

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency- Behavioral Health/Mental Health	(2) MEETING DATE June 27, 2006	(3) CONTACT/PHONE Karen Baylor, Ph.D., Behavioral Health Administrator (805) 781-4734	
(4) SUBJECT Request to approve the attached FY 2006-07 Department of Mental Health Short-Doyle Medi-Cal Health Insurance Portability and Accountability Act (HIPAA) Transactions Trading Partner Agreement.			
(5) SUMMARY OF REQUEST The HIPAA Transactions Trading Partner Agreement is required by the State Department of Mental Health to allow Echo Consulting Services, Mental Health's software maintenance and support contractor, to have access to its confidential client data which is required for testing and proper maintenance of its billing and information system.			
(6) RECOMMENDED ACTION It is recommended that the Board approve the FY 2006-07 HIPAA Transactions Trading Partner Agreement required for access to Behavioral Health/Mental Health confidential client data as required for proper testing and maintenance of Echo's billing and information system (InSyst).			
(7) FUNDING SOURCE(S) N/A	Current year cost None	(9) ANNUAL COST None	(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel has reviewed the Agreement as to form and legal effect.			
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____			
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All	(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(15) Maddy Act Appointments Signed-off by Clerk of the Board <input checked="" type="checkbox"/> N/A	
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)	(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input checked="" type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____	(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	(22) Agenda Item History <input checked="" type="checkbox"/> N/A Date _____	
(23) ADMINISTRATIVE OFFICE REVIEW <p align="center"><i>OK Dan Burt</i></p>			

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6-27-06

BEHAVIORAL HEALTH SERVICES

COUNTY OF SAN LUIS OBISPO



Reply to:

MENTAL HEALTH SERVICES

2178 JOHNSON AVENUE
SAN LUIS OBISPO, CALIFORNIA 93401-4535
(805) 781-4700
(805) 781-1273 FAX

TO: Board of Supervisors

FROM: Karen Baylor, Ph.D., MFT, Behavioral Health Services Administrator 

DATE: June 27, 2006

SUBJECT: Request to approve the attached FY 2006-2007 Department of Mental Health Short-Doyle Medi-Cal Health Insurance Portability and Accountability Act (HIPAA) Transactions Trading Partner Agreement.

RECOMMENDATION:

It is recommended that the Board approve the FY 2006-2007 Department of Mental Health Short-Doyle Medi-Cal Health Insurance Portability and Accountability Act (HIPAA) Transactions Trading Partner Agreement required for access to Behavioral Health/Mental Health confidential client data as required for proper testing and maintenance of Echo's billing and information system (InSyst).

DISCUSSION:

The Health Insurance Portability and Accountability Act (HIPAA) trade agreement is required by the State Department of Mental Health to allow Echo Consulting Services, Mental Health's software maintenance and support contractor, to have access to its confidential client data which is required for testing and proper maintenance of its billing and information system.

OTHER AGENCY INVOLVEMENT/IMPACT:

County Counsel has reviewed the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS:

Approximately twelve million dollars in Medi-Cal billings are dependent on compliance with the federally defined format for HIPAA compliant transactions with the State. With the approval of this Agreement, the parties agree to abide by State mandated standards to ensure confidentiality and security of electronically exchanged client data.

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RESULTS:

This Agreement allows the electronic transfer of data necessary for Echo Consulting Services to provide for the maintenance of the Mental Health billing system (InSyst) in compliance with Federal and State regulations. Mental Health bills Medi-Cal, Medicare, private insurance companies and individuals for services provided. By successfully capturing and billing all eligible services for reimbursement in accordance with HIPPA, Mental Health is able to maximize revenues and provide more cost effective mental health services to the community.

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Department of Mental Health
SHORT-DOYLE MEDI-CAL HIPAA TRANSACTIONS
TRADING PARTNER AGREEMENT

THIS Agreement, is entered into on this 25th day of May 2006, between the California Department of Mental Health ("Covered Entity") and County of San Luis Obispo ("Trading Partner").

RECITALS:

WHEREAS, both parties consider their mutual interest to be served by engaging in the electronic transfer of data communications as a means of furthering their respective business objectives; and

WHEREAS, the County of San Luis Obispo is a business entity that transacts business with Covered Entity on a regular basis pursuant to the terms of a business agreement; and

WHEREAS, each party is or will be equipped at its own expense with the operating system (including equipment, software, and trained personnel necessary for successful electronic data transmission and exchange); and

WHEREAS, each party agrees to ensure confidentiality and security of the data exchanged and fund transfer; and

WHEREAS, the Covered Entity anticipates that County of San Luis Obispo may use, in the performance of this agreement, various third-party business associates (a third-party organization, designated in the EDI transaction addendum) in the electronic exchange of information

NOW, THEREFORE, Covered Entity and Trading Partner agree as follows:

1. **Definitions:** The following terms shall have the meaning ascribed to them in this section. Other capitalized terms shall have the meaning ascribed to them in the context in which they first appear.
 - a. **Agreement** shall refer to this document.
 - b. **Trading Partner** shall refer to the County of San Luis Obispo 45 CFR Parts 160 and 162.
 - c. **Covered Entity** shall mean California Department of Mental Health, 45 CFR Parts 160 and 162.
 - d. **Department of Health and Human Services (HHS) Transaction Standard Regulation** shall mean the Code of Federal Regulations at Title 45, Sections 160 and 162.

- e. **Information** shall mean any “health information” provided and/or made available by Covered Entity to Trading Partner and has the same meaning as the term “health information” is defined by 45 CFR 160.103.
- f. **Individual** shall mean the person who is the subject of the Information and has the same meaning as the term “individual” is defined by 45 CFR 160.103.
- g. **Parties** shall mean Covered Entity and Trading Partner.
- h. **Secretary** shall mean the HHS and any other officer or employee of the HHS to whom the authority involved has been delegated.

2. Term:

- a. **Term of Agreement:** This agreement will remain in effect for an initial period of twelve (12) months from the effective date and will automatically be reviewed in successive periods of twelve (12) months.
- b. **Voluntary Termination:** Either Party may terminate this agreement on sixty (60) days prior written notice to the other party.
- c. **Termination for Cause:** Either party may terminate this agreement upon fifteen (15) days prior written notice to the other party or upon the default by the other party of any material obligation of this agreement, provided that the written notice sets forth the default with reasonable specificity and the default is incurable or, being capable of cure, has not been cured within the fifteen (15) day period after receipt of the written notice.

3. Trading Partner Obligations:

- a. **No Changes:** Trading Partner hereby agrees that for the Information, it will not change any definition, data condition or use of a data element or segment as proscribed in the HHS transaction standard regulation (45 C.F.R. §162.915(a).
- b. **No Additions:** Trading Partner hereby agrees that for the Information, it will not add any data elements or segments to the maximum data set as proscribed in the HHS transaction standard regulation (45 C.F.R. §162.915 (b).
- c. **No Unauthorized Uses:** Trading Partner hereby agrees that for the Information, it will not use any code or data elements that either are marked “not used” in the HHS transaction standard’s implementation specifications or are not in the HHS transaction standard’s implementation specifications (45 C.F.R. §162.915 (c).
- d. **No Changes to Meaning or Intent:** Trading Partner hereby agrees that for the Information, it will not change the meaning or intent of any of the

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HHS transaction standard's implementation specifications (45 C.F.R. §162.915 (d)).

4. **Concurrence for Test Modifications to HHS Transaction Standards:** Trading Partner agrees and understands that there exists the possibility that Covered Entity or others may request an exception from the uses of a standard in the HHS transaction standards implementation specifications. If this occurs, Trading Partner agrees that it will participate in such test modifications (45 C.F.R. §162.940 (a)(4)).
5. **Adequate Testing:** Trading Partners have responsibilities to adequately test all business rules appropriate to their types and specialties. If the Trading Partner is acting as a clearinghouse for enrolled providers, Trading Partner has obligations to adequately test all business rules appropriate to each and every provider type and specialty for which they provide clearinghouse services.
6. **Deficiencies:** Trading Partner agrees to cure transactions errors or deficiencies identified by Covered Entity and transactions errors or deficiencies identified by an enrolled provider if the Trading Partner is acting as a clearinghouse for that provider. When Trading Partner is a clearinghouse, Trading Partner agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.
7. **Incorporation of Modification to HHS Transaction Standards:** Trading Partner agrees and understands that from time-to-time HHS may modify and set compliance dates for the HHS transaction standards. Trading Partner agrees to incorporate by reference into this Agreement any such modifications or changes (45 C.F.R. §160.104).
8. **Code Set Retention:** Both Parties understand and agree to keep open code sets being processed or used in this Agreement for at least the current billing period or any appeal period, whichever is longer (45 C.F.R. §162.925 (c)(2)).
9. **Data Transmission Log:** Both Parties shall establish and maintain a Data Transmission Log which shall record any and all data transmissions taking place between the Parties during the term of this Agreement. Each Party will take necessary and reasonable steps to ensure that such data transmission log constitutes a current, accurate, complete and unaltered record of any and all data transmissions between the Parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the data transmission. The data transmission log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the data transmission log may be timely retrieved and presented in readable form.
10. **Right to Audit:** The Trading Partner agrees to allow Covered Entity to audit those relevant business records, data transmission log or operating system of the Trading Partner and/or its Agents as necessary, by mutual agreement of both parties, to ensure compliance with this Agreement and also to ensure that

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adequate security precautions have been made and are implemented by the Trading Partner in order to prevent unauthorized disclosure of any data, data transmissions or other information. Furthermore, the Trading Partner agrees to notify the Covered Entity immediately upon receipt by the Trading Partner of any and all requests served upon the Trading Partner for information or documents on behalf of any and all government authorities, except to the extent such notification is prohibited by law.

11. **Choice of Law:** This Agreement shall be governed by the laws of the State of California.

12. **Injunctive Relief:** Covered Entity retains all rights to seek injunctive relief to prevent or stop the unauthorized use or disclosure of Information by Trading Partner or any agent, contractor or third party that received Information from Trading Partner.

13. **Miscellaneous:**

a. **Binding Nature and Assignment:** This Agreement shall be binding on the Parties hereto and their successors and assigns, but neither Party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

b. **Notices:** Whenever, under this Agreement, one Party is required to give notice to the other, such notice shall be deemed given if mailed by First Class, United States mail, postage pre-paid, and addressed as follows (Optional):

Covered Entity:

Department of Mental Health
1600 9th Street
Sacramento, CA 95814

Trading Partner:

Karen Baylor, Ph.D., Behavioral Health Administrator
1011 Pacific Street
San Luis Obispo, CA 93401

Either Party may at any time change its address for notification purposed by mailing a notice stating the change and setting forth the new address.

14. **Good Faith:** The Parties agree to exercise good faith in the performance of this Agreement.

15. **Article Headings:** The article headings used are for reference and convenience only and shall not enter into interpretation of this Agreement.

16. **Force Majeure:** Trading Partner shall be excused from performance under this Agreement for any period Trading Partner is prevented from performing any services pursuant hereto, in whole or in part, as a result of an act of god, war,

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civil disturbance, court order, labor dispute or other cause beyond its reasonable control, and such nonperformance shall not be grounds for termination.

17. **Companion Guide:** Attached is the companion guide addressing specific electronic data interchange issues unique to the standard ASC X12 Implementation Guides. <http://www.dmh.ca.gov/hipaa/default.asp>

18. **No Warranties, Limitation of Liability:** Except as expressly stated in this Agreement, Covered Entity makes no representations or warranties—expressed or implied—regarding the data communications system or the provision of services, including fitness for a particular purpose. Neither party to this Agreement will be liable to the other party, to customers/clients of a party, or to a third party for any indirect, special, punitive, or consequential damages, including but not limited to damages based on loss of service, revenues, profits, or business opportunities.

19. **Indemnity:** Except for claims caused by the conduct or negligence of Trading Partner, its employees, or its agents, Covered Entity will indemnify and defend Trading Partner and its directors, officers, employees agents, representatives, and affiliates from all claims resulting from:

- (A) the design, installation, operation, or maintenance of the data communications system; and
- (B) a default by Covered Entity that has not been cured.

Except for claims caused by the conduct or negligence of Covered Entity, its employees, or its agents, Trading Partner will indemnify and defend Covered Entity and its directors, officers, employees agents, representatives, and affiliates from all claims resulting from:

- (A) the design, installation, operation, or maintenance of the data communications system; and
- (B) a default by Trading Partner that has not been cured.

Companion Guide

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TRADING PARTNER INFORMATION			
Trading partner name (full legal)			
County of San Luis Obispo			
DBA (If applicable)		TPA Number	
N/A		N/A	
Service Address (number, street)	City	State	ZIP code
1011 Pacific Street	San Luis Obispo	CA	93422
Contact person Jennifer Colvard, CPA			
Contact person address (number, street)	City	State	ZIP code
1011 Pacific Street	San Luis Obispo	CA	93422
Contact telephone number			
(805)788-2932			

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IN WITNESS WHEREOF, Trading Partner and Covered Entity have caused this Agreement to be signed and delivered by their duly authorized representatives, as of the date set forth above.

TRADING PARTNER (full legal)

BY: _____

Print Name: _____

Title: _____

COVERED ENTITY (State Department Mental Health)

BY: _____

Print Name: _____

Title: _____

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