



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

May 19, 2017

Sent via e-mail to: [Erik.Riera@santacruzcounty.us](mailto:Erik.Riera@santacruzcounty.us)

Erik Riera, Director, Interim AOD Administrator  
Santa Cruz County  
1400 Emeline Avenue  
Santa Cruz, CA 95060

SUBJECT: State Fiscal Year (SFY) 2016-17 - County Monitoring Unit Report

Dear Interim Administrator Riera:

Enclosed are the results of Santa Cruz County's 16-17 Substance Abuse Prevention and Treatment (SAPT) Block Grant (BG)<sup>1</sup> and the State County Contract compliance site review. The Department of Health Care Services (DHCS) Substance Use Disorders (SUD) Program, Policy and Fiscal Division (PPFD) is responsible for monitoring requirements of the SAPT BG and the terms of the State County Contract operated by Santa Cruz County.

The County Monitoring Unit (CMU) within the Performance Management Branch (PMB) of SUD PPFDD performed a comprehensive review based on responses to the monitoring instrument, discussion with county staff, supporting documentation, and requirements. The enclosed report addresses compliance deficiencies and advisory recommendations.

Santa Cruz County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted by June 19, 2017. The CAP must follow the guidelines detailed within the attached report. Please reference the enclosed CAP instructions when completing the CAP. Please email the CAP and supporting CAP documentation to the CMU Analyst, or mail to the address below. If you have any questions regarding this report, please contact Cassandra Queen at (916) 327-2617 or [Cassandra.Queen@dhcs.ca.gov](mailto:Cassandra.Queen@dhcs.ca.gov).

Sincerely,

*Kerri Stubblefield*

CMU Analyst  
(916) 327-2654  
[Kerri.Stubblefield@dhcs.ca.gov](mailto:Kerri.Stubblefield@dhcs.ca.gov)

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<sup>1</sup> Title 45 Code of Federal Regulations, Part 96, Subpart L – Substance Abuse Prevention and Treatment Block Grant requirements



**County Monitoring Unit Report**  
Santa Cruz County

Distribution:

To: Erik Riera, Director, Interim AOD Administrator, Santa Cruz Behavioral HealthServices

CC: Victoria King-Watson, DHCS Substance Use Disorders (SUD) Program, Policy and Fiscal Division, Assistant Division Chief  
Tracie Walker, Performance Management Branch, Section Chief  
Patrick Daglia, Fiscal Management and Accountability Branch, Section Chief  
Denise Galvez, Policy and Prevention Branch, Section Chief  
Sandy Yien, Program Support and Grants Management Branch, Section Chief  
Susan Jones, County Monitoring Unit, Supervisor  
Cynthia Hudgins, Drug Medi-Cal Monitoring Unit I, Supervisor  
Stephanie Quok, Drug Medi-Cal Monitoring Unit II, Supervisor  
Danielle Stumpf, Office of Women, Perinatal and Youth Services, Supervisor  
Tiffany Stover, Postservice Postpayment Unit I, Supervisor  
Janet Rudnick, Postservice Postpayment Unit II, Supervisor  
Trudi Romero, Policy and Prevention Branch, Office Technician

May 19, 2017

Report Prepared by: *Kerri Stubblefield, County Monitoring Analyst*  
Manager Approval: *Susan Jones, County Monitoring Supervisor*

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**CMU Analyst:**  
Cassandra Queen

**Review Date:** April 04 – 05, 2017

**Assisting CMU Analyst:**  
Kerri Stubblefield

**Review Period:** SFY 2016-17

**County:** Santa Cruz

**County Address:**  
Santa Cruz County Behavioral Health Services  
1400 Emeline Avenue  
Santa Cruz, CA 95060

The Department of Health Care Services (DHCS) is required to provide programmatic, administrative, and fiscal oversight of the statewide Substance Abuse Prevention and Treatment Block Grant (SAPT BG), the State County Contract, and Drug Medi-Cal (DMC) Substance Use Disorder (SUD) services through annual compliance reviews.

This report summarizes the findings of the compliance review conducted by the County Monitoring Unit (CMU).

## CORRECTIVE ACTION PLAN (CAP)

Pursuant to the State County Contract, Exhibit A, Attachment I, Part V, Section 4, 7, (a-b) each compliance deficiency identified must be addressed via a Corrective Action Plan (CAP). The CAP is due within thirty (30) calendar days of the date of this monitoring report. Advisory recommendations are not required to be addressed in the CAP.

The CAP shall:

1. Address each programmatic deficiency;
2. Provide a specific description of how the deficiency will be corrected;
3. Identify the staff person responsible for correcting the deficiency and ensuring future compliance;
4. Specify the target date for complete implementation of each deficiency.

As deficiencies are corrected, please send training documentation, revised policies/procedures, and/or other documentation to demonstrate the correction of a deficiency, if applicable.

The CMU analyst will monitor progress of CAP implementation until complete.

## REVIEW SCOPE

- I. Regulations:
  - a. 22 CCR § 51341.1 – Drug Medi-Cal Substance Use Disorder Services
  - b. 9 CCR, Division 4, Chapter 4, Subchapter 1 – 6: Narcotic Treatment Programs
  - c. 45 CFR; Part 96; Subpart L; §96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
  - d. 42 USC, Section 300x-21 through 300x-66: Substance Abuse Prevention and Treatment Block Grant
  - e. HSC, Division 10.5, Section 11750 – 11970: Alcohol and Drug Programs
  
- II. Program Requirements:
  - a. State Fiscal Year (SFY) 14/15 - 16/17 State County Contract, herein referred to as State County Contract
  - b. State of California *Youth Treatment Guidelines*, revised August 2002
  - c. DHCS *Perinatal Services Network Guidelines FY 2016-17*
  - d. National *Culturally and Linguistically Appropriate Services (CLAS) Standards*
  - e. Alcohol and Drug Program (ADP) Bulletins
  - f. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices

## Section 1: ADMINISTRATION

The following deficiencies in Section 1: Administration regulations, standards, or protocol were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 1.5:**

State County Contract, Exhibit A, Attachment I, Part I, G  
*No Substance Abuse Prevention and Treatment (SAPT) Block Grant funds made available through this Contract shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless the State chooses to implement a demonstration syringe services program for injecting drug users.*

Exhibit A, Attachment I, Part I, X  
*Contractor shall include all of the foregoing provisions in all of its subcontracts.*

**Finding:** The County does not include a provision on the restriction on distribution of sterile needles within subcontracted provider contracts.

#### **CD 1.13**

MHSUDS Information Notice No.: 16-058 Department of Health Care Services Oversight of Certifying Organizations  
*In accordance with HSC Section 11833(b)(1), any individual who provides counseling services in a licensed or certified AOD program, except for licensed professionals, must be registered or certified with a DHCS approved certifying organization.*

**Finding:** The County does not require AOD counselor(s) to be registered or certified upon providing services.

## Section 2: SAPT BG MONITORING

The following deficiencies in the SAPT BG monitoring regulations, standards, or protocol were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 2.18**

State County Contract Exhibit A, Attachment I, Part IV, Section 3, A, 1, (a-e)  
*Contractor's performance under this Exhibit A, Attachment I A2, Part IV, shall be monitored by the State during the term of this Contract. Monitoring criteria shall include, but not be limited to:*

- (a) Whether the quantity of work or services being performed conforms to Exhibit B A2;*
- (b) Whether the Contractor has established and is monitoring appropriate quality standards;*
- (c) Whether the Contractor is abiding by all the terms and requirements of this Contract;*
- (d) Whether the Contractor is abiding by the terms of the Perinatal Services Network Guidelines (Document 1G); and*
- (e) Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements.*

*Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:*  
[sudcountyreports@dhcs.ca.gov](mailto:sudcountyreports@dhcs.ca.gov); or  
Substance Use Disorder - Prevention, Treatment and Recovery Services  
Division, Performance Management Branch, Department of Health Care Services,  
PO Box 997413, MS-2627  
Sacramento, CA 95899-7413

**Finding:** The County did not have all the SAPT BG program requirements within their monitoring tools. The following criteria is missing:

- State of California *Youth Treatment Guidelines*
- Charitable Choice
- Trafficking Victims Protection Act (TVPA)

#### **CD 2.20:**

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)  
*Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:*  
[SUDCountyReports@dhcs.ca.gov](mailto:SUDCountyReports@dhcs.ca.gov); or  
Substance Use Disorder - Prevention, Treatment and Recovery Services  
Division, Performance Management Branch, Department of Health Care Services  
PO Box 997413, MS-2627  
Sacramento, CA 95899-7413

**Finding:** The County did not conduct annual onsite programmatic and fiscal monitoring reviews of all county-subcontracted SAPT BG providers in SFY15-16.



**Section 3: DRUG MEDI-CAL (DMC)**

The following deficiencies in DMC regulations, standards, or protocol requirements were identified:

**COMPLIANCE DEFICIENCIES:**

**CD 3.25**

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)

*Contractor shall conduct, at least annually, a utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review must include an on-site visit of the service provider. Reports of the annual review shall be provided to the Department's Performance Management Branch at:*

*Substance Use Disorder - Prevention, Treatment and Recovery Services Division,  
Performance Management Branch*

*Department of Health Care Services*

*PO Box 997413, MS-2621*

*Sacramento, CA 95899-7413;*

*Or by secure, encrypted email to: [SUDCountyReports@dhcs.ca.gov](mailto:SUDCountyReports@dhcs.ca.gov)*

*Review reports shall be provided to the State within 2 weeks of completion by the Contractor.*

**Finding:** The County did not conduct annual onsite utilization reviews of all county-subcontracted DMC providers in SFY 15-16.

**CD 3.25.d:**

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)

*Contractor shall conduct, at least annually, a utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review must include an on-site visit of the service provider. Reports of the annual review shall be provided to the Department's Performance Management Branch at:*

*Substance Use Disorder - Prevention, Treatment and Recovery Services Division,  
Performance Management Branch*

*Department of Health Care Services*

*PO Box 997413, MS-2621*

*Sacramento, CA 95899-7413;*

*Or by secure, encrypted email to: [SUDCountyReports@dhcs.ca.gov](mailto:SUDCountyReports@dhcs.ca.gov)*

*Review reports shall be provided to the State within 2 weeks of completion by the Contractor.*

**Finding:** The County did not submit DMC utilization reviews to DHCS within two weeks of report issuance.

**Section 4: PERINATAL**

There were no compliance deficiencies identified in Section 4: Perinatal.

**Section 5: ADOLESCENT/YOUTH TREATMENT (AYT)**

There were no compliance deficiencies identified in Section 5: AYT.

## Section 6: FISCAL AUDITING

The following deficiencies in Section 6: Fiscal Auditing were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 6.47:**

State County Contract, Exhibit B, A3, Part I, Section 1, H, 3

*Pursuant to 45 CFR 96.124 C 1-3 the Contractor shall expend a specified percentage of SAPT Block Grant funds for perinatal services, pregnant women, and women with dependent children each state fiscal year (SFY). The Contractor shall expend that percentage of SAPT Block Grant funds by, either establishing new programs or expanding the capacity of existing programs. In accordance with 45 CFR 96.124 (c)(1-3), the Contractor shall calculate the percentage of funds to be expended for perinatal services, pregnant women, and women with dependent children in the manner described in Exhibit G: County Share of SAPT Block Grant Women Services Expenditure Requirement.*

**Finding:** The County does not maintain county-level policies and procedures addressing the expenditure and reporting of perinatal SAPT BG funds.

**Section 7: PRIMARY PREVENTION**

There were no compliance deficiencies identified in Section 7: Primary Prevention.

**Section 8: CULTURAL COMPETENCE**

There were no compliance deficiencies identified in Section 8: Cultural Competence.

**Section 9: ELECTRONIC HEALTH RECORDS (EHR)**

There were no compliance deficiencies identified in Section 9: EHR.

**Section 10: CALIFORNIA OUTCOMES MEASUREMENT SYSTEM TREATMENT (CalOMS Tx)  
AND DRUG AND ALCOHOL TREATMENT ACCESS REPORT (DATAR)**

The following deficiencies in CalOMS and DATAR regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

**CD 10.57.a:**

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

*Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non- DMC funds.*

State County Contract, Exhibit A, Attachment I, Part III, D (6)

*Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines and reporting method.*

DHCS, CalOMS Tx, Data Compliance Standards, NNA Contract: Document 3S

*Standard: Total late submissions or re-submissions shall not exceed five percent (5%) for any report month.*

**Finding:** The County's CalOMS Tx late submissions or re-submissions exceed five percent (5%).

**CD 10.57.b:**

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

*Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.*

DHCS, CalOMS Tx, Data Compliance Standards, NNA Contract: Document 3S

*Counties are responsible for their county contracted providers and shall report for all (100 percent) of their treatment providers in their monthly submission that includes data for ALL of their providers: admissions, discharges, or annual updates. A provider no activity (PNA) record shall be submitted for any provider reporting no activity for the month.*

*Standard: All providers must submit CalOMS Tx data each month. If a provider has no reportable CalOMS Tx activity, the provider must report "No Activity" as defined in the CalOMS Tx Input Data File Instructions and the CalOMS Tx Data Dictionary.*

**Finding:** The County and county-subcontracted treatment providers did not report any CalOMS Tx data, and did not generate a Provider No Activity (PNA) report.

**CD 10.57.d:**

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

*Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.*



State County Contract, Exhibit A, Attachment I, Part III, D (6)

*Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines and reporting method.*

DHCS, CalOMS Tx, Data Compliance Standards, NNA Contract: Document 3S

*Standard: Counties shall account for all one hundred percent (100%) of their county contracted treatment providers in their monthly submission(s) of CalOMS Tx data. DHCS will review the completeness of the CalOMS Tx monthly submissions reported by the counties (counties are responsible for their county contracted providers) and direct providers. Counties are responsible for their county contracted providers and shall report for all (100 percent) of their treatment providers in their monthly submission that includes data for all of their providers: admissions, discharges, or annual updates.*

**Finding:** The County and county-subcontracted treatment providers did not report monthly CalOMS Tx submission data on beneficiary discharges or annual updates as needed.

**CD 10.57.e:**

State County Contract, Exhibit A, Attachment I, Part III, G (1), (2)

*1. The Contractor shall be responsible for ensuring that the Contractor-operated treatment services and all treatment providers with whom Contractor makes a contract or otherwise pays for the services, submit a monthly DATAR report in an electronic copy format as provided by the State.*

*2. The Contractor shall ensure that all DATAR reports are submitted by either Contractor-operated treatment services and by each subcontracted treatment provider to the State by the 10th of the month following the report activity month.*

**Finding:** The County and county-subcontracted treatment providers did not submit DATAR reports by the 10<sup>th</sup> of the month following the report activity month.

ADVISORY RECOMMENDATION:

**AR 10.58:**

State County Contract, Exhibit A, Attachment I, Part III, D (6)

*Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines and reporting method.*

Department of Health Care Services, California Outcome Measurement System Treatment (CalOMS Tx), Data Compliance Standards, NNA Contract: Document 3S

*Standard: Counties shall account for all one hundred percent (100%) of their county contracted treatment providers in their monthly submission(s) of CalOMS Tx data. DHCS will review the completeness of the CalOMS Tx monthly submissions reported by the counties (counties are responsible for their county contracted providers) and direct providers.*

*Counties are responsible for their county contracted providers and shall report for all (100 percent) of their treatment providers in their monthly submission that includes data for all of their providers: admissions, discharges, or annual updates.*

**Recommendation:** It is recommended the County monitor the CalOMS Open Providers submission data on a monthly, rather than annual, basis.

## Section 11: PRIVACY AND INFORMATION SECURITY

The following deficiencies in Privacy and Information Security regulations, standards, or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 11.71:**

State County Contract, Exhibit G-3, Attachment A, 4, A  
*Emergency Mode Operation Plan. Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of Department PHI or PI held in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.*

**Finding:** The County did not provide a copy of the Emergency Mode Operation Plan or similar document.

#### **CD 11.72:**

State County Contract, Exhibit G-3, Attachment A, 4, B  
*Data Backup Plan. Contractor must have established documented procedures to backup Department PHI to maintain retrievable exact copies of Department PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore Department PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of Department data.*

**Finding:** The County did not provide written procedures of a data backup plan that include all of the following:

- A regular schedule for making backups
- Storing backups offsite
- An inventory of backup media
- An estimate of the amount of time needed to restore Department PHI or PI should it be lost

#### **CD 11.74:**

State County Contract, Exhibit G-1, 3, D, 2-3  
*2) Compliance with the HIPAA Security Rule. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its*

activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.

3) Security. Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:

- a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements;
- b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and
- c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

**Finding:** The provided policies do not address security of computerized data systems and protection of paper documents containing Personal Health Information (PHI) subject to HIPAA.

**CD 11.75:**

State County Contract, Exhibit G-1, 7, a-b

7) Contractor's Agents and Subcontractors.

a. To enter into written agreements with any agents, including subcontractors and vendors to whom Contractor provides Department PHI, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Contractor with respect to such Department PHI under this Exhibit G, and that require compliance with all applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI. As required by HIPAA, the HITECH Act and the HIPAA regulations, including 45 CFR Sections 164.308 and 164.314, Contractor shall incorporate, when applicable, the relevant provisions of this Exhibit G-1 into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI be reported to Contractor.

b. In accordance with 45 CFR Section 164.504(e)(1)(ii), upon Contractor's knowledge of a material breach or violation by its subcontractor of the agreement between Contractor and the subcontractor, Contractor shall:

- i) Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by the Department; or
- ii) Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

**Finding:** The provision within county-subcontracted provider contracts does not contain required language allowing the contractor to respond appropriately to material breaches or violations by the subcontractor.

**CD 11.76.a:**

State County Contract, Exhibit G-2, 3, B, 2-3

2) *Safeguards. To implement appropriate and reasonable administrative, technical, and physical safeguards to protect the security, confidentiality and integrity of Department PI and PII, to protect against anticipated threats or hazards to the security or integrity of Department PI and PII, and to prevent use or disclosure of Department PI or PII other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that include administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, which incorporate the requirements of section 3, Security, below. Contractor will provide DHCS with its current policies upon request.*

3) *Security. Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:*

- a. Complying with all of the data system security precautions listed in Attachment A, Business Associate Data Security Requirements;*
- b. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and*
- c. If the data obtained by Contractor from DHCS includes PII, Contractor shall also comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and DHCS, known as the Information Exchange Agreement, which are attached as Attachment I and incorporated into this Agreement. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. Contractor also agrees to ensure that any agents, including a subcontractor to whom it provides DHCS PII, agree to the same requirements for privacy and security safeguards for confidential data that apply to Contractor with respect to such information.*

**Finding:** The County did not provide policies and procedures addressing privacy and security safeguards for confidential data containing Personal Information (PI).

**CD 11.78:**

State County Contract, Exhibit G-1, Provision 13

*Breaches and Security Incidents. During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:*

- a. Initial Notice to the Department. (1) To notify the Department immediately by telephone call or email or fax upon the discovery of a breach of unsecured PHI in electronic media or in any other media if the PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person. (2) To notify the Department within 24 hours (one hour if SSA data) by email or fax of the discovery of any suspected security incident,*

*intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement or this ExhibitG-1, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor. Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the Information Protection Unit (916.445.4646, 866-866-0602) or by emailing ([privacyofficer@dhcs.ca.gov](mailto:privacyofficer@dhcs.ca.gov)). Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most current version of this form, which is posted on the DHCS information Security Officer website ([www.dhca.ca.gov](http://www.dhca.ca.gov), then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.asp>*

*Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PHI, Contractor shall take:*

- i) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and*
  - ii) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.*
- a. Investigation and Investigation Report. To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI. Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Information Protection Unit.*
- b. Complete Report. To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include any known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, and the HIPAA regulations. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten (10) working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.*

**Finding:** The County does not have a formal process in place for reporting breaches or security incidents to DHCS that includes:

- Notifying DHCS immediately by telephone, e-mail, or fax
- Notifying DHCS within 24 hours of a suspected security incident
- Utilizing “Privacy Security Incident Report” form
- Submitting “Privacy Incident Report” form within 72 hours
- Providing a complete report within 10 working days of breach or disclosure

**Section 12: TECHNICAL ASSISTANCE (TA)**

There were no requests for TA.