Exhibit C HHS0007346

Health and Human Services

Commission Special Conditions

Version 1.1

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HHSC SPECIAL CONDITIONS

The terms and conditions of these Special Conditions are incorporated into and made a part of the Contract. Capitalized items used in these Special Conditions and not otherwise defined have the meanings assigned to them in HHSC Grantee Uniform Terms and Conditions -- Version 2.15

Article I. Special Definitions

"Conflict of Interest" means a set of facts or circumstances, a relationship, or other situation under which Grantee, a Subcontractor, or individual has past, present, or currently planned personal or financial activities or interests that either directly or indirectly: (1) impairs or diminishes the Grantee's, or Subcontractor's ability to render impartial or objective assistance or advice to the HHSC; or (2) provides the Grantee or Subcontractor an unfair competitive advantage in future HHSC procurements.

"Grantee Agents" means Grantee's representatives, employees, officers, as well as any contractor or subgrantee's employees, contractors, officers, principals and agents.

"Data Use Agreement" means the agreement incorporated into the Contract to facilitate creation, receipt, maintenance, use, disclosure or access to Confidential Information.

"Item of Noncompliance" means Grantee's acts or omissions that: (1) violate a provision of the Contract; (2) fail to ensure adequate performance of the Project; (3) represent a failure of Grantee to be responsive to a request of HHSC relating to the Project under the Contract.

"Minor Administrative Change" refers to a change to the Contract that does not increase the fees or term and done in accordance with Section **Error! Reference source not found.** of these S pecial Conditions.

"Confidential System Information" means any communication or record (whether oral, written, electronically stored or transmitted, or in any other form) provided to or made available to Grantee; or that Grantee may create, receive, maintain, use, disclose or have access to on behalf of HHSC or through performance of the Project, which is not designated as Confidential Information in a Data Use Agreement.

"State" means the State of Texas and, unless otherwise indicated or appropriate, will be interpreted to mean HHSC and other agencies of the State of Texas that may participate in the administration of HHSC Programs; provided, however, that no provision will be interpreted to include any entity other than HHSC as the contracting agency.

"Software" means all operating system and applications software used or created by Grantee to perform the work under the Contract.

"Third Party Software" refers to software programs or plug-ins developed by companies or individuals other than Grantee which are used in performance of the Project. It does not include items which are ancillary to the performance of the Project, such as internal systems of Grantee which were deployed by Grantee prior to the Contract and not procured to perform the Project.

"UTC" means HHSC's Uniform Terms and Conditions --Grantee- Version 2.15

Article II. Grantees Personnel AND SUBCONTRACTORS

Section 2.01 Qualifications

Grantee agrees to maintain the organizational and administrative capacity and capabilities proposed in its response to the Solicitation, as modified, to carry out all duties and responsibilities under the Contract. Grantee Agents assigned to perform the duties and responsibilities under the Contract must be and remain properly trained and qualified for the functions they are to perform. Notwithstanding the transfer or turnover of personnel, Grantee remains obligated to perform all duties and responsibilities under the Contract without degradation and in strict accordance with the terms of the Contract.

Section 2.02 Conduct and Removal

While performing the Project, Grantee Agents must comply with applicable Contract terms, State and federal rules, regulations, HHSC's policies, and HHSC's requests regarding personal and professional conduct; and otherwise conduct themselves in a businesslike and professional manner.

If HHSC determines in good faith that a particular Grantee Agent is not conducting himself or herself in accordance with the terms of the Contract, HHSC may provide Grantee with notice and documentation regarding its concerns. Upon receipt of such notice, Grantee must promptly investigate the matter and, at HHSC's election, take appropriate action that may include removing the Grantee Agent from performing the Project.

Section 2.03 Contracts with Subcontractors

Grantee will;

a. Grantee may enter into contracts with subcontractors unless restricted or otherwise prohibited in the Contract.
b. Grantees are prohibited from subcontracting with for-profit organizations under this Contract.

c. Prior to entering into a subcontract agreement equaling or exceeding $100,000, Grantee will obtain written approval from the System Agency.
d. obtain written approval before modifying any subcontract agreement to cause the agreement to exceed $100,000.
e. establish written policies and procedures for competitive procurement and monitoring of subcontracts and will produce a subcontracting monitoring plan.
f. monitor subcontractors for both financial and programmatic performance and will maintain pertinent records.
g. submit quarterly monitoring reports to the System Agency in a format determined by the System Agency.
h. ensure that subcontracts are fully aware of the requirements placed upon them by state/federal statutes, rules, and regulations and by the provisions of this Contract.
i. ensure all subcontracts, must be in writing and include the following:
    1. Name and address of all parties and the subcontractor's Vendor Identification Number (VIN) or Employee Identification Number (EIN);
    2. Detailed description of the services to be provided;
    3. Measurable method and rate of payment and total not-to-exceed amount of the contract;
    4. Clearly defined and executable termination clause; and
    5. Beginning and ending dates that coincide with the dates of the Contract.
j. ensure and be responsible for the performance of the subcontractor(s).
k. not contract with a subcontractor, at any tier, that is debarred, suspended, or excluded from or ineligible for participation in federal assistance programs or if the subcontractor would be otherwise ineligible to abide by the terms of this Contract.

Section 2.04 Status of Subcontractors

Grantees will require that all subcontractors certify that they are/have:
a. In good standing with all state and federal funding and regulatory agencies;
b. Not currently debarred, suspended or otherwise excluded from participation in federal grant programs;
c. Not delinquent on any repayment agreements;
d. Not had a required license or certification revoked;
e. Not ineligible under the terms of the Contract; and
f. Not had a contract terminated by the Department.
g. Not voluntarily surrendered within the past three years any license issued by HHSC.

Section 2.05 Incorporation of Terms in Subcontracts

a. Grantee will include in all its contracts with subrecipient subcontractors and solicitations for subrecipient subcontracts, without modification (except as required to make applicable to the subcontract):
    1. Statement of Work
    2. Uniform Terms and Conditions
    3. Supplemental and Special Conditions

4. Federal Assurances and Certifications
5. Non-Exclusive List of Applicable Laws
6. A provision granting to the System Agency, State Auditor's Office (SAO), Office of Inspector General (OIG), and the Comptroller General of the United States, and any of their representatives, the right of access to inspect the work and the premises on which any work is performed, and the right to audit the subcontractor.

b. Grantee will ensure that all written agreements with subcontractors incorporate the terms of this Contract so that all terms, conditions, provisions, requirements, duties and liabilities under this Contract applicable to the services provided or activities conducted by a subcontractor are passed down to that subcontractor.

c. No provision of this Contract creates privity of contract between the System Agency and any subcontractor of Grantee.

Section 2.06 Notice of Legal Matter or Litigation

Grantee will send notice to the Substance Use Disorder (SUD) email box, SubstanceAbuse.Contracts@hhsc.state.tx.us of any litigation or legal matter related to or affecting this Contract within seven (7) calendar days of becoming aware of the litigation or legal matter.

Section 2.07 Unilateral Amendment

The System Agency reserves the right to amend this Contract through execution of a unilateral amendment signed by the contract manager for this Contract and provided to the Contractor with ten days notice prior to execution of the amendment under the following circumstances to:

a. To comply with a court order or judgment
b. Incorporate new or revised federal or state laws, regulations, rules or policies
c. Correct an obvious clerical error in this Contract;
d. Change the name of the Contractor in order to reflect the Contractor's name as recorded by the Texas Secretary of State.
e. To correct the name, mailing address, or contact information for persons named in the Contract;
f. To update service descriptions or rates (if applicable);
g. To revise budget category or service type funding amounts without increasing or decreasing the contract funding amount or
h. To change the state fiscal year funding amount, based on utilization of funds or availability of funds.

Article III Confidentiality

Section 3.01 Confidential System Information

HHSC prohibits the unauthorized disclosure of Other Confidential Information. Grantee and all Grantee Agents will not disclose or use any Other Confidential Information in any manner except as is necessary for the Project or the proper discharge of obligations and securing of rights under the Contract. Grantee will have a system in effect to protect Other Confidential Information. Any disclosure or transfer of Other Confidential Information by Grantee, including information requested to do so by HHSC, will be in accordance with the Contract. If Grantee receives a request for Other Confidential Information, Grantee will immediately notify HHSC of the request, and will make reasonable efforts to protect the Other Confidential Information from disclosure until further instructed by the HHSC.

Grantee will notify HHSC promptly of any unauthorized possession, use, knowledge, or attempt thereof, of any Other Confidential Information by any person or entity that may become known to Grantee. Grantee will furnish to HHSC all known details of the unauthorized possession, use, or knowledge, or attempt thereof, and use reasonable efforts to assist HHSC in investigating or preventing the reoccurrence of any unauthorized possession, use, or knowledge, or attempt thereof, of Other Confidential Information.

HHSC will have the right to recover from Grantee all damages and liabilities caused by or arising from Grantee or Grantee Agents' failure to protect HHSC's Confidential Information as required by this section.

IN COORDINATION WITH THE INDEMNITY PROVISIONS CONTAINED IN THE UTC, GRANTEE WILL INDEMNIFY AND HOLD HARMLESS HHSC FROM ALL DAMAGES, COSTS, LIABILITIES, AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND COSTS) CAUSED BY OR ARISING FROM GRANTEE OR GRANTEE AGENTS FAILURE TO PROTECT OTHER CONFIDENTIAL INFORMATION. GRANTEE WILL FULFILL THIS PROVISION WITH COUNSEL APPROVED BY HHSC.

Article IV. Miscellaneous Provisions

Section 4.01 Minor Administrative Changes

HHSC's designee, referred to as the Contract Manager, Project Sponsor, or other equivalent, in the Contract, is authorized to provide written approval of mutually agreed upon Minor Administrative Changes to the Project or the Contract that do not increase the fees or term. Changes that increase the fees or term must be accomplished through the formal amendment

procedure, as set forth in the UTC. Upon approval of a Minor Administrative Change, HHSC and Grantee will maintain written notice that the change has been accepted in their Contract files.

Section 4.02 Conflicts of Interest

Grantee warrants to the best of its knowledge and belief, except to the extent already disclosed to HHSC, there are no facts or circumstances that could give rise to a Conflict of Interest and further that Grantee or Grantee Agents have no interest and will not acquire any direct or indirect interest that would conflict in any manner or degree with their performance under the Contract. Grantee will, and require Grantee Agents, to establish safeguards to prohibit Contract Agents from using their positions for a purpose that constitutes or presents the appearance of personal or oorganizational Conflict of Interest, or for personal gain. Grantee and Grantee Agents will operate with complete independence and objectivity without actual, potential or apparent Conflict of Interest with respect to the activities conducted under the Contract.

Grantee agrees that, if after Grantee's execution of the Contract, Grantee discovers or is made aware of a Conflict of Interest, Grantee will immediately and fully disclose such interest in writing to HHSC. In addition, Grantee will promptly and fully disclose any relationship that might be perceived or represented as a conflict after its discovery by Grantee or by HHSC as a potential conflict. HHSC reserves the right to make a final determination regarding the existence of Conflicts of Interest, and Grantee agrees to abide by HHSC's decision.

If HHSC determines that Grantee was aware of a Conflict of Interest and did not disclose the conflict to HHSC, such nondisclosure will be considered a material breach of the Contract. Furthermore, such breach may be submitted to the Office of the Attorney General, Texas Ethics Commission, or appropriate State or federal law enforcement officials for further action.

Section 4.03 Flow Down Provisions

Grantee must include any applicable provisions of the Contract in all subcontracts based on the scope and magnitude of work to be performed by such Subcontractor. Any necessary terms will be modified appropriately to preserve the State's rights under the Contract.

Article V. DSHS Legacy Provisions

Section 5.01 Notice of a Contract Action

Grantee shall send notice to the Substance Use Disorder (SUD) email box, SubstanceAbuse.Contracts@hhsc.state.tx.us if Grantee has had any contract suspended or terminated for cause by any local, state or federal department or agency or nonprofit entity within five (5) business days of becoming aware of the action and include the following:

a. Reason for such action;

b. Name and contact information of the local, state or federal department or agency or entity;
c. Date of the contract;
d. Date of suspension or termination; and
e. Contract or case reference number

Section 5.02 Notice of IRS or TWC Insolvency

Grantee shall notify in writing their assigned contract manager their insolvency, incapacity or outstanding unpaid obligations to the Internal Revenue Service (IRS) or Texas Workforce Commission within five (5) days of the date of becoming aware of such.

Section 5.03 Notice of Criminal Activity and Disciplinary Actions

a. Grantee shall immediately report in writing to their contract manager when Grantee has knowledge or any reason to believe that they or any person with ownership or controlling interest in the organization/business, or their agent, employee, subcontractor or volunteer that is providing services under this Contract has:

    1. Engaged in any activity that could constitute a criminal offense equal to or greater than a Class A misdemeanor or grounds for disciplinary action by a state or federal regulatory authority; or

    2. Been placed on community supervision, received deferred adjudication, or been indicted for or convicted of a criminal offense relating to involvement in any financial matter, federal or state program or felony sex crime.

b. Grantee shall not permit any person who engaged, or was alleged to have engaged, in any activity subject to reporting under this section to perform direct client services or have direct contact with participants, unless otherwise directed in writing by the System Agency.

Section 5.04 Child Abuse Reporting Requirement

a. Grantees shall comply with child abuse and neglect reporting requirements in Texas Family Code Chapter 261. This section is in addition to and does not supersede any other legal obligation of the Grantee to report child abuse.
b. Grantee shall develop, implement and enforce a written policy that includes at a minimum the System Agency's Child Abuse Screening, Documenting, and Reporting Policy for Grantees/Providers and train all staff on reporting requirements.
c. Grantee shall use the System Agency's Child Abuse Reporting Form located at www.System Agency.state.tx.us/childabusereporting as required by the System Agency. Grantee shall retain reporting documentation on site and make it available for inspection by the System Agency.

Section 5.05 Abuse, Neglect, Exploitation

Grantee shall;

a. take all steps necessary, to protect the health, safety and welfare of its clients and participants.
b. develop and implement written policies and procedures for abuse, neglect and exploitation.
c. notify appropriate authorities of any allegations of abuse, neglect, or exploitation as required by 25 TAC § 448.703.

Section 5.06 Grantee's Notification of Change of Contact Person or Key Personnel

Within ten (10) business days, Grantee shall submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us of any change in the Grantee's Contact Persons or Key Personnel.

Section 5.07 Notice of Organizational change

Grantee shall submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us within ten (10) business days of any change to Grantee's name, contact information, organizational structure, such as merger, acquisition, or change in form of business, legal standing, or authority to do business in Texas.

Section 5.08 Significant Incidents

In addition to notifying the appropriate authorities, Grantee will submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us , significant incidents involving substantial disruption of Grantee's program operation or affecting or potentially affecting the health, safety or welfare of the System Agency funded clients or participants within three (3) calendar days of discovery.

Section 5.09 Responsibilities and Restrictions Concerning Governing body, Officers and Employees

Grantee and its governing body will:
a. bear full responsibility for the integrity of the fiscal and programmatic management of the organization.
b. be accountable for all funds and materials received from the System Agency. The responsibility of Grantee's governing body will also include accountability for compliance with the System Agency Rules, policies, procedures, and applicable federal and state laws and regulations; and correction of fiscal and program deficiencies identified through self-evaluation and the System Agency's monitoring processes.
c. ensure separation of powers, duties, and functions of governing body members and staff. No member of Grantee's governing body, or officer or employee of Grantee will vote for, confirm or act to influence the employment, compensation or change in status of any person related within the second degree of affinity or the third degree of consanguinity (as

defined in Texas Government Code Chapter 573) to the member of the governing body or the officer or any employee authorized to employ or supervise such person. This prohibition does not prohibit the continued employment of a person who has been continuously employed for a period of two years prior to the election, appointment or employment of the officer, employee, or governing body member related to such person in the prohibited degree. These restrictions also apply to the governing body, officers, and employees of Grantee's subcontractors.

Section 5.10 Direct Operation

System Agency may temporarily assume operations of a Grantee's program or programs funded under this Contract when the continued operation of the program by Grantee puts, at risk, the health or safety of clients and/or participants served by Grantee.

Section 5.11 Interim Extension Amendment

a. Prior to or on the expiration date of this Contract, the Parties agree that this Contract can be extended as provided under this Section.
b. The System Agency will provide written notice of interim extension amendment to the Grantee under one of the following circumstances:
    1. Continue provision of services in response to a disaster declared by the governor; or
    2. To ensure that services to clients continue without interruption.
c. The System Agency will provide written notice of the interim extension amendment that specifies the reason and length of time for the extension.
d. Grantee will provide and invoice for services in the same manner as stated in the Contract.
e. An interim extension under Section (b)(1) above will extend the term of the contract not longer than 30 days after governor's disaster declaration is declared unless the Parties agree to a shorter period of time.
f. An interim extension under Section (b)(2) above will be a one-time extension for time determined by the System Agency.

Section 5.12 Grantee's Certification of Meeting or Exceeding Tobacco-Free Workplace Policy Minimum Standards

Grantee certifies that it has adopted and enforces a Tobacco-Free Workplace Policy that meets or exceeds all of the following minimum standards of:

a. Prohibiting the use of all forms of tobacco products, including but not limited to cigarettes, cigars, pipes, water pipes (hookah), bidis, kreteks, electronic cigarettes, smokeless tobacco, snuff and chewing tobacco;
b. Designating the property to which this Policy applies as a "designated area," which must at least comprise all buildings and structures where activities funded under this Contract are taking place, as well as Grantee owned, leased, or controlled sidewalks, parking lots, walkways, and attached parking structures immediately adjacent to this designated area;

c. Applying to all employees and visitors in this designated area; and

d. Providing for or referring its employees to tobacco use cessation services.

If Grantee cannot meet these minimum standards, it must obtain a waiver from the System Agency.

Section 5.13 Electronic and Information Resources Accessibility and Security Standards

a. **Applicability:**
The following Electronic and Information Resources (EIR) requirements apply to the Contract because the Grantee performs services that include EIR that the System Agency's employees are required or permitted to access or members of the public are required or permitted to access.

This Section does not apply to incidental uses of EIR in the performance of the Agreement, unless the Parties agree that the EIR will become property of the State of Texas or will be used by HHSC's clients or recipients after completion of the Agreement.

Nothing in this section is intended to prescribe the use of particular designs or technologies or to prevent the use of alternative technologies, provided they result in substantially equivalent or greater access to and use of a Product.

b. **Definitions:**
"Accessibility Standards" means accessibility standards and specifications for Texas agency and institution of higher education websites and EIR set forth in 1 TAC Chapter 206 and/or Chapter 213.

"**Electronic and Information Resources**" means information resources, including information resources technologies, and any equipment or interconnected system of equipment that is used in the creation, conversion, duplication, or delivery of data or information. The term includes telephones and other telecommunications products, information kiosks, transaction machines, Internet websites, multimedia resources, and office equipment, including copy machines and fax machines.

"Electronic and Information Resources Accessibility Standards" means the accessibility standards for electronic and information resources contained in 1 Texas Administrative Code Chapter 213.

"Product" means information resources technology that is, or is related to EIR.

"Web Site Accessibility Standards/Specifications" means standards contained in Volume 1 Tex. Admin. Code Chapter 206(c) Accessibility Requirements. Under Tex. Gov't Code Chapter 2054, Subchapter M, and implementing rules of the Texas Department of Information Resources, the System Agency must procure Products and services that comply with the Accessibility Standards when those Products are available in the commercial marketplace or when those Products are developed in response to a procurement solicitation. Accordingly, Grantee must provide electronic and information resources and associated Product documentation and technical support that comply with the Accessibility Standards.

c. **Evaluation, Testing, and Monitoring**
   1. The System Agency may review, test, evaluate and monitor Grantee's Products and services, as well as associated documentation and technical support for compliance with the Accessibility Standards. Review, testing, evaluation and monitoring may be conducted before and after the award of a contract. Testing and monitoring may include user acceptance testing. Neither the review, testing (including acceptance testing), evaluation or monitoring of any Product or service, nor the absence of review, testing, evaluation or monitoring, will result in a waiver of the State's right to contest the Grantee's assertion of compliance with the Accessibility Standards.
   2. Grantee agrees to cooperate fully and provide the System Agency and its representatives timely access to Products, records, and other items and information needed to conduct such review, evaluation, testing, and monitoring.

d. **Representations and Warranties**
   1. Grantee represents and warrants that:
      i. As of the Effective Date of the Contract, the Products and associated documentation and technical support comply with the Accessibility Standards as they exist at the time of entering the Agreement, unless and to the extent the Parties otherwise expressly agree in writing; and
      ii. If the Products will be in the custody of the state or a System Agency's client or recipient after the Contract expiration or termination, the Products will continue to comply with Accessibility Standards after the expiration or termination of the Contract Term, unless the System Agency or its clients or recipients, as applicable, use the Products in a manner that renders it noncompliant.
   2. In the event Grantee becomes aware, or is notified that the Product or service and associated documentation and technical support do not comply with the Accessibility Standards, Grantee represents and warrants that it will, in a timely manner and at no cost to the System Agency, perform all necessary steps to satisfy the Accessibility Standards, including remediation, replacement, and upgrading of the Product or service, or providing a suitable substitute.
      i. Grantee acknowledges and agrees that these representations and warranties are essential inducements on which the System Agency relies in awarding this Contract.
      ii. Grantee's representations and warranties under this subsection will survive the termination or expiration of the Contract and will remain in full force and effect throughout the useful life of the Product.

e. **Remedies**

1. Under Tex. Gov't Code § 2054.465, neither the Grantee nor any other person has cause of action against the System Agency for a claim of a failure to comply with Tex. Gov't Code Chapter 2054, Subchapter M, and rules of the Department of Information Resources.
2. In the event of a breach of Grantee's representations and warranties, Grantee will be liable for direct, consequential, indirect, special, or liquidated damages and any other remedies to which the System Agency may be entitled under this Contract and other applicable law. This remedy is cumulative of any other remedies to which the System Agency may be entitled under this Contract and other applicable law.

SECTION 5.14 Equipment, Supplies and Property

a. Equipment.

Equipment is defined as tangible personal property having a useful lifetime of more than one year and a per-unit acquisition cost that exceeds $5,000 or more.

Grantee will:

1. inventory all equipment, and report the inventory on the Grantees Property Inventory Form.
2. initiate the purchase of all equipment, approved in writing by the System Agency, in the first quarter of the Contract or Contract term, as applicable. Failure to initiate purchase of equipment may result in the loss of availability of funds for the purchase of equipment. Requests to purchase previously approved equipment after the first quarter in the Contract must be submitted to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us.

b. Equipment List.

1. All items of equipment to be purchased with funds under this Contract must be itemized in Grantee's equipment list as finally approved by the System Agency in the executed Contract.

   The equipment list must include:

   i. Description of the property;
   ii. Serial number or other identification number;
   iii. Source of funding for the property (including the Federal Assistance Identification Number);
   iv. Who holds title,
   v. Acquisition date and cost of the property;
   vi. Percentage of Federal participation in the project costs for the Federal award under which the property was acquired;
   vii. Location use and condition of the property; and
   viii. Any ultimate disposition data including the date of disposal and sale price of property.

2. Any changes to the approved equipment list in this Contract must be approved in writing by the System Agency prior to the purchase of equipment.

3. Grantee will submit to the contract manager assigned to this Contact, a written description including complete product specifications and need justification prior to purchasing any item of unapproved equipment. If approved, the System Agency will acknowledge its approval by means of a written amendment.

c. Supplies.

1. Supplies are defined as consumable items necessary to carry out the services under this Contract including medical supplies, drugs, janitorial supplies, office supplies, patient educational supplies, software, and any items of tangible personal property other than those defined as equipment above.

2. Tangible personal property includes controlled assets, including firearms, regardless of the acquisition cost, and the following assets with an acquisition cost of $500 or more, but less than $5,000, which includes desktop and laptop computers (including notebooks, tablets and similar devices), non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment are also considered Supplies.
3. Prior approval by the System Agency of the purchase of Controlled Assets is not required, but such purchases must be reported on the Grantees Property Inventory Form.

d. Property Inventory and Protection of Assets.

Grantee will;

1. maintain an inventory of equipment, supplies defined as controlled assets, and property described in this Contract and submit an annual cumulative report of the equipment and other property on Grantee's Property Inventory Report to the System Agency's Contract Oversight and Support Section, Mail Code 1326, P.O. Box 149347, Austin, Texas 78714-9347, no later than October 15th of each year. The report is located on the System Agency website at: http://www.dshs.texas.gov /contracts/forms.shtm.

2. maintain, repair, and protect assets under this Contract to assure their full availability and usefulness.

3. if Grantee is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided or obtained under this Contract, use the proceeds to repair or replace those assets.

e. Assets as Collateral Prohibited.

Grantees will not encumber equipment purchased with System Agency funds without prior written approval from the System Agency.

f. Bankruptcy.

1. In the event of bankruptcy, Grantee will;
   i. sever the System Agency property, equipment, and supplies in possession of Grantee from the bankruptcy, and title must revert to the System Agency.
   ii. when directed by the System Agency, return all such property, equipment and supplies to the System Agency.
   iii. ensure that its subcontracts, if any, contain a specific provision requiring that in the event of the subcontractor's bankruptcy, the subcontractor must sever the System Agency property, equipment, and supplies in possession of the subcontractor from the bankruptcy, and title must revert to the System Agency, who may require that the property, equipment and supplies be returned to the System Agency.

g. Title to Property

At the expiration or termination of this Contact for any reason, title to any remaining equipment and supplies purchased with funds under this Contract reverts to System Agency. Title may be transferred to any other party designated by System Agency. The System Agency may, at its option and to the extent allowed by law, transfer the reversionary interest to such property to Grantee.

h. Disposition of Property

1. Grantee will follow the procedures in the American Hospital Association's (AHA) "Estimated Useful Lives of Depreciable Hospital Assets" in disposing, at any time during or after the Contract term, of equipment purchased with the System Agency funds, except when federal or state statutory requirements supersede or when the equipment requires licensure or registration by the state, or when the acquisition price of the equipment is equal to or greater than $5,000.

2. All other equipment not listed in the AHA reference (other than equipment that requires licensure or registration or that has an acquisition cost equal to or greater than $5,000) will be controlled by the requirements of UGMS.

3. If, prior to the end of the useful life, any item of equipment is no longer needed to perform services under this Contract, or becomes inoperable, or if the equipment requires licensure or registration or had an acquisition price equal to or greater than $5,000, Grantee will request disposition approval and instructions in writing from the contract manager assigned to this Contract.

4. After an item reaches the end of its useful life, Grantee will ensure that disposition of any equipment is in accordance with Generally Accepted Accounting Principles, and any applicable federal guidance.

i. Closeout of Equipment

1. At the end of the term of a Contract that has no additional renewals or that will not be renewed (Closeout), or when a Contract is otherwise terminated, Grantee will submit to the notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us an inventory of equipment purchased with System Agency funds and request disposition instructions for such equipment.

2. All equipment purchased with System Agency funds must be secured by Grantee at the time of Closeout, or termination of this Contract, and must be disposed of according to the System Agency's disposition instructions, which may include return of the equipment to System Agency or transfer of possession to another System Agency Grantee, at Grantee's expense.

j. Insurance.

In addition to the Insurance provision of the Uniform Terms and Conditions, Grantee will:

1. maintain insurance or other means of repairing or replacing assets purchased with System Agency funds.
2. repair or replace with comparable equipment any such equipment not covered by insurance that is lost, stolen, damaged or destroyed. If any insured equipment purchased with System Agency funds is lost, stolen, damaged or destroyed.
3. notify the contract manager assigned to this Contract within 5 business days of learning of the loss, to obtain instructions whether to submit and pursue an insurance claim.
4. use any insurance proceeds to repair the equipment or replace the equipment with comparable equipment or remit the insurance proceeds to System Agency.

k. Travel

The System Agency's travel policy will apply to all travel reimbursement if Grantee does not have a formal Travel Policy. If Grantee has a formal Travel Policy,

Grantee will:

1. submit Grantee's formal travel policy to be approved by the assigned contract manager.
2. ensure travel policy specifies reimbursement limits for meals, lodging, and the mileage rate.
3. ensure all travel costs are reasonable and necessary.
4. ensure all out-of-state travel is approved by the assigned contract manager prior to travel.
5. Submit all out-of-state travel requests to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, at least, thirty (30) days prior to travel.

l. Management and Control Systems

Grantee will:

1. maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met during the term of the contract through the completion of the closeout procedures.
2. develop, implement, and maintain financial management and control systems that meet or exceed the requirements of Uniform Statewide Accounting System (UGMS). Those requirements and procedures include, at a minimum, the following:
   i. Financial planning, including the development of budgets that adequately reflect all functions and resources necessary to carry out authorized activities and the adequate determination of costs;
   ii. Financial management systems that include accurate accounting records that are accessible and identify the source and application of funds provided under each Contract of this Contract, and original source documentation substantiating that costs are specifically and solely allocable to a Contract and its Contract and are traceable from the transaction to the general ledger;
   iii. Effective internal and budgetary controls;
   iv. Comparison of actual costs to budget; determination of reasonableness, allowableness, and allocability of costs;
   v. Timely and appropriate audits and resolution of any findings;
   vi. Billing and collection policies; and
   vii. Mechanism capable of billing and making reasonable efforts to collect from clients and third parties.

m. Property Acquisitions

System Agency funds must not be used to purchase buildings or real property. Any costs related to the initial acquisition of the buildings or real property are not allowable.

n. Condition Precedent to Requesting Payment

Grantee will disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting cash payments including any advance payments from the System Agency.

o. Overtime Compensation.

1. Except as provided in this section, Grantee will be responsible for any obligations of premium overtime pay due employees. Premium overtime pay is defined as any compensation paid to an individual in addition to the employee's normal rate of pay for hours worked in excess of normal working hours.
2. Funds provided under this Contract may be used to pay the premium portion of overtime only under the following conditions:
   i. With the prior written approval of System Agency;
   ii. Temporarily, in the case of an emergency or an occasional operational bottleneck;
   iii. When employees are performing indirect functions, such as administration, maintenance, or accounting;
   iv. In performance of tests, laboratory procedures, or similar operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
   v. When lower overall cost to System Agency will result.

p. Fidelity Bond

For the benefit of System Agency, Grantee is required to carry a fidelity bond or insurance coverage equal to the amount of funding provided under this Contract up to $100,000 that covers each employee of Grantee handling funds under this Contract, including person(s) authorizing payment of such funds.

1. The fidelity bond or insurance must provide for indemnification of losses occasioned by any fraudulent or dishonest act or acts committed by any of Grantee's employees, either individually or in concert with others, and/or failure of Grantee or any of its employees to perform faithfully his/her duties or to account properly for all monies and property received by virtue of his/her position or employment. The bond or insurance acquired under this section must include coverage for third party property.
2. Grantee will notify, and obtain prior approval from, the System Agency Contract Oversight and Support Section before settling a claim on the fidelity bond or insurance.

q. Liability Coverage.

For the benefit of System Agency, Grantee will at all times maintain liability insurance coverage, referred to in Tex. Gov. Code § 2261.102, as "director and officer liability coverage" or similar coverage for all persons in management or governing positions within Grantee's organization or with management or governing authority over Grantee's organization (collectively "responsible persons").

Grantee will:

1. maintain copies of liability policies on site for inspection by System Agency and will submit copies of policies to System Agency upon request.
2. maintain liability insurance coverage in an amount not less than the total value of this Contract and that is sufficient to protect the interests of System Agency in the event an actionable act or omission by a responsible person damages System Agency's interests.
3. notify, and obtain prior approval from, the System Agency Contract Oversight and Support Section before settling a claim on the insurance.

r. Record Retention

Grantee will:

1. retain and preserve records in accordance with applicable state and federal statutes, rules and regulations. Except as provided for in the Contract's Uniform Terms and Conditions, Section 7.01.
2. maintain all non-financial records that are generated or collected by Grantee under the provisions of this Contract for a period of at least seven years after the termination of this Contract.
3. retain the records in accordance with the federal retention period, if the federal retention period for services are funded through Medicaid is more than seven years, then the
4. retain all records pertaining to this Contract that are the subject of litigation or an audit until the litigation has ended or all questions pertaining to the audit are resolved.
5. retain medical records in accordance with 22 TAC §165.1(b) or other applicable statutes, rules and regulations governing medical information.
6. include this provision concerning records retention in any subcontract it awards.
7. ensure that records relating to this Contract are securely stored and are accessible by the System Agency upon System Agency's request for at least seven years from the date Grantee ceases business or from the date this Contract terminates, whichever is sooner.
8. provide, and update as necessary, the name and address of the party responsible for storage of records to the contract manager assigned to this Contract.

s. Quality Management.

Grantee will:

1. comply with quality management requirements as directed by the System Agency.
2. develop and implement a Quality Management Plan (QMP) that conforms with 25 TAC § 448.504, and make the QMP available to System Agency upon request. The QMP must be developed no later than the end of the first quarter of the Contract term.
3. update and revise the QMP each biennium or sooner, if necessary. Grantee's governing body will review and approve the initial QMP, within the first quarter of the Contract term, and each updated and revised QMP thereafter. The QMP must describe Grantee's methods to measure, assess, and improve -
   i. Implementation of evidence-based practices, programs and research-based approaches to service delivery;
   ii. Client/participant satisfaction with the services provided by Grantee;
   iii. Service capacity and access to services;
   iv. Client/participant continuum of care; and
   v. Accuracy of data reported to the state.

4. participate in continuous quality improvement (CQI) activities as defined and scheduled by the state including, but not limited to data verification, performing self-reviews; submitting self-review results and supporting documentation for the state's desk reviews; and participating in the state's onsite or desk reviews.
5. submit plan of improvement or corrective action plan and supporting documentation as requested by System Agency.
6. participate in and actively pursue CQI activities that support performance and outcomes improvement.
7. respond to consultation recommendations by System Agency, which may include, but are not limited to the following:
   i. Staff training;
   ii. Self-monitoring activities guided by System Agency, including use of quality management tools to self-identify compliance issues; and
   iii. Monitoring of performance reports in the System Agency electronic clinical management system.

t. Abuse, Neglect, Exploitation.
Grantee will:

1. take all steps necessary, to protect the health, safety and welfare of its clients and participants.
2. develop and implement written policies and procedures for abuse, neglect and exploitation.
3. notify appropriate authorities of any allegations of abuse, neglect, or exploitation as required by 25 TAC § 448.703.

u. Persons on Probation or Parole.
Grantee will:

1. develop and implement written policies and procedures that address the delivery of services by employees, subcontractors, or volunteers on probation or parole.
2. notify the contract manager assigned to the Contract immediately of any of its employees, volunteers or subcontractors who are on parole or probation if the employee, volunteer, or subcontractor provides or will provide direct client or participant services or who has or may have direct contact with clients or participants.
3. maintain copies of all notices required under this section for System Agency review.

v. Personnel Requirements and Documentation.
Grantee will;

1. maintain current personnel documentation on each employee. All documents must be factual and accurate. Health-related information must be stored separately with restricted access as appropriate under Tex. Gov. Code §552.102. Training records may be stored separately from the main personnel file, but must be easily accessible upon request. Required documentation includes the following, as applicable:

   i. A copy of the current job description signed by the employee;
   ii. Application or resume with documentation of required qualifications and verification of required credentials;

iii. Verification of work experience;
iv. Annual performance evaluations;
v. Personnel data that includes date hired, rate of pay, and documentation of all pay increases and bonuses;
vi. Documentation of appropriate screening and/or background checks, to include probation or parole documentation;
vii. Signed documentation of initial and other required training; and
viii. Records of any disciplinary actions.

2. document authentication must include signature, credentials when applicable, and date. If the document relates to past activity, the date of the activity must also be recorded. Documentation must be permanent and legible. When it is necessary to correct a required document, the error must be marked through with a single line, dated, and initialed by the writer.

Section 5.15 Clinical Management for Behavioral Health Services (CMBHS) System

The CMBHS is the official record of documentation by System Agency.
Grantee shall:

1. request access to CMBHS via the CMBHS Helpline at (866) 806-7806.
2. use the CMBHS time frames specified by System Agency.
3. use System Agency-specified functionality of the CMBHS in its entirety.
4. submit all bills and reports to System Agency through the CMBHS, unless otherwise instructed.

a. Resources

Grantee shall ensure that Grantee's employees have appropriate Internet access and an adequate number of computers of sufficient capabilities to use the CMBHS. Equipment purchased with System Agency funds must be inventoried, maintained in working order, and secured.

b. Security Administrator and Authorized Users

Grantee shall:

1) designate a Security Administrator and a back-up Security Administrator. The Security Administrator is required to implement and maintain a system for management of user accounts/user roles to ensure that all the CMBHS user accounts are current.

2) have a security policy that ensures adequate system security and protection of confidential information.

3) notify the CMBHS Help-desk within ten (10) business days of any change to the designated Security Administrator or the back-up Security Administrator.
Grantee will:

i. ensure that access to CMBHS is restricted to only currently authorized users.
ii. within 24 hours, remove access to users who are no longer authorized to have access to secure data in CMBHS.
iii. maintain the CMBHS Authorized Users List which includes former and current Grantee's employees, contracted labor, subcontractors or any other users authorized to have access to secure data in CMBHS. The CMBHS Authorized Users List shall document whose authority has been added and terminated; and the date the authority was added and terminated.

4) submit the CMBHS Security Attestation Form and the CMBHS Authorized Users List as stated in Attachment A, to the following e-mail address: SubstanceAbuse.Contracts@hhsc.state.tx.us.
5) continually maintain the current CMBHS Authorized Users List on file and make available to System Agency upon request within five business days.
6) immediately block access to CMBHS of any person who should no longer have access to CMBHS, due to severance of employment with Grantee or otherwise,
   i. immediately modify access when there is a change in a user's job responsibilities that affects the user's need for access to CMBHS,
   ii. update records on a daily basis to reflect any changes in account status.

c. Security Violations and Accounts Updates.

Grantee will adhere to the Confidentiality Article requirements and HHS Data Usage Agreement of this contract and immediately contact System Agency if a security violation is detected, or if Grantee has any reason to suspect that the security or integrity of the CMBHS data has been or may be compromised in any way.

d. Electronic Transfer of Information.

Grantee will establish and maintain adequate internal controls, security, and oversight for the approval and electronic transfer of information regarding payments and reporting requirements. Grantee certifies that the electronic payment requests and reports transmitted will contain true, accurate, and complete information.

e. Access.

System Agency reserves the right to limit or deny access, to the CMBHS by Grantee, at any time for any reason deemed appropriate by System Agency. Grantee access to CMBHS will be placed in inactive status when the Grantee ceases to have an executed contract with System Agency Mental Health and Substance Abuse Division.

f. Customer Support and Training.

System Agency will provide support for the CMBHS, including problem tracking and problem resolution. System Agency will provide telephone numbers for Grantees to obtain access to expert assistance for CMBHS-related problem resolution. System Agency will provide initial CMBHS training. Grantee shall provide subsequent ongoing end-user training.

Section 5.16 HIV/AIDS Model Workplace Guidelines

Grantee shall implement System Agency's policies based on the Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS), AIDS Model Workplace Guidelines for Businesses at http://www.dshs.state.tx.us/hivstd/policy/policies.shtm, State Agencies and State Grantees Policy No. 090.021.

Section 5.17 Persons on Probation or Parole

Grantee will;

a. develop and implement written policies and procedures that address the delivery of services by employees, subcontractors, or volunteers on probation or parole.
b. submit to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, notice of any of its employees, volunteers or subcontractors who are on parole or probation if the employee, volunteer, or subcontractor provides or will provide direct client or participant services or who has or may have direct contact with clients or participants.
c. maintain copies of all notices required under this section for System Agency review.
d. ensure that any person who is on probation or parole is prohibited from performing direct client/participant services or from having direct contact with clients or participants until authorized by System Agency.

Section 5.18 Curriculum Based Prevention Programs

Grantees delivering a curriculum shall adhere to the curriculum developer's guidelines for appropriate age/grade range, as approved by System Agency. Grantees providing prevention services will administer System Agency-approved pre- and post-tests to program participants. Curriculum Measure Outcomes must be reported in CMBHS.

Section 5.19 Confidentiality

Grantee will:

a. develop and implement written confidentiality policies and procedures.
b. securely store information and records concerning participants and their family members that identify any individual as a person with a substance use disorder problem or that relate to referrals for medical, health, or other System Agency-funded services.
c. ensure that all its employees and volunteers are aware of the agency's confidentiality policies and procedures, and the requirements under this section.

Section 5.20 Participant Rights

All participants have the right to;

a. be free from abuse, neglect and exploitation;
b. be treated with dignity and respect; and
c. make a complaint to Grantee or System Agency at any time.
d. refuse or accept services after having been informed of services and responsibilities,

including program goals and objectives, rules and regulations, and participants' rights.

Section 5.21 Policies and Procedures

Grantee will;

a. maintain policies and procedures as required by 1 TAC § 392.511 and applicable laws, and make them available for inspection by System Agency.
b. develop and implement policies and age-appropriate procedures to protect the rights of children, families and adults participating in a prevention or intervention program.
c. implement policies and procedures to notify the participant that receives individualized services in an intervention or indicated prevention program of the participant's rights and responsibilities.
d. maintain documentation of the participant notifications and make available to System Agency upon request.

Section 5.22 Billing Submissions

Contractor shall submit billings to the System Agency through CMBHS monthly.

Section 5.23 Payment in Full

Except as indicated by the CMBHS financial eligibility assessment, Contractor will accept reimbursement or payment from the System Agency as payment in full for services or goods provided to clients or participants, and Contractor shall not seek additional reimbursement or payment for services or goods, to include benefits received from federal, state, or local sources, from clients or participants.

Section 5.24 Payment Transaction List

Grantee may access the Transactions List report in CMBHS to identify the amount of federal funds allocated to this award for each transaction.

Section 5.25 Substance Abuse Block Grant (SABG) Requirements

Grantee will comply with the requirements of the SABG, including the restrictions on expenditure of grant funds, stated in 45 CFR § 96.135 and the Notice of Grant Award. Grantees funded with the Substance Abuse Prevention and Treatment (SAPT) Block Grant must adhere to the SAPT Supplement attached to this Contract or these Substance Abuse Additional Provisions.

Section 5.26 Financial Status Reports (FSRs) for Substance Use Disorder Contracts

Grantee will submit quarterly FSRs through CMBHS at times stated in the Uniform Terms and Conditions.

Section 5.27 Match and Program Income

Grantee will:

a. contribute match that is, at minimum, the percentage, stated on Attachment A-1, of Total System Agency Share unless otherwise stated on Attachment A-1.
b. report match on each FSR or Quarterly Match Report, including description, source, and dollar amount in the FSR comment section for the non-System Agency funding and in-kind contributions for the program or as directed by System Agency.
c. adhere to the Program Income requirements in Uniform Grants Management Standards (UGMS).
d. not use program income as match without prior approval of the contract manager assigned to the Contract.

If the match ratio requirement is not met by the beginning of the last three months of the term of the Contract, System Agency may withhold or reduce payments to satisfy match insufficiency or demand a refund of the amount of the match insufficiency.

Section 5.28 Contract Reconciliation

Grantee, within 45 calendar days after the end of each fiscal term year, will submit to the System Agency email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, financial and reconciliation reports required by System Agency in forms as determined by System Agency.

Section 5.29 Contractor's Notification of Change to Categorical Budget

The following changes may be made to this Contract without a written amendment or the Department's prior approval:

a. Cumulative budget transfers that do not exceed 10% among direct cost categories, other than the equipment category, of less than $100,000, provided the total budget amount is unchanged.
b. Change in Contractor's share of the budget concerning non-HHSC funding, regardless of the amount of the change, provided that in changing the budget, Contractor is not supplanting HHSC funds.

Contractor within ten calendar days shall notify in writing the contract manager assigned to the Contract of any change enumerated in this section, but the contract will not be amended.

Section 5.30 Moving Funds Between Contracts

Grantee will not expend funds from one Program to provide and bill System Agency for services in another Program without a contract amendment as stated in the Uniform Terms and Conditions.

Section 5.31 Breach of Contracts and Liquidated Damages

a. Contract Monitoring.

System Agency:

1. will monitor Grantee for programmatic and financial compliance with this Contract and;
2. may impose liquidated damages for any breach of this Contract.
3. at its discretion, may place Grantee on accelerated monitoring, which entails more frequent or more extensive monitoring than ordinarily conducted by System Agency.
4. may allow the Grantee the opportunity to correct identified deficiencies prior to imposing actions stated in this section.

b. Liquidated Damages.

Grantee agrees that noncompliance with the requirements specified in the Contract causes damages to System Agency that are difficult to ascertain and quantify. Grantee further agrees that System Agency may impose liquidated damages each month for so long as the noncompliance continues. Failure to comply with any of the Contract requirements, System Agency may impose liquidated damages of:

1. $500 for the first occurrence of noncompliance during a fiscal year;
2. $750 for the second occurrence of noncompliance with the same requirement during the same fiscal year; and
3. $1,000 for the third and subsequent occurrence(s) of noncompliance with the same requirement during the same fiscal year.

c. Grantee Repayment.

System Agency may withhold payments to Grantee to satisfy any recoupment or liquidated damage imposed by System Agency under this Article. System Agency may take repayment from funds available under this Contract, active or expired, or any subsequent renewal, in amounts necessary to fulfill Grantee's repayment obligations.

d. Notice of Liquidated Damages.

System Agency will formally notify Grantee in writing when liquidated damages action is imposed, stating the nature of the action, the reasons for imposing, and the method of appealing. Grantee must submit a written appeal, within ten (10) calendar days of receipt of the notice, to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us.

A submitted appeal must;

1. include documented proof that Grantee submitted the information by the due date or received an exemption from the assigned contract manager.
2. demonstrate the findings on which the Liquidated Damage is based are either invalid or do not warrant the action(s).

If System Agency determines the liquidated damage is warranted, System Agency's decision is final and the remedy or sanction shall be imposed.

Section 5.32 Prevention and Intervention

When interpreter services for a hearing impaired person are required, Grantee will;

a. procure services from an interpreter that meets the requirements as stated in the Interpreter Services for Hearing Impaired Persons Services section
b. pay for interpreter services from the Grantee's program award and enter cost in the Other category.
c. send email notification to the assigned contract manager of the use of interpreter services. Interpreter services backup documentation will consist of;
    1. interpreter billing document(s) with the meeting date, location, and time annotated on the billing document;
    2. participant number;
    3. group cycle begin/end dates;
    4. session number and date;
    5. location; and
    6. time of services.

Section 5.33 Qualified Service Organization/Business Associate (QSO/BA) Agreement

For the purposes of this section, definitions of terms related to QSOs are found in 42 CFR part 2, and for terms related to BAs, in 45 CFR parts 160 and 164. The parties agree that this Contract serves as a QSO/BA Agreement ("this Agreement") under which Grantee, as a Program, may disclose patient-identifying information as defined by 42 CFR part 2 to SYSTEM AGENCY as a QSO, and under which Grantee, as a Covered Entity, may disclose protected health information as defined by 45 CFR part 164 (PHI) to System Agency as a BA. Grantee is disclosing the patient-identifying information and PHI to System Agency so that System Agency as QSO/BA can provide services related to payment to Grantee for client services under the Contract, and to providing an electronic clinical management system for use by Grantee to maintain and store client records.

Provisions Applicable to the Parties' HIPAA BA Relationship:

a. Obligations and Activities of System Agency as a BA:
    1. BA agrees to not use or disclose PHI other than as permitted or required by this Agreement or as "Required by Law."
    2. BA agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.
    3. BA agrees to mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement.
    4. BA agrees to report to Grantee any use or disclosure of the PHI not provided for by this Agreement of which BA becomes aware.
    5. BA agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by BA on behalf of, Grantee agrees to the same restrictions and conditions that apply through this Agreement to BA with respect to such information.
    6. BA agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by BA on behalf of, Grantee available to Grantee or to the Secretary, in a time and manner to be mutually

agreed to by Grantee and BA or in a time and manner designated by the Secretary for purposes of the Secretary determining Grantee's compliance with the Privacy Rule.

7. BA agrees to document disclosures of PHI as would be required for Grantee to respond to a request by an individual for an accounting of disclosures of PHI under 45 CFR §164.528.
8. BA agrees to provide to Grantee or an individual, in a time and manner to be mutually agreed to by BA and Grantee, information collected in accordance with paragraph G above, to permit Grantee to respond to a request by an individual for an accounting of disclosures of PHI in under 45 CFR §164.528.

b. Permitted Uses and Disclosures by the System Agency:
Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Grantee as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Grantee or the minimum necessary policies and procedures of Grantee.

c. Obligations of and Permissible Requests by Grantee:
1. Grantee shall notify BA of any limitation(s) in Grantee's notice of privacy practices in accordance with 45 CFR §164.520, to the extent that such limitation may affect BA's use or disclosure of PHI.
2. Grantee shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Grantee.

d. Term and Termination of this Agreement:
The obligations of the Parties under this Agreement shall terminate when all of the PHI created or received by BA on behalf of Grantee is destroyed, or if it is infeasible to destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Agreement.
Termination of this Agreement for Cause. Upon Grantee's knowledge of a material breach by BA, Grantee shall:
1. Provide an opportunity for BA to cure the breach or end the violation and terminate this Agreement if BA does not cure the breach or end the violation within the time specified by Grantee;
2. Immediately terminate this Agreement if BA has breached a material term of this Agreement and cure is not possible; or
3. If neither termination nor cure is feasible, report the violation to the Secretary.

e. Effect of Termination of this Agreement.
1. Except as provided in paragraph B above ("Termination of this Agreement for Cause"), upon termination of this Agreement, for any reason, BA shall destroy all PHI received from Grantee, or created or received by BA on behalf of Grantee. This provision will apply to PHI that is in the possession of subcontractors or agents of BA. BA shall retain no copies of the PHI.
2. If BA determines that destroying the PHI is infeasible, BA shall provide to Grantee notification of the conditions that make destruction infeasible. If Grantee agrees that destruction of PHI is infeasible, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of PHI to those purposes that make the destruction infeasible, for so long as BA maintains such PHI.

f. Miscellaneous Provisions:
   i. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section in effect or as amended.
   ii. Amendment. The Parties agree to amend this Agreement as necessary for Grantee to comply with the requirements of the Privacy Rule and HIPAA.

iii. Survival. The respective rights and obligations of BA in subsection a), paragraph 1 of this Agreement titled "Obligations and Activities of System Agency as BA" shall survive the termination of this Agreement.
iv. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Grantee to comply with the Privacy Rule.

Provision Applicable to System Agency as a QSO: As a QSO, System Agency acknowledges that in receiving, storing, processing or otherwise dealing with any patient records associated with an alcohol or drug abuse treatment program, System Agency is fully bound by the 42 CFR part 2 regulations. System Agency affirms that, if necessary, it will resist in judicial proceedings any efforts to obtain access to patient records, except as permitted by these regulations.

Section 5.34 Disaster Services

In the event of a Local, State, or Federal Emergency, including Natural, Man-Made, Criminal, Terrorist, and/or Bioterrorism events, declared as a State Disaster by the Governor, or a Federal Disaster by the appropriate Federal Official, Grantee may be called upon to assist the System Agency in providing the following services:

a. Community Evacuation;
b. Health and Medical Assistance;
c. Assessment of Health and Medical Needs;
d. Health Surveillance;
e. Medical Care Personnel;
f. Health and Medical Equipment and Supplies;
g. Patient Evacuation;
h. In hospital care and hospital facility status;
i. Food, drug and medical device safety;
j. Worker health and safety;
k. Mental Health and Substance Abuse;
l. Public Health Information;
m. Vector Control and Veterinary Services; and
n. Victim Identification and mortuary services.

Section 5.35 Consent by Non-Parent or Other State Law to Medical Care of a Minor

Unless a federal law applies, before a Grantee or its subcontractor can provide medical, dental, psychological or surgical treatment to a minor without parental consent, informed consent must be obtained as required by Texas Family Code Chapter 32.

Section 5.36 Services and Information for Persons with Limited English Proficiency

a. Grantee shall take reasonable steps to provide services and information both orally and in writing, in appropriate languages other than English, to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs,

benefits and activities.

b. Grantee shall identify and document on the client records the primary language/dialect of a client who has limited English proficiency and the need for translation or interpretation services and shall not require a client to provide or pay for the services of a translator or interpreter.
c. Grantee shall make every effort to avoid use of any persons under the age of 18 or any family member or friend of the client as an interpreter for essential communications with a client with limited English proficiency unless the client has requested that person and using the person would not compromise the effectiveness of services or violate the client's confidentiality and the client is advised that a free interpreter is available.

Grantee shall also educate employees and participants concerning HIV and its related conditions, including AIDS, in accordance with the Texas. Health & Safety Code §§ 85.112-114

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