



HEALTH SERVICES AGENCY  
ADMINISTRATION

# COUNTY OF SANTA CRUZ

## HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061-0962  
(408) 454-4066 FAX: (408) 454-4488  
TDD: (408) 454-4123

October 13, 1998

AGENDA: November 10, 1998

BOARD OF SUPERVISORS  
Santa Cruz County  
701 Ocean Street  
Santa Cruz, CA 95060

RE: Medi-Cal Administrative Activities Update, Amendment  
of Agreement with Valley Resource Center and New  
Agreement with the Pajaro Valley Unified School District.

Dear Members of the Board,

This letter provides an update on elimination of the State  
Medi-Cal Administrative Activities (MAA) "Takeback",  
requests authorization to enter into an agreement with the  
Pajaro Valley Unified School District (PWSD) and amends  
the existing agreement with the Valley Resource Center.

Background - As you may recall, the MAA program reimburses  
counties, cities and their associated contractors for  
providing certain health-related services to Medi-Cal  
eligible persons. This federal program is administered by  
the State. The County Health Services Agency (HSA) is the  
State's designated entity to administer MAA locally.

In 1994, the State was anticipating budget shortfalls while  
the Medi-Cal Administrative Claiming (MAC) program  
(predecessor to MAA) was expecting significant new federal  
funds (\$600 million) for cities and counties. Based on  
these estimates, Governor Wilson signed AB 2377 into law,  
instituting a 33 1/3% tax, known as the "Takeback", of all  
MAC revenues paid to counties.

Although subsequent events reduced MAC revenue estimates by  
90% for FY 1995-96 and beyond, the Takeback nonetheless was  
continued. Counties worked to eliminate the Takeback  
through the legislative process over the next three years,  
and included its elimination in Budget Trailer Bill  
language for the current year budget.

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On October 1, 1998, counties were notified that the Governor signed the Budget Trailer Bill, including provisions eliminating the **Takeback** effective July 1, 1998.

**Impact of Takeback on County Agreements** - Formal agreements are required in order for entities within the County to participate in the **MAA** program.

**PWSD** - For 1997-98, contract terms dictated that **MAA** revenue received by PWSD amounted to 56.7% of the total claim reimbursement. The remaining claim funds were retained by the County to pay the State **Takeback** (33.3%), and for the cost of County Administration (10%).

Elimination of the **Takeback** will restore 33.3% of the claim revenue back to the district. Additionally, over the past four years, PWSD fiscal staff have increased their knowledge and involvement in the **MAA** claiming process, and a reduction in the county's administrative fee from 10% to 8% for 1998-99 and beyond is appropriate.

For the 1998-99 through 00-01 agreement, the recommended claim revenue distribution is 92% to PWSD with 8% retained by the County for administrative costs. The net result of this action is a 62% increase in revenue to the district. A copy of the proposed agreement is attached.

**Valley Resource Center** - Since 1996, HSA has had an agreement with the Valley Resource Center to provide information and referral of San Lorenzo Valley clients to Medi-Cal services. The agreement pays for 1/3 of a full time equivalent staff position; the other 2/3 of the position is dedicated to contracted services for HRA. The cost of the HSA services is partially offset by **MAA** reimbursement.

In the spring, 1998, the Center requested that the amount of the contract be increased from \$10,000 to \$12,000, in order to allow for an increase in compensation for outreach staff assigned to the contract. Though the agreement has not changed since 1996, HSA was not able to grant the request because of fiscal constraints. However it was agreed that if the **Takeback** were eliminated, additional revenue would be available to consider the request. Now that the **Takeback** has been eliminated, sufficient revenue is available to grant the request. A copy of the proposed amendment is attached.

It is therefore RECOMMENDED that your Board:

- 1) Approve the agreement with PWSD beginning July 1, 1998 through June 30, 2001;

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2) Approve an amendment to the agreement with the Valley Resource Center effective July 1, 1998; and

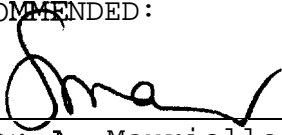
3) Authorize the Health Services Agency Administrator to sign the agreements.

Sincerely,



Charles M. Moody, HSA Administrator

RECOMMENDED:



Susan A. Mauriello  
County Administrative Officer

attachments

cc County Counsel  
Auditor-Controller  
Health Services Agency  
Valley Resource Center  
PWS D

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

H

TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: Health Services Agency (Dept.;  
C. Mondy (Signature) 10/26/98 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the County Health Services Agency (Agency)  
and, Valley Resource Center (Name & Address)
2. The agreement will provide Outreach, referral and application assistance for  
Medi-Cal programs
3. The agreement is needed, because the County cannot provide this service
4. Period of the agreement is from July 1, 1998 to June 30, 1999
5. Anticipated cost is \$ 12,000 (Fixed amount; Monthly rate; Not to exceed)
6. Remarks: amends existing agreement
7. Appropriations are budgeted in 3621 a u (Index#) 3665 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. Contract No. 81341A Date 10/26/98  
are not will be

R 359 GARY A. KNUITSON, Auditor - Controller  
By Linda Chou Deputy

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the  
HSA Administrator to execute the same on behalf of the County of Santa Cruz

Health Services Agency (Agency).  
County Administrative Officer  
Remarks: [Signature] (Analyst) By [Signature] Date 10/26/98

Agreement approved as to form. Date \_\_\_\_\_

Distribution:  
Bd. of Supv. - White  
Auditor-Controller - Blue  
County Counsel - Green \*  
Co. Admin. Officer - Canary  
Auditor-Controller - Pink  
Originating Dept. - Goldenrod

\*To Orig. Dept. if rejected.

ADM - 29 (6/95)

State of California )  
County of Santa Cruz ) ss  
I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz  
State of California, do hereby certify that the foregoing request for approval of agreement was approved by  
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered  
in the minutes of said Board on \_\_\_\_\_ County Administrative Officer  
\_\_\_\_\_ 19 \_\_\_\_\_ By \_\_\_\_\_ Deputy Clerk

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CONTRACT AMENDMENT BETWEEN THE COUNTY OF SANTA CRUZ  
AND THE VALLEY RESOURCE CENTER

For the period July 1, 1994 through June 30, 1998

The parties hereto agree to amend that certain agreement dated July 1, 1998 by and between the County of Santa Cruz and the Valley Resource Center as follows:

Section 2. COMPENSATION. is deleted in its entirety and replaced with the following:

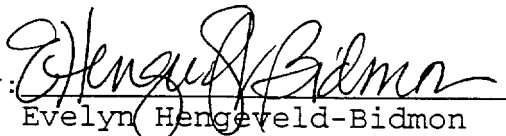
2. COMPENSATION. In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows: an amount not to exceed \$12,000. CONTRACTOR shall not bill any third party for services furnished under this agreement. CONTRACTOR shall invoice COUNTY quarterly for services rendered under this agreement.

All other terms and conditions of this agreement shall remain the same.

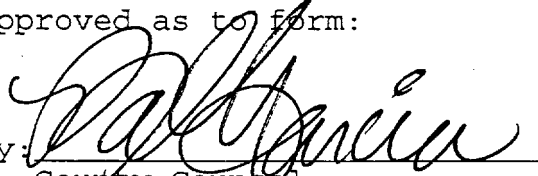
COUNTY OF SANTA CRUZ

CONTRACTOR

By: \_\_\_\_\_  
Charles M. Moody  
HSA Administrator

By:  \_\_\_\_\_  
Evelyn Hengeveld-Bidmon  
Executive Director  
Valley Resource center  
P.O. Box 105, 231 Main Street  
Ben Lomond, CA 95005

Approved as to form:

  
By: \_\_\_\_\_  
County Counsel

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

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TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: Health Services Agency (Dept.)  
C. Moody (Signature) 10/24/98 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- Said agreement is between the County Health Services Agency (Agency)  
and Pajaro Valley Unified School District (Name & Address)
- The agreement will provide see below
- The agreement is needed to allow contractor to claim federal reimbursement of costs associated with the provision of health-related services to students and their families
- Period of the agreement is from July 1, 1998 to June 30, 2001
- Anticipated cost is \$ N/A (Fixed amount; Monthly rate; Not to exceed)
- Remarks: Contract will allow contractor to claim federal review through MediCal Administrative Activities (MAA)
- Appropriations are budgeted in N/A (Index#) N/A (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations ~~are~~ available and ~~have been~~ encumbered. Contract No. R-359 Date 10/26/98  
NA GARY A. KNUTSON, Auditor - Controller  
By Linda T. Hou Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the HSA Administrator Health Services Agency to execute the same on behalf of the County of Santa Cruz (Agency).

Remarks: EL (Analyst) BY Ed Smith County Administrative Officer Date \_\_\_\_\_

Agreement approved as to form. Date \_\_\_\_\_

Distribution:  
Bd. of Supv. - White  
Auditor-Controller - Blue  
Co. Admin. Officer - Green  
Auditor-Controller - Pink  
Originating Dept. - Goldenrod  
  
'To Orig. Dept. if rejected.

ADM - 29 (6195)

State of California )  
County of Santa Cruz ) ss  
I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz.  
State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on \_\_\_\_\_  
BY \_\_\_\_\_ Deputy Clerk

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Contract # \_\_\_\_\_

**CONTRACT AGREEMENT  
BETWEEN THE COUNTY OF SANTA CRUZ  
AND THE PAJARO VALLEY UNIFIED SCHOOL DISTRICT**

**ARTICLE I - PURPOSE OF AGREEMENT**

A. This Agreement is entered into by the County of Santa Cruz, hereinafter referred to as County and the Pajaro Valley Unified School District, hereinafter referred to as Contractor, to establish a means of claiming Title XIX- federal financial participation (FFP) for administrative costs necessary for the proper and efficient administration of the Medi-Cal program as set forth in Welfare and Institutions (W&I) Code Section 14132.47.

B. This Agreement is to assist the State of California, hereinafter referred to as State, and the County in the proper and efficient administration of the Medi-Cal Program. Assistance in providing Medi-Cal administration by the Contractor has been determined to be an effective method of assuring the availability and accessibility of Medi-Cal services to Medi-Cal eligible individuals served by the Contractor.

C. The County recognizes the unique relationship that the Contractor has with Medi-Cal eligible individuals. It further recognizes the expertise of the Contractor in identifying and assessing the health care needs of Medi-Cal eligible individuals it serves. The County, in order to take advantage of this expertise and relationship, enters into this Agreement herewith.

**ARTICLE II - MUTUAL OBJECTIVES**

Both parties to the Agreement agree:

A. To ensure that Medi-Cal potentially eligible individuals, and their families where appropriate, served by the Contractor are informed of the Medi-Cal Program, how to access it, and are assisted in accessing the Medi-Cal program, if needed.

B. To ensure that assistance is provided to Medi-Cal eligible individuals, and their families where appropriate, facilitating their receipt of services and activities in the Medi-Cal program.

C. That this Agreement is governed by 42 United States Code (USC), Section 1396 et seq., 42 Code of Federal Regulations (CFR) Part 400 et seq., and 45 CFR Part 95, California W&I Code, Division 9, Part 3, Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200), and Title 22 California Code of Regulations (CCR), Division 3 (commencing with Section 50000), all as periodically amended; and by federal Office of Management and Budget (OMB) Circular A-87, as periodically amended.

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### ARTICLE III - CONTRACTOR RESPONSIBILITIES

- A. Perform Medi-Cal Administrative Activities (MAA) on behalf of the State and County to assist in the proper and efficient administration of the Medi-Cal Program by improving the availability and accessibility of Medi-Cal services to Medi-Cal eligible and potentially eligible individuals, and their families (where appropriate) served by the Contractor.
- B. Using the State Department of Health Services form DHS 7094, conduct an annual time survey for one month as selected by the State. The survey will identify all time spent **on** each of the allowable MAA, non-claimable activities, and general administration and PTO, which are proportionately allocated to all activities. Document the activities of staff performing MAA in accordance with established State guidelines.
- C. Comply with enabling legislation, regulations, administrative claiming process directives, and program policy letters of the State Department of Health Services, as well as directives from the County.
- D. Comply with the comprehensive MAA claiming plan approved by the County and State.
- E. Provide the County with complete invoice and expenditure information to include in its summary MAA claim no later than twelve (12) months after the end of the quarter for which the claim was submitted. This information shall be provided in a standardized Detailed Invoice as provided by the State via the County and as identified in Article IV, County Responsibilities, Item B.
- The Detailed Invoice identifies the claim categories to which expenditure data must adhere for insertion into the HCFA 64 (State claim for FFP) and shall be submitted by Contractor to claim MAA costs pursuant to this Agreement. All elements of the Detailed Invoice for the programs being claimed shall correspond to the description of staff and allowable activities outlined in the Contractor's claiming plan.
- F. Certify the non-federal match from the Contractor's General Fund, or from any other funds allowed under federal law and regulation, for Title XIX funds claimed for MAA performed pursuant to Welfare and Institutions Code Section 141321.47. The State and/or County shall deny payment of any claim submitted under this Agreement if it determines that the certification is not adequately supported for purposes of FFP.
- G. Retain all necessary records for a minimum of three (3) years after the end of the quarter in which the expenditures were incurred for MAA and, if an audit is in progress, all records relevant to the audit shall be retained until the completion of the audit or the final resolution of all audit exceptions,



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deferrals and/or disallowances, whichever is later. The records shall fully disclose the type and extent of MAA performed by appropriate staff. The Contractor shall furnish said documentation, and any other information regarding payments for performing MAA, upon request, to the County, State or the federal government.

H. Be responsible to the State and County for all requirements under this Agreement even though the requirements may be carried out pursuant to a subcontract. All subcontracts shall include provisions requiring compliance with the terms and conditions of this Agreement. All non-governmental entities performing MAA pursuant to the provisions of this Agreement shall be deemed true subcontractors of the Contractor.

I. Designate an employee to act as the liaison with the County for issues concerning this Agreement.

J. Not discriminate against any student or family in the provision of services because of race, color, religion, national origin, ancestry, disability, physical or mental disability, medical condition (cancer related), marital status, sex, sexual orientation, age (over 18), veteran status, gender or pregnancy.

#### **ARTICLE IV - COUNTY RESPONSIBILITIES**

A. Process Contractor claims for reimbursement of the allowable actual costs of performing MAA necessary for the proper and efficient administration of the Medi-Cal Program. The costs may include the expenses of staff and the operating expenses and equipment costs necessary to collect data, disseminate information, and carry out the activities outlined in this Agreement. Reimbursement shall be made subsequent to the quarter for which a claim for Medi-Cal administrative activities is made and after the County receives claim reimbursement from the State.

1. The maximum rate of federal reimbursement for compensation (salary and benefits), travel and training costs of activities qualifying under federal regulations applying to "Skilled Professional Medical Personnel - SPMP" of a public agency and their "directly supporting staff" shall be 75 percent of such costs for activities identified as "enhanced." The maximum rate of reimbursement for allowable costs of activities identified as "non-enhanced", performed by SPMP and their directly supporting staff, shall be 50 percent. The maximum rate of reimbursement for all allowable costs other than compensation, travel and training, applicable to SPMPs and their directly supporting staff, shall be 50 percent.

2. A SPMP is defined as an employee of the Contractor who has completed a 2-year or longer program leading to an academic degree or certification in a medically-related profession and who performs duties and responsibilities

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requiring professional medical knowledge and skills. Directly supporting staff are also employees of the Contractor. They are secretarial, stenographic, copy, file, or record clerks who are directly supervised by the SPMP, and who provide clerical services necessary for carrying out the professional medical responsibilities and administrative activities of the SPMP.

3. The rate of federal reimbursement is 50 percent FFP for all costs of non-SPMPs and all costs of subcontractors (non-governmental entities) performing allowable administrative activities as defined in Article III, Contractor Responsibilities, Section A.

4. The maximum rate of reimbursement for all non-public subcontractors to the Contractor shall be 50 percent for all categories of cost.

B. Provide the Contractor with a standardized format for the Detailed Invoice and MAA Claiming Plan, and any subsequent updates as provided by the State.

C. Review Claiming Plans and Contractor initiated amendment(s) to the Claiming Plan. Any amendment that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval.

D. Submit County approved claiming plans and amendments to the State and HCFA for review and approval.

E. Review, and process Contractor claims. Any claim that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval.

F. Make available to Contractor training and technical support on proper MAA to be claimed, identifying costs related to these activities, and billing procedures.

G. Designate a liaison with the Contractor for issues regarding this Agreement. All such issues shall be directed to:

MAC/TCM Coordinator  
County Health Services Agency  
1080 Emeline Avenue, Room 212  
Santa Cruz, CA 95060

#### ARTICLE V - JOINT RESPONSIBILITIES

A. The County and Contractor hereby agree to comply with all applicable laws governing the confidentiality of client information for Medi-Cal clients served by the Contractor, or subcontractor, under this Agreement. Applicable laws include, but are not limited to, 42 USC Section 139a(a) 7, 42 CFR Section 431.300, W&I Code, Section 14100.2, and 22 CCR Section 51009.

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B. Both parties accept and agree to comply with the applicable standards set forth in the State of California, Department of Health Services, Additional Provisions (for Federally Funded Subvention Aid/Local Assistance Cost Reimbursement Agreements/Grants), which is incorporated by reference and made part of this Agreement as though fully set forth herein.

#### ARTICLE VI - TERM OF AGREEMENT

A. The term of this Agreement is July 1, 1998 through June 30, 2001.

B. This Agreement may be amended at any time by mutual written agreement of the two parties to this Agreement. The Contractor must address a written request for amendment to the County per Article IV, Item G.

C. Either party may terminate this Agreement without cause by delivering written notice of termination to the other party at least thirty (30) days prior to the effective date of termination.

#### ARTICLE VII - FISCAL PROVISIONS

A. The maximum amount reimbursable, without further amendment, for the 1998-99 fiscal year ending June 30, 1999, shall not exceed \$100,000, for the 1999-2000 fiscal year ending June 30, 2000, shall not exceed \$120,000, and for the 2000-01 fiscal year ending June 30, 2001, shall not exceed \$150,000.

B. Reimbursement under this Agreement shall be made in the following manner:

1. Upon the Contractor's compliance with all provisions pursuant to this Agreement, and upon the submission of a quarterly Detailed Invoice, the County agrees to process claims for reimbursement. Reimbursement is conditioned on the Contractor supplying the aforementioned valid and substantiated information, satisfactorily to the County within the time limits specified in this Agreement. Reimbursement shall not be withheld pending the submission of similar claims by other claiming units which have entered into a similar Agreement.

2. The Detailed Invoice shall be submitted quarterly to the address noted in Article IV, G above.

3. The attached Exhibit A, entitled "Federal Contract Funds", is incorporated by reference and made part of this Agreement as though fully set forth herein. Both the County and Contractor agree that the validity and enforceability of this Agreement are contingent upon the availability of funds appropriated by the U.S. Congress.

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4. This Agreement will automatically terminate, without penalty by operation of law, at the end of the term for which funds are appropriated by the U.S. Congress.

5. Transfer of funds is contingent upon the availability of FFP.

6. The Contractor shall reply in a timely manner, to any request for information or to audit exceptions by County, State and federal audit agencies that directly relate to the MAA to be performed under this Agreement.

Both parties to this Agreement recognize that the Contractor is liable only for audit exceptions which relate to MAA under this Agreement, and has no liability for any other claiming unit which may enter into a similar Agreement with the County for the performance of MAA.

C. The FFP revenue received by County as a result of Contractor claim will be distributed based on the following percentage methodology:

|  |    |   |
|--|----|---|
| Contractor Reimbursement               | 92 | % |
| Administrative Fee Retained By County, | 8  | % |

The administrative fee retained by County shall be used to cover the cost of administering the MAA claiming process, including, but not limited to: claim plan development in consultation with Contractor, claims preparation in consultation with Contractor, claims processing, technical assistance, training and monitoring.

#### VIII - LIMITATION OF STATE/COUNTY LIABILITY

Notwithstanding any other provision of this Agreement, the State and County shall be held harmless, in accordance with paragraphs A and B below, from any federal audit disallowance and interest resulting from payments made to the Contractor pursuant to W&I Code Section 14132.47, and this Agreement.

A. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Contractor has received reimbursement for MAA, the County shall recoup from the Contractor, within 30 days, through offsets or by direct billing, amounts equal to the amount of the disallowance plus interest in that fiscal year for. All subsequent claims submitted to the County applicable to any previously disallowed Medi-Cal administrative activity or claim, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved.

B. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Contractor has received reimbursement for MAA performed by a non-governmental entity under Agreement with, and on behalf of, the Contractor, the

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State and County shall be held harmless by Contractor for 100 percent of the amount of any such final federal audit disallowance and interest.

ARTICLE IX - GENERAL PROVISIONS

A. This Agreement constitutes the entire Agreement between the parties. Any condition, provision, agreement of understanding not stated in this Agreement shall not affect any right, duties or privileges in connection with this Agreement.

B. The State and County shall have the-right to access, examine monitor and audit all records, documents, conditions and activities of the Contractor and their subcontractors related to the programs funded by this Agreement.

C. The term "days" as used in this Agreement shall mean calendar days unless specified otherwise.

D. Should any disagreement arise between the County and Contractor on any provisions of this Agreement, the parties agree that the same shall be submitted in writing to each other and be the subject of discussion between the County liaison and Contractor liaison herewith designated, and in a good faith effort, to achieve resolution. If mutual agreement cannot be reached within 30 days after receipt of the written issue of dispute, the Contractor may request a meeting with the County Health Services Agency Administrator, or designee; to present its concerns. If the Administrator, or designee cannot meet, the County shall respond in writing to the Contractor, with the County's position. Thereafter, the decision of the Administrator shall be final. The date of "receipt" shall be the date the written disagreement is postmarked.

E. None of the provisions of this Agreement are or shall be construed as for the benefit of or enforceable by, any person not a part to this Agreement.

**F. No** covenant, condition, duty, obligation, or undertaking continued or made a part of this Agreement shall be waived except by amendment to the Agreement by the parties hereto, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed or discharged by the party to which the same may apply; and, until performance or satisfaction of all covenants, conditions, duties, obligations, or undertakings is complete, the other party shall have the right to invoke any remedy available under this Agreement, or under law, notwithstanding such forbearance or indulgence.

G. The Contractor is responsible for the acts or omissions of its employees and/or subcontractors

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Submission of a falsified Detailed Invoice by Contractor shall constitute a breach of Agreement. Submission of a Detailed Invoice for which there is no supporting documentation by Contractor may constitute a breach of contract.

The conviction of an employee or subcontractor of the Contractor, or of an employee of a subcontractor, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal applicant or beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the MAA claiming process. Failure of Contractor to exclude a convicted individual from participation in the MAA claiming process, shall constitute a breach of contract.

Exclusion after conviction shall result regardless of any subsequent order under Section 1203.4 of the Penal Code allowing a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

Suspension or exclusion of an employee or subcontractor, or of an employee of a subcontractor, from participation in the Medi-Cal Program, the Medicaid Program, or the Medicare Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the MAA claiming process. Failure of a Contractor to exclude a suspended or excluded individual from participation in the MAA claiming process shall constitute a breach of contract.

Revocation, suspension, or restriction of the license, certificate, or registration of any employee, subcontractor, or employee of a subcontractor, shall result in exclusion from the MAA claiming process, when such license, certificate, or registration is required for the performance of MAA claiming activities. Failure of Contractor to exclude an individual whose license, certificate, or registration has been revoked, suspended, or restricted, from participation in the MAA claiming process, may constitute a breach of Agreement.

#### **X. EQUAL EMPLOYMENT OPPORTUNITY**

During and in relation to the performance of this Agreement, Contractor agrees to not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer-related), marital status, sex, sexual orientation, age (over 18), Veteran status, gender, pregnancy, , or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Contractor agrees to post, in conspicuous places available to

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employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

**XI. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS**

A. Contractor shall exonerate, indemnify, defend, and hold harmless the County (which shall include, without limitation, its officers, agents, employees and volunteers) from and against:

1. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which County may sustain or incur or which may be imposed upon it for injury to, or death of persons, or damage to property as a result of, or in any manner connected with Contractor's performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the County. Such indemnification includes any damage to the person(s), or property(ies) of Contractor and third persons; and

2. Any and all Federal, State and local taxes, charges, fees, or contributions required to be paid with respect to Contractor and its officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

COUNTY OF SANTA CRUZ

-Contractor

By: \_\_\_\_\_  
Charles M. Moody

By: Maurice Styrud  
Address 165 Blackburn St.  
Watsonville, CA 95076  
Telephone: 728-6200

APPROVED AS TO FORM: C

By: [Signature]  
County Counsel

DISTRIBUTION: CAO  
Auditor  
County Counsel  
Contractor

Attachment - Exhibit A - Federal Contract Funds