot program through a partnership between the Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS) and the Arizona Department of Housing (ADOH) to expand the supply of Permanent Supportive Housing (PSH) in Arizona for individuals with serious mental illness enrolled in the public behavioral health system. PSH is a best practice housing approach that provides permanent housing (typically rental apartments integrated in the community) linked with voluntary and flexible community-based services. The PSH model is based on a philosophy that supports consumer choice and empowerment, rights and responsibilities of tenancy, and appropriate flexible, accessible, and available services that meet each consumer's changing needs.

This pilot initiative is a tenant-based rental assistance program with basic policies similar to the federal Section 8 Housing Choice Voucher (HCV) program. This initiative will provide ADHS/DBHS consumers with more housing choices and the flexibility to select a unit and neighborhood that meets their specific needs and preferences. This program is designed as a "bridge subsidy" to help consumers eventually access HUD Section 8 Housing Choice Vouchers. To this end, the Bridge Subsidy Program will mirror to the extent possible HUD's Section 8 HCV Program. The ADHS/DBHS consumers will receive the rental assistance until they are able to access a Section 8 Housing Choice Voucher, or no more than a five year period.

II. PROGRAM MODEL

The Bridge Subsidy Program's purpose is to provide tenant-based permanent supportive housing for ADHS/DBHS target population consumers while creating a structured link to a permanent rental subsidy through the Section 8 HCV Program. The Bridge Subsidy Program will act as a catalyst to structure closer relationships with local Public Housing Authorities and other affordable housing providers. The Bridge Subsidy Program will provide temporary, tenant-based rental assistance until a person receives a Section 8 voucher. At time of entry into the Bridge program, the participant will be required to apply for Section 8 assistance. In addition, the participant will also be required to accept a Section 8 voucher when a voucher becomes available. The Bridge Subsidy Program will utilize a rent calculation procedure consistent with HUD's Section 8 regulations. As a result, participants will pay approximately 30% of their adjusted income towards rent. In addition, the rent allowed will be capped at the maximum rent for the local PHA's Section 8 HCV Program. The Subsidy Administrator will conduct annual and periodic inspections of the Bridge Subsidy units using HUD's Housing Quality Standards. Finally, landlords that accept a Bridge Subsidy participant must agree to accept a Section 8 voucher when one becomes available.

A. Target Population:

The target population is defined as ADHS/DBHS consumers who are adults with serious mental illness that are currently homeless or residing in a residential treatment program.

B. Tenant Share of Rent:

The Tenant is required to pay rent according to the HUD formula of 30% of his or her adjusted gross income as calculated. These Tenant Payments are used to offset the total rental payment. The rent and associated costs are subsidized by state funds administered by the RBHA Housing Division.

C. CONTRACTOR REQUIREMENTS:

1) Tenant Related Matters.

a. Financial Eligibility. The Contractor shall prepare financial income determination for consumers referred by the RBHA ADHS and ADOH and/or the RBHA Housing Manager. This shall include but not be limited to the following: initial calculation of assets and income, allowances and adjustments in income, verification, including third party verification of assets and income, calculation of Tenant rent, re-certification of Tenant rent, and interim adjustments of Tenant rent, as circumstances warrant. The Contractor shall conduct yearly income verifications and computation of Tenant rent. The Contractor shall conduct income verifications when Tenants report changes in their income. The Contractor shall notify the Tenant of their adjusted rent.

b. Housing Program Selection for Tenant. The Contractor will place the consumer in the housing program as noted in the referral from the RBHA Housing Administrator. Any changes in the assignment to the requested housing program shall be prior-approved by the RBHA Housing Administrator in writing.

c. Orientation of Tenant. The Contractor shall conduct orientation/briefing sessions for enrolled members who are financially appropriate for the program, and individually-tailored orientations for those Tenants needing that service. Each adult shall be given a copy of the appropriate information packet and shall be assisted in completing all housing related documents. Orientations shall be conducted at locations other than the Contractor's offices when it would benefit a Consumer or group of Consumers who have a justified difficulty in getting to Contractor's offices.

d. Collection of Tenant Share of Rent. The Contractor shall inform Tenant of Tenant share of rent and/or utility payments and allowances.

1. The Contractor shall calculate Total Tenant Payment (TTP) based on income using the methods described by HUD. Income verification for the purposes of calculation of TTP shall be completed when the Tenant is first housed and thereafter, at annual intervals or when notified of any changes in income. The Contractor shall verify any income, whether earned or unearned, from any source for each applicant and household member. The Contractor shall provide written notification to the RBHA Housing Administrator of changes in TTP within ten (10) working days.

2. In the event the Contractor is informed by the Landlord that the Tenant is delinquent in payment of the Total Tenant Payment, the Contractor will notify the Tenant and the Tenant's Case Manager in an attempt to rectify the situation in which the Tenant could be out of compliance with the lease agreement.

e. Eviction Prevention. The Contractor shall alert the Service Provider/Case Manager and the RBHA in the event it is learned that the Landlord has provided an Eviction Notice to the Tenant. Copies of the Arizona Residential Landlord/Tenants Act regarding evictions will be provided to the Tenant and the Service Provider.

2) Operating Matters.

a. HQS and Inspector Availability. The Contractor shall conduct HQS inspections and complete reports as required by the RBHA and HUD and maintain at least one person on staff who is qualified to perform and who will perform the HQS inspections within ten (10) business days of request. The Contractor shall conduct HQS inspections prior to move-in and on an annual basis. Interim HQS Inspections will be completed as needed.

b. Requiring Tenant to Follow Policies. The Contractor shall require all Contractor staff having direct contact with Consumer to train its staff about the rights of people with serious mental illnesses and have a working knowledge of the Arizona Residential Landlord/Tenant Act (ARLTA) and Fair Housing Laws. The Contractor shall be prepared to and shall act in accordance with the ADHS/DBHS, ARLTA and Fair Housing Laws when violations of the lease occur. The Contractor shall concurrently pursue informal measures of resolving matters, when appropriate, and shall keep the Tenant, Case Manager, and the RBHA Housing Manager informed of all actions taken.

3) General Matters.

a. Maintenance of Files. The Contractor shall maintain complete individual files on each Tenant referred to the Contractor and additionally maintain a file on each unit under a Sponsor Based lease.

b. Maintenance of Documents and Papers. The contractor shall ensure that all leases, housing assistance payment contracts, and occupancy agreements are executed, maintained, and performed in compliance with approved HUD and RBHA policies.

c. Hearings and Grievances. The Contractor shall operate an informal and formal hearing process for the resolution of Tenant matters handled by the Contractor. The Contractor shall maintain copies of the ADHS/DBHS and the RBHA grievance procedures and make them available to any applicant or Tenant who has indicated dissatisfaction with the services of the Contractor.

d. Cooperation with Oversight Agencies. The Contractor shall cooperate with all the RBHA, ADHS/DBHS, ADOH, HUD, and other appropriate monitoring activities, including record review training sessions, and site-visits.

e. Cooperation With and Participation on Clinical Team. The Contractor shall cooperate with the RBHA staff, Clinical teams, support service Contractors, and others for the overall management and success of the Housing Program and the Tenants participating in the Program; respond promptly to calls from these persons and promptly report Tenant information to the Case Managers and other appropriate Contractors, especially when Tenants activity is affecting housing eligibility, tenancy status, or is indicative of a clinical problem; cooperate with and initiate as necessary an Individualized Service Planning Process (ISP) or a Staffing for any Tenant who may be jeopardizing his or her housing eligibility by violations of the housing program standards.

f. Meeting Attendance. The Contractor shall attend meetings, including grievance, appeal and ISP hearings. Appropriate notice shall be given to Contractor requesting meeting attendance.

g. Privacy of Tenant. The Contractor shall decline to participate in conversations regarding a Tenant's medical history, and not accept or maintain medical records, except for the minimum amount of information necessary to assess unit accessibility needs, if appropriate. Information that is received by the Contractor from a Tenant or other third party that is of a clinical nature should be referred to the Case Manager or clinical team.

Exhibit III

ADHS Minimum Subcontract Provisions

Section 1 **Evaluation of Quality, Appropriateness, or Timeliness of Services**. The Arizona Health Care Cost Containment System Administration (AHCCCSA), ADHS/DBHS or the U.S. Department of Health and Human Services may evaluate, through inspection or other means, the quality, appropriateness or timeliness of services performed under this subcontract.

Section 2 **Records and Reports**. The Subcontractor shall maintain all forms, records, reports and working papers used in the preparation of reports, files, correspondence, financial statements, records relating to quality of care, medical records, prescription files, statistical information and other records specified by AHCCCSA or ADHS/DBHS for purposes of audit and program management. The Subcontractor shall comply with all specifications for record-keeping established by the AHCCCSA and ADHS/DBHS. All books and records shall be maintained to the extent and in such detail as shall properly reflect each service provided and all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which payment is made to the Subcontractor. Such material shall be subject to inspection and copying by the State, AHCCCSA, ADHS/DBHS and the U.S. Department of Health and Human Services during normal business hours at the place of business of the person or organization maintaining the records.

The Subcontractor agrees to make available at the office of the Subcontractor, at all reasonable times, any of its records for inspection, audit or reproduction, by any authorized representative of the State or Federal governments.

The Subcontractor shall preserve and make available all records for a period of five years from the date of final payment under this subcontract except as provided in paragraphs a. and b. below:

a. If this subcontract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.

b. Records which relate to disputes, litigation or the settlement of claims arising out of the performance of this subcontract, or costs and expenses of this subcontract to which exception has been taken by the State, shall be retained by the Subcontractor until such disputes, litigation, claims or exceptions have been disposed of.

The Subcontractor shall provide all reports requested by AHCCCSA and ADHS/DBHS, and all information from records relating to the performance of the Subcontractor which AHCCCSA and ADHS/DBHS may reasonably require. The Subcontractor reporting requirements may include, but are not limited to, timely and detailed utilization statistics, information and reports.

The Subcontractor shall certify to ADHS/DBHS that it has not engaged in conduct prohibited by section §1128B of the Social Security Act (42 USC 1320a-7b).

Section 3 **Limitations on Billing and Collection Practices**. The Subcontractor shall collect any required co-payment from Title XIX and Title XXI members but services shall not be denied for inability to pay the co-payment. Except for permitted co-payments, the Subcontractor shall not bill nor attempt to collect any fee from, or for, a Title XIX or Title XXI eligible person or member for provision of covered services, and must accept the lesser of its fee or the AHCCCS capped fee as payment in full.

Section 4 **Assignment and Delegation of Rights and Responsibilities**. No payment due the Subcontractor under this subcontract may be assigned without the prior approval of ADHS/DBHS. No assignment or delegation of the duties of this subcontract shall be valid unless prior written approval is received from the ADHS/DBHS.

Section 5 **Approval of Subcontracts, Amendments or Termination**. This subcontract is subject to prior approval by the ADHS/DBHS. The Contractor shall notify the ADHS/DBHS in the event of any proposed amendment or termination during the term hereof. Any such amendment or termination is subject to the prior approval of the ADHS/DBHS. Approval of the subcontract may be rescinded by the Director of the ADHS/DBHS for violation of Federal or State laws or rules.

Section 6 **Warranty of Services**. The Subcontractor, by execution of this subcontract, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this Contract.

Section 7 **Subjection of Subcontract**. The terms of this subcontract shall be subject to the applicable material terms and conditions of the Contract existing between the ADHS/DBHS and AHCCCSA for the provision of covered services.

Section 8 **Awards of Other Subcontracts**. AHCCCSA and/or ADHS/DBHS may undertake or award other contracts for additional or related work to the work performed by the Subcontractor and the Subcontractor shall fully cooperate with such other Contractors, Subcontractors, or State employees. The Subcontractor shall not commit or permit any act which shall interfere with the performance of work by any other Contractor, Subcontractor or State employee.

Section 9 **Indemnification by Subcontractor**. The Subcontractor agrees to hold harmless the State, all State officers and employees, AHCCCSA, ADHS/DBHS and other appropriate State agencies, and all officers and employees of AHCCCSA, ADHS/DBHS and all AHCCCS eligible persons in the event of nonpayment to the Subcontractor. The Subcontractor shall further indemnify and hold harmless the State, AHCCCSA, ADHS/DBHS, other appropriate State agencies, AHCCCS Contractors, and their agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may, in any manner, accrue against the State, AHCCCSA and ADHS/DBHS or its agents, officers or

employees, or AHCCCS Contractors, through the intentional conduct, negligence or omission of the Subcontractor, its agent, officers or employees.

Section 10 **Maintenance of Requirements to do Business and Provide Services**. The Subcontractor shall be registered with AHCCCSA and ADHS/DBHS and shall obtain and maintain all licenses, permits and authority necessary to do business and render services under this subcontract and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance and worker's compensation.

Section 11 **Compliance with Laws and Other Requirements**. The Subcontractor shall comply with all Federal, State and local laws, rules, regulations, standards and Executive Orders governing performance of duties under this subcontract, without limitation to those designated within this subcontract.

Section 12 **Severability**. If any provision of these standard subcontract terms and conditions is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

Section 13 **Voidability of Subcontract**. This subcontract is voidable and subject to immediate termination by ADHS/BHS upon the Subcontractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the subcontract without the prior written approval of ADHS/DBHS.

Section 14 **Confidentiality Requirement**. Federal Law and regulation requires states to protect information regarding eligible persons. The AHCCCS Behavioral Health Policy Manual (Disclosure, Fraud and Abuse Requirements; and, Prohibition Against Disclosure of Confidential Information) provide a detailed description of information that must be protected. Reference also 42 CFR Part 431, Subpart F, ARS §§36-107, 36-2903, 41-1959 and 46-135, and AHCCCS and/or ALTCS Rules.

The Subcontractor shall establish and enforce a security policy which establishes and implements appropriate security controls over confidentiality of personal person information in compliance with all applicable State and Federal laws, regulations and the policies of AHCCCS and the ADHS. Such a security policy shall include but shall not be limited to: internal and external controls as to access to computer, electronically/optically stored and hard copy files and information; appropriate employee training; and agreements on the part of employees to maintain such confidentiality. The Subcontractor's (Facility/Program's) policy shall conform to the following requirements.

1. The Subcontractor's (Facility/Program's) procedures shall comply with A.A.C. R9-R9-1-311 through R9-1-315 regarding disclosure of confidential medical information and records.

2. The Subcontractor's (Facility/Program's) procedures shall comply with the Code of Federal Regulations, 42 CFR., Part 2, regarding disclosure of confidential substance abuse treatment information and records.

3. No medical information contained in the Subcontractor's (Facility/Program's) records or obtained from the Contractors, ADHS/DBHS or from others in carrying out its functions under this RFP/Contract shall be used or disclosed by the Subcontractor, its agents, officers, employees or Subcontractors (Facility/Programs), except as is essential to the performance of duties under this RFP/Contract or otherwise permitted under the statutes and rules of the ADHS.

4. Disclosure of medical information, names, or other such information to the Contractor and ADHS/DBHS is deemed essential to the performance of duties under this RFP/Contract.

5. Neither medical information nor names or other information regarding any person applying for, claiming, or receiving items or services contemplated in this RFP/Contract, or any employer of such person shall be made available for any political or commercial purposes.

6. Information received from a Federal agency, or from any person or subcontracted provider acting under the Federal agency pursuant to Federal law, shall be disclosed only as provided by Federal law.

7. In accordance with Section 318(e)(5) of the Public Health Service Act [42 U.S.C. 247c(e)(5)], all information obtained in connection with the examination, care or services provided to any individual under any program which is being carried out with a cooperative agreement funded with Federal monies shall not, without such individual's consent, be disclosed except as may be necessary to provide services to such individual or as may be required by the laws of the State of Arizona or its political subdivisions. Information derived from any such program may be disclosed:

   i. in summary, statistical or other form; or

   ii. for clinical or research purposes, but only if the identity of the individuals diagnosed or provided care under such program is not disclosed.

8. The Subcontractor shall comply with the provisions of A.R.S. § 36-663 concerning Human Immunodeficiency Virus related testing; restrictions; exceptions; and A.R.S. § 36-664 concerning confidentiality; exceptions; in providing services under this RFP/Contract.

Section 15 **Grievance Procedures**: Any grievances filed by the Subcontractor shall be adjudicated in accordance with AHCCCS and ADHS/DBHS Rules.

Section 16 **Appeals Procedures**. Any appeals filed by the Facility/Program shall be adjudicated in accordance with AHCCCS rules, policies and procedures and ADHS/DBHS rules, policies and procedures.

Section 17 **Termination of Subcontract**. ADHS/DBHS may, by written notice to the Subcontractor terminate this subcontract if it is found, after notice and hearing by the State, that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Subcontractor, or any agent or representative of the Subcontractor, to any officer or employee of the State with a view towards securing a Contract or securing favorable treatment with respect to the awarding, amending or the making of any determinations with respect to the performance of the Subcontractor; provided, that the existence of the facts upon which the State makes such findings shall be in issue and may be reviewed in any competent court. If the subcontract is terminated under this section ADHS/DBHS shall be entitled to a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in the amount of three times the cost incurred by the Subcontractor in providing any such gratuities to any such officer or employee.

Section 18 **Prior Authorization and Utilization Review**. The Subcontractor shall cooperate with the prior authorization, utilization review and quality management standards of the AHCCCS and ADHS/DBHS programs and appropriate federal regulations. The Subcontractor shall only claim Title XIX or Title XXI reimbursement for services that were provided to a Title XIX or Title XXI member in accordance with the standards set forth in this subcontract.

Section 19 **Non-Discrimination Requirements**. If applicable, the Facility/Program shall comply with the:

a. Equal Pay Act of 1963, as amended, which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work under similar working conditions in the same establishment.

b. Title VI of the Civil Rights Act of 1964, as amended, which prohibits the denial of benefits of, or participation in, Contract services on the basis of race, color, or national origin.

c. Title VII of the Civil Rights Act of 1964, as amended, which prohibits private employers, State and local governments, and educational institutions from discriminating against their employees and job applicants on the basis of race, religion, color, sex, or national origin.

d. Title I of the Americans with Disabilities Act of 1990, as amended, which prohibits private employers and State and local governments from discriminating against job applicants and employees on the basis of disability.

e. Civil Rights Act of 1991, which reverses in whole or in part, several recent Supreme Court decisions interpreting Title VII.

f. Age Discrimination in Employment Act (A.R.S. Title 41-1461, et. seq.): This prohibits discrimination based on age.

g. State Executive Order 99-4 and Federal Order 11246 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities.

h. Section 503 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement of the employment of qualified persons because of physical or mental handicap.

i. Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap in delivering Contract services.

Section 20 Compliance with AHCCCS Rules Relating to Audit and Inspection. The Subcontractor shall comply with all applicable AHCCCS and ADHS/DBHS Rules and Audit Guide relating to the audit of the Subcontractor's (Facility/Program's) records and the inspection of the Subcontractor's (Facility/Program's) facilities. If the Subcontractor is an inpatient facility, the Subcontractor shall file uniform reports and Title XVIII, Title XIX and Title XXI cost reports with AHCCCSA and ADHS/DBHS.

Section 21 Certification of Truthfulness of Representation. By signing this subcontract (Agreement), the Subcontractor certifies that all representations set forth herein are true to the best of its knowledge.

Section 22 Certification of Compliance - Anti-Kickback and Laboratory Testing. By signing this subcontract, the Subcontractor certifies that it has not engaged in any violation of the Medicare Anti-Kickback statute (42 USC §§1320a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (PL 101-239 and PL 101-432) and compensation there from. If the Subcontractor provides laboratory testing, it certifies that it has complied with 42 CFR, §411.361 and has sent to AHCCCSA and ADHS/DBHS simultaneous copies of the information required by that rule to be sent to the Health Care Financing Administration.

Section 23 Conflict in Interpretation of Provisions. In the event of any conflict in interpretation between provisions of this subcontract and AHCCCS and ADHS/DBHS Minimum Subcontract Provisions, the latter shall take precedence.

Section 24 Merger, Reorganization and Ownership Change. A merger, reorganization or change in ownership of a provider which is related or affiliated with the Subcontractor shall require a contract amendment and prior approval of ADHS/DBHS.

Section 25 Encounter Data Requirement. If the Subcontractor does not bill ADHS/DBHS (e.g., Subcontractor is capitated), the Subcontractor shall submit encounter data to ADHS/DBHS in a form acceptable to AHCCCSA and ADHS/DBHS.

Section 26 Clinical Laboratory Improvement Amendments of 1988. The Clinical Laboratory Improvement Amendment (CLIA) of 1988 requires laboratories and other facilities that test human specimens to obtain either a CLIA Waiver of CLIA Certificate in order to obtain reimbursement from the Medicare and Medicaid (AHCCCS) programs. In addition, they shall meet all the requirements of 42 CFR 493, Subpart A.

To comply with these requirements, AHCCCSA and ADHS/DBHS requires all clinical laboratories to provide verification of CLIA Licensure or Certificate of Waiver during the provider registration process. Failure to do so shall result in either a termination of an active provider ID number or denial of initial registration. These requirements apply to all clinical laboratories.

Pass-through billing or other similar activities with the intent of avoiding the above requirements are prohibited. The Contractor may not reimburse subcontracted providers who do not comply with the above requirements.

Section 27 Insurance.
(This provision applies only if the Subcontractor provides services directly to AHCCCS members)
The Subcontractor shall maintain for the duration of this subcontract (Agreement) a policy or policies of professional liability insurance, comprehensive general liability insurance and automobile liability insurance. The Subcontractor agrees that any insurance protection required by this subcontract, or otherwise obtained by the Subcontractor, shall not limit the responsibility of Subcontractor to indemnify, keep and save harmless and defend the State and AHCCCSA and ADHS/DBHS, their agents, officers and employees as provided herein. Furthermore, the Subcontractor shall be fully responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage, for itself and its employees, and AHCCCSA and ADHS/DBHS shall have no responsibility or liability for any such taxes or insurance coverage.

Section 28 Fraud and Abuse. If the Subcontractor discovers, or is made aware, that an incident of potential fraud or abuse has occurred, the Subcontractor shall report the incident to ADHS/DBHS, who shall proceed in accordance with the *AHCCCS Health Plans and Contractors Policy for Prevention, Detection and Reporting of Fraud and Abuse.* Incidents involving potential member eligibility fraud should be reported to AHCCCSA, Office of Managed Care, and Member Fraud Unit. All other incidents of potential fraud should be reported to AHCCCSA, Office of the Director, Office of Program Integrity. (See AHCCCS RuleR9-22-511.)

Section 29 Compliance with Title XIX, Title XXI and ARS §36-2901. The subcontractor shall comply with provisions of federal laws and regulations governing the Title XIX and Title XXI programs except for those requirements waived for the state by the federal government. The Subcontractor shall comply with the provisions of ARS §36.2901 et seq. Governing AHCCCSA and ADHS/DBHS and with all applicable rules promulgated by AHCCCSA and ADHS/DBHS.

Section 30 Restriction on Covered Services. Covered services provided pursuant to this Contract may be limited, conditioned or terminated by ADHS/DBHS or the Contractor as the result of any breach of the Contract or as the result of any quality assurance review or program undertaken by or at the direction of ADHS/DBHS or AHCCCS.

Section 31 Duties Upon Termination.

a. In the event of the termination of the Contract between [Contractor] and the ADHS/DBHS, [subcontracted provider] shall stop all work as of the effective date of the notice of termination from [Contractor].

b. Upon receipt of the notice of termination and until the effective date of the notice of termination, [subcontract provider] shall perform work consistent with the requirements of this Contract and in accordance with a written plan approved by the ADHS/DBHS for the orderly transition of eligible and enrolled persons to another Contractor or to subcontracted providers.

c. All documents, programs, and other information prepared by [subcontracted provider] under the Contract shall be delivered to the ADHS/DBHS upon demand.

EXHIBIT IV

ATTACHMENT A

LEGAL ARIZONA WORKERS ACT COMPLIANCE

Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to County approval if MWBE preferences apply) as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Firm. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Firm's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Firm shall be entitled to an extension of time, but not costs.

ANTI-TERRORISM WARRANTY

Pursuant to **A.R.S. §35-397** the Firm certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

CANCELLATION

This agreement is subject to cancellation pursuant to **A.R.S. § 38-511.**