CP072621

Request for Proposal
Certified Recovery Specialists

Delaware County
Department of Human Services

Introduction

The Commonwealth of Pennsylvania has a County administered and State supervised child welfare system. Children and Youth Services of Delaware County is the County office responsible for the investigation of allegations of child abuse and neglect. Children and Youth Services ensures the immediate safety and protection of children. The agency makes all reasonable efforts to provide services to children in their homes and communities and to enhance the family's capacity to provide for their children's educational, physical, and behavioral health needs.

Parental substance abuse is a major concern in the child welfare system and is associated with negative outcomes for impacted children. Delaware County has been significantly impacted by the opiate crisis and more recently, the rising prevalence of methamphetamine use. Supporting parents in their efforts to enter into treatment and to sustain their recovery is a priority for Children and Youth Services. The agency has available funding for Certified Recovery Specialists, to provide support to parents involved with the child welfare system.

Objective

Children and Youth Services receives a large volume of referrals each year due to parental substance abuse and its impact on child safety and wellbeing. Over half of all children in out of home care have been impacted by parental substance abuse. A study by the US Department of Health and Human Services, 1999, found children of substance abusing parents are more likely to be placed in foster care and are more likely to remain there longer than children from non-substance abusing families.

Children and Youth Services is seeking a drug and alcohol treatment program or facility to staff and provide supervision to two Certified Recovery Specialists. The Certified Recovery Specialists would serve as mentors, role models and advocates in seeking treatment for parents receiving services from Children and Youth Services. The Certified Recovery Specialists would provide assistance to parents as they enter treatment and support parents in recovery to prevent relapse and promote long term recovery.

Children and Youth Services has two site offices, in Eddystone and in Upper Darby. A recovery specialist would be located in each site office. They should have a working knowledge of the drug and alcohol treatment system in Delaware County. The Certified Recovery Specialist must meet all qualifications for Pennsylvania certification as a Certified Recovery Specialist. The Certified Recovery Specialist must have access to a vehicle. Some evening and weekend hours may be required.

Proposal Timelines

Action	*Date*
RFP Released	7/29/2021
Applicant Questions Due: Address questions to: Kelly Wiltsie HumanServices@delcohsa.org	8/16/2021
RFP Responses Due	8/25/2021
Proposal Review Dates	9/7/21 – 9/17/2021
Applicant Selection Date	9/20/2021

The RFP will be posted on the County and Department of Human Services websites, www.delcopa.gov/www.delcohsa.org and can be downloaded from there directly as of July 29, 2021.

Instructions

The County reserves the right to disqualify any proposals received after the specified date/time and not completed in the indicated format and inclusive of required information.

A. Applicants must respond to all components of this Request for Proposal.
B. SEALED proposals in one unmarked envelope clearly indicating "RFP Submission" will be received on or before **4:00 PM Eastern Standard Time, Date responses due** in the office of Delaware County Human Services, 20 South 69th Street, Upper Darby, Pa 19082. Late responses will not be considered.
C. Proposal submissions must include three single-sided unbound complete sets, one original set, marked "ORIGINAL" and two copies marked "COPY". The copies must not contain any provider identifiers, those that do will not be considered.
   a. Submissions shall be sent or hand delivered to the below issuing officer:
      Kelly Wiltsie
      Delaware County Human Services
      20 South 69th Street
      Upper Darby, PA 19082
D. The submission must include the following separate documents:
   a. Technical Proposal
   b. Cost Proposal
   c. Transmittal Letter signed by an official who has the legal authority to bind the company to the terms of the proposal.
E. All costs of developing the proposal and any subsequent expenses related to contract negotiations are entirely the responsibility of the applicant.
F. The County reserves the right to conduct Best and Final negotiations in its sole discretion.

Additional Information for Applicants

A. Issuing Office
   The issuing officer is the sole point of contact for this Request for Proposal. Note that, following the release of this Request for Proposal, all questions should be submitted to the Project Manager via email to humanservices@delcohsa.org by the indicated date and all correspondence must include **Certified Recovery Specialists - RFP** in the subject line. All submitted questions and answers will be posted on the County and Department of

Human Services websites after the Applicant Questions Due Date outlined in the Proposal Timeline.

B. Contract
The successful applicant will be expected to enter into an agreement with Delaware County, subject to the availability of local, state, and federal funds and County Council's approval.

The County may terminate any contract on five (5) business days' written notice if County Council determines that entering into the contract resulted in a violation of Section 6-12.D. of the County's Administrative Code and imposes termination of said contract as a penalty for such violation. County Council may also require repayment to the County of any profit made by a Contractor under such contract as a penalty for such violation. Contractor agrees to send County a written affidavit in reasonable detail calculating such profit within fifteen (15) days of written notice if the imposition of such penalty together with repayment of such profit.

a. The successful applicant must comply with the following contract appendices, attached to this addendum:
   i. Appendix F – Insurance
   ii. Appendix U – Audit Requirements
   iii. Appendix AA – Invoicing Submission Requirements
   iv. Appendix EE – Child Protective Services Law
   v. Appendix CC – HIPPA Business Associate Agreement

C. Rejection of Proposals
Delaware County Council reserves the right to reject any and all bids or parts thereof and to determine whether the quality and type of service to be furnished meets the requirements for which it is intended. They further reserve the right to insist or waive any technicalities required for the best interest of the County and to consider competency and responsibility of the bidder before the award of the contract. Also, The County may negotiate separately with competing applicants in an effort to get a Best and Final Offer. If all proposals are unacceptable, the County reserves the right to reject the proposals and to issue a new Request for Proposal, if indicated.

D. Amendments to Request for Proposal
If it becomes necessary to revise any part of this Request for Proposal, the County will issue an Amendment to all applicants who responded to the original Request for Proposal and post on the County and Human Services websites.

Information Required from Applicants

Failure to adhere to requirements for each section of the proposal may result in disqualification.

A. Technical Proposal
The Technical Proposal should address all questions and requirements as outlined in this Request for Proposal.

B. Cost Proposal
The Cost Proposal should include all costs required to implement the submitted proposal and must be submitted in the required format.

C. Transmittal Letter

The Transmittal Letter must be on the applicant's letterhead and signed by an individual with the legal authority to bind the applicant. The letter must identify the primary program and fiscal contact for the applicant and state the applicant accepts the terms, conditions, criteria, and requirements set forth in the RFP.

Technical Proposal

A. Technical Proposal – should be no more than fiftenn pages in length
    a. Experience and Background Information
        i. Describe how the addition of this service is consistent with the continuum of services offered by your organization and is consistent with your organization's mission and vision.
        ii. Describe your organization's experience working with public child welfare agencies.
        iii. Describe the governance structure of your organization.
        iv. Describe your organization's current system for assessing cultural competence.
        v. Describe your organization's current system for program and system oversight and quality improvement.
    b. General
        i. Describe proposed record keeping including quarterly statistical reports and tracking of longer-term outcomes.
        ii. Describe how data will be utilized to track and adjust services.
        iii. Describe the information technology to be used by the program.

Cost Proposal

The applicant is to complete the Cost Report per instructions. (Cost Report is a standard variation of the Fiscal Budget Packet).

INSURANCE

Before the contract is awarded, and unless otherwise approved by the County of Delaware's (hereinafter referred to as the 'County') representative in writing, the Contractor/Provider shall, at its sole cost and expense, procure the following minimum types and limits of insurance, on forms reasonably acceptable to the County. Such insurance shall be maintained in full force and effect until completion of the Services or final acceptance of the entire Project or the completion of all post-acceptance warranty or related work by Contractor/Provider, whichever is later.

Coverage shall be obtained from reputable insurance carriers authorized to transact that class of business in the state where the work will be performed, or otherwise acceptable to the County, having an A.M. Best Rating of A- VII or better.

All insurance required herein shall be written on an "occurrence" basis, not "claims-made", with the exception of Professional Liability insurance, unless specifically approved by the County in writing.

The County of Delaware reserves the right to grant exception(s) to specific contractors with respect to the requirements herein, if deemed reasonable and if determined that such exception(s) are in the best interests of the County.

1. General Liability:

Commercial General Liability, written on an occurrence basis, covering bodily injury including death, and/or property damage to third parties, which may arise from ongoing and completed operations under the contract, whether such operations are performed by the Contractor/Provider or its subcontractors/subconsultants, anyone directly or indirectly employed by them, or anyone for whom they may be liable, with limits not less than:

Each Occurrence	$1,000,000
Personal and Advertising Injury	$1,000,000
Products/Completed Operations Aggregate	$2,000,000
Per Project Aggregate	$2,000,000
Damage to Rented Premises	$ 50,000
Medical Payments	$ 10,000
Abuse/Molestation (if applicable to services provided)	$1,000,000

The General Liability policy shall include contractual liability, covering liability assumed by the Contractor/Provider under the Indemnification and other provisions of the contract.

Any deductible under this coverage is subject to the County's approval, and shall be the sole responsibility of the Contractor/Provider.

2. Business Automobile Liability:

Business Automobile Liability coverage for bodily injury and property damage arising out of the ownership, maintenance, or use of owned, non-owned, hired, and leased vehicles, including uninsured/underinsured motorists coverage, with limits not less than:

Combined Single Limit	$ 1,000,000
Uninsured/Underinsured Motorists Liability Limit	$ 1,000,000

3. Workers' Compensation and Employers Liability

Workers' Compensation and Employers Liability as required by the state in which the work will be performed, including "other states" coverage (if applicable), and USL&H and Jones Act coverage (if applicable), with limits not less than:

Workers' Compensation	Statutory
Bodily Injury, each Employee	$500,000
Bodily Injury, each Accident	$500,000
Disease, each Employee	$500,000

If Contractor/Provider is an exempt self-insurer, sole proprietor, or independent contractor in Pennsylvania, a current exemption certificate shall be provided in lieu of evidence of Workers' Compensation coverage.

4. Umbrella Liability

Umbrella Liability applying excess of the General Liability, Automobile Liability, and Employers Liability policies, on a following-form basis, with limits not less than:

Each Occurrence	$5,000,000
Aggregate	$5,000,000

Hazardous work may require higher limits, as requested by the County.

5. All Risk Builders Risk (if applicable)

All Risk (Special Form) Builders Risk insurance, including Earthquake and Flood to the extent reasonably commercially available, providing protection for building, structures, and materials or equipment to be installed in the project, while in the course of construction, in transit to the project site, and while being retained in off-site storage.

The Builders Risk policy shall be written to cover 100% of the completed value of the project, at replacement cost valuation, with an agreed amount provision (coinsurance waived).

Any deductible under this coverage shall be no more than $25,000 and shall be the sole responsibility of the Contractor.

The policy shall cover the insurable interests of the County, Contractor and Subcontractors in the Work. The County and Contractor waive all rights against each other for damages caused by fire or other perils to the extent payment is actually made under insurance provided under this paragraph, except such rights as they may have to the proceeds of such insurance held by the County. The Contractor shall require similar waivers by Subcontractors.

The County will procure such Builders Risk coverage in compliance with the above provisions, subject to information contained in Appendix 1, which shall be provided by Contractor following award of the bid.

6. Professional Liability/Errors & Omissions Insurance (if applicable)

All Contractors/Providers who will perform, or retain others to perform, professional services in connection with the work (including but not limited to Consultants, Architects, Engineers, Design-Build, Project/Construction Managers) shall provide Professional Liability insurance covering negligent acts, errors, or omissions in the performance of their work, with limits not less than:

Each Claim	$3,000,000
Annual Aggregate	$3,000,000

7. Cyber Insurance

Provider shall maintain, at its own expense throughout the Term, cyber liability insurance coverage or a cyber liability insurance rider in the Errors and Omissions policy providing privacy response coverage and third party liability coverage covering Provider for claims, losses, liabilities, judgements, settlements, lawsuits, regulatory actions, and other costs or damages arising out of its performance under this Agreement, including any negligent or otherwise wrongful acts or omissions by Provider or any employee or agent thereof in such amounts and on such terms as are reasonably acceptable to Client, but in no event less than the following: $3,000,000. This includes, but is not limited to: any breach of any law or regulation governing confidentiality of PHI (as defined under HIPAA) and Personal Information (as defined under the PA Act). Upon request, Provider shall furnish Client, upon request, as evidence of coverage, a certificate of insurance for Cyber Liability and/or Errors and Omissions insurance. Provider shall not cancel or reduce any such insurance without prior written consent of Client. Provider shall notify Client in writing within five business days if it receives notice that its insurance carrier intends to terminate, cancel, non-renew or rescind cyber liability insurance or errors and omissions insurance.

8. Contractors Pollution Liability (if applicable)

All Contractors who will perform environmental services (including but not limited to asbestos or lead abatement, testing or remediation) shall provide Contractors Pollution Liability with limits not less than:

Each Claim or Occurrence	$5,000,000
Annual Aggregate	$5,000,000

The Contractors Pollution Liability policy shall include coverage for Emergency Response Costs, Contingent Transportation, Non-Owned Disposal Sites, and Natural Resource Damage. If coverage is written on a claims-made basis, an Extended Reporting Period, or tail coverage, shall be provided for two (2) years following completion of the insured's services. In the alternative, the Contractors Pollution Liability policy shall be renewed for not less than two years following completion. The policy retroactive date shall be no later than the effective date of this Agreement.

9. Performance & Other Bonds

Contractor shall furnish performance and payment Bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all Contractor's obligations.

Contractor shall furnish a Maintenance Bond in an amount equal to ten percent (10%) of the Contract including Change Orders. This Maintenance Bond shall be effective for a period of one (1) year following the date established by the certificate of Substantial Completion.

All Bonds shall be executed by such Sureties as (i) are licensed to conduct business in the state where the Project is located, and (ii) are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, U.S. Treasury Department. All Bonds signed by an agent must be accompanied by a certified copy of the authority to act and the Surety's financial statement.

If the Surety on any Bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located, Contractor shall within five (5) days thereafter substitute another Bond and Surety, both of which shall be acceptable to County.

General Insurance Provisions

All policies required hereunder other than Workers Compensation, Professional Liability, and Builders Risk shall name the County of Delaware, and its departments, county offices or agencies as applicable, and their officers, directors, agents, employees, and volunteers as additional insureds on a primary and noncontributory basis, for losses arising from the negligence of the Contractor/Provider or its subcontractors, or anyone for whom they may be liable. Additional insured status shall apply to Completed Operations.

All policies shall provide a Waiver of Subrogation in favor of the County of Delaware, and its departments, county offices or agencies as applicable, and their officers, directors, agents, employees, and volunteers, and/or other parties designated by the County.

Policies shall not be canceled, terminated, or non-renewed unless sixty (60) days prior written notice is sent by the insurer to the insured Contractor/Provider. Contractor/Provider shall immediately forward any such notice to County.

Contractor/Provider shall furnish to County Certificates of Insurance prior to the start of work, evidencing that all requirements have been met, and detailing the insurers providing coverage, types and limits of coverage, class of operations covered, and effective and expiration dates of coverage. Certificates shall specifically confirm the terms of coverage required herein, including Additional Insured status, waiver of subrogation, and that coverage is included for Abuse/Molestation (if applicable). A copy of the Additional Insured, Waiver of Subrogation, and Abuse/Molestation policy provisions or endorsements must be submitted with the Certificate. A renewal Certificate must be provided to County prior to the expiration date thereof.

Subcontractor/Subconsultants

Contractor/Provider shall require each subcontractor or subconsultant to provide insurance as outlined above. Such policies shall name the County of Delaware and its departments, offices, and agencies; Contractor/Provider; and the officers, directors, employees, agents, and volunteers of both, as additional insureds on a primary/noncontributory basis, for losses arising from the negligence of the subcontractor/subconsultant. Additional insured status shall apply to Completed Operations.

All policies shall provide a Waiver of Subrogation in favor of the Additional Insured parties.

Contractor/Provider shall be responsible for securing and maintaining certificates of insurance from all subcontractors/subconsultants evidencing the insurance coverages required herein.

The insurance coverages and limits required herein are designed to meet the minimum requirements of the County. They are not designed as a recommended insurance program for Contractor/Provider or its subcontractors/subconsultants. **Meeting these minimum requirements shall in no way limit or relieve the Contractor/Provider liability and obligations under any other provision of the Contract.** The Contractor/Provider shall acquire,

at its own expense, any other Additional Insurance coverage it deems necessary for the protection of its work under this contract.

Self-Insurance

If Contractor/Provider maintains a self-insured program or a limited self-insurance program for any or all of the coverages listed above, a complete description of the program, with information on excess carriers and funding arrangements, and a copy of the Provider's most recent audited financial statement, must be provided to County for review and approval, such approval not to be unreasonably withheld.

If County grants such approval, Contractor/Provider understands and agrees that the County of Delaware, county offices or agencies as applicable, and their officers, directors, agents, employees, and volunteers shall receive the same coverages and benefits under Contractor/Provider's self-insurance program that they would have received had the insurance requirements set forth above been satisfied with coverage provided by a commercial insurance company.

Non-Waiver of Indemnification

The insurance (including self-insurance) requirements set forth herein are not intended and shall not be construed to modify, limit, or reduce the indemnifications required of Contractor/Provider, nor to limit Contractor/Provider's liability under this contract to the limits of the policies of insurance (or self-insurance) required to be maintained by Contractor/Provider hereunder.

DELAWARE COUNTY DEPARTMENT OF HUMAN SERVICES
APPENDIX U
AUDIT REQUIREMENTS

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DELAWARE COUNTY DEPARTMENT OF HUMAN SERVICES
APPENDIX U
AUDIT REQUIREMENTS FOR SUBRECIPIENT ORGANIZATIONS

U-I OVERVIEW

Introduction

The purpose of Appendix U is to set forth audit guidance for provider organizations receiving financial assistance from the Delaware County Department of Human Services (County) either directly or as a subrecipient of a pass-through award. This audit guidance is applicable to the following Delaware County Human Services programs:

- Mental Health
- Intellectual and Developmental Disabilities
- Early Intervention
- Drug and Alcohol
- Adult and Family Services
- Child Welfare

Depending on the type and amount of funding received, an audit of the financial assistance provided in connection with the County contract may be required. Awards received from the County may include federal, state, or county financial assistance. In addition to Federal audit requirements, the Commonwealth of Pennsylvania Department of Human Services (DHS) and the Pennsylvania Department of Drug and Alcohol (DDAP) have unique audit requirements which need to be considered in the determination of audit compliance.

Any pass-through of federal awards is required to be reported by subrecipients on the same basis as is required for federal financial assistance received directly from a federal awarding agency.

The County is responsible for ensuring that the financial statements of its subrecipients are appropriately audited in accordance with *Government Auditing Standards* (the Yellow Book), applicable program requirements and contract provisions, and, when appropriate, the Single Audit Act Amendments of 1996, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) of the Office of Management and Budget (OMB), the Pennsylvania Department of Human Services Single Audit Supplement, and the Pennsylvania Department of Drug and Alcohol audit guidelines.

Obtaining an Engagement Letter

For all audits performed in accordance with the provisions of Appendix U, the subrecipient organization must have executed a written engagement letter with its independent auditor establishing an understanding about the services to be performed. The engagement letter should specify the responsibilities of both the subrecipient organization and the auditor and the objectives and scope of the engagement.

Interpretation of Appendix U

Any questions pertaining to Appendix U should be referred to:

Human Services Accountant
Department of Human Services
20 South 69th Street, 4th Floor
Upper Darby, PA 19082
Phone No.: 610-713-2115
Fax No.: 610-713-2326

Auditor Independence

Subrecipient organizations shall ensure that the audit organization and the auditors performing the audit work are independent of mind as well as in appearance. It is crucial that the audit organization and the audit team act with integrity and exercise objectivity and professional skepticism.

Audit Objectives

The audit must be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAGAS or Yellow Book), issued by the Comptroller General of the United States. A Yellow Book audit can be required by law, regulation, agreement, contract, or policy. The most common Yellow Book audits are those required as part of a Single Audit performed under Subpart F of the Uniform Guidance, which supercedes OMB Circular A-133 audit requirements. A Single Audit is required if the organization expends more than a specified amount of federal awards. Another common way an organization may be subject to the Yellow Book requirements is because of provisions included in grant agreements or contracts regardless of the amount of federal awards expended. The Yellow Book incorporates GAAS. Thus, performing a financial audit requires auditing the financial statements in accordance with GAAS, as well as following the additional general, field work, and reporting standards contained in *Government Auditing Standards.* This includes testing and reporting on compliance with laws, regulations, and provisions of contracts or grant agreements for which noncompliance would be material to the financial statements. An audit of financial statements in

accordance with the Yellow Book may include additional reporting and documentation responsibilities.

The subrecipient organization may satisfy the audit requirements of this contract by obtaining a Single Audit in accordance with the provisions of Subpart F of the Uniform Guidance. Either a Program Specific Audit or an organization-wide Single Audit, performed in accordance with applicable federal, state and county requirements, may be acceptable. In some instances, the auditee may elect to have a series of audits covering departments, agencies, or other organizational units that expended or otherwise administered federal awards, providing that each such audit encompasses the necessary financial reporting requirements for each such department, agency, or other organizational unit.

The subrecipient organization's audited financial report is utilized by the County to meet its responsibilities in overseeing its programs and assuring the integrity of funds expended. Upon completion of the audit, the supporting audit workpapers shall be made available, upon request, in connection with a quality review, to resolve any audit findings or to carry out oversight responsibilities.

Audit Reporting Package Submission

The County requests that one copy of the audit reporting package conforming to this Appendix U be delivered to the County at the following address:

Human Services Accountant
Delaware County Department of Human Services
20 South 69th Street, 4th Floor
Upper Darby, Pennsylvania 19082

The audit reporting package submission date is 30 days after completion of the audit, but in any event, not later than 9 months after the end of the audit period. However, earlier submission to the County is encouraged.

Extension of Submission Date for Audit Reporting Package

If it is determined that the audit reporting package cannot be submitted to the County before the due date, a written request for extension must be made by submission of Exhibit C to the County. The request must be received by the County at least 2 weeks prior to the due date.

The County may impose sanctions whenever the audit package is not timely submitted and an extension request has not been granted.

Allocations of Indirect Costs

Indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost objective or not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved. Indirect costs can be allocated on an individual line-item basis or collected in an expense pool and allocated in total, utilizing an appropriate base on which to allocate the indirect expenses. In order to achieve equitable cost allocation, a plan must be established to define which costs are to be charged directly and which costs are to be treated as common or indirect costs.

If indirect costs are allocated, then the auditor has responsibility concerning the reasonableness of the allocation. The main purpose in allocating indirect costs is to ensure that each program bears its fair share of costs compared to other programs. Indirect costs are charged by way of a cost allocation plan. The cost allocation plan should ensure that:

- Costs are consistent and logical;
- The allocation includes only costs incurred for a common or joint purpose that benefit more than one program and are not readily assignable to one program;
- Each program bears its fair share of costs compared to other programs;
- Indirect costs are not charged as both direct and indirect costs; and
- The same indirect costs are not being charged to different programs.

Retained Revenue

Delaware County Human Services programs may approve retained revenue allowances by subrecipients by specifically including special retained revenue provisions in the contract. In no case will retained revenue allowances exceed 3% of the total gross revenues applicable to any contract funding representing pass-through funding from Pennsylvania Department of Human Services.

Fraud and Illegal Acts

If fraud or illegal acts are discovered, the auditor should notify the primary executive officer of the subrecipient organization. The subrecipient organization should then promptly notify the County. If the subrecipient's primary executive officer is in any way involved with the acts, the auditor should then notify the County directly. The County will, in turn, take the matter to the funding agency. There is no level of materiality to be considered when reporting fraud or illegal acts.

Additional Audit Provisions

Subrecipient organizations can be required to have audits by contract or other means, even when the audit would not be required by law.

The County, federal, and state agencies, or their authorized representatives, reserve the right to perform additional audits of a financial and/or performance nature, if deemed necessary in carrying out their program administration and monitoring responsibilities. Any such additional work may rely on the work already performed by the Subrecipient's auditor, and the costs for any additional work performed will be borne by those agencies at no additional expense to the Subrecipient. A federal awarding agency may request that a specific federal program be audited as a major program in lieu of the federal awarding agency conducting or arranging for additional audits.

If it is decided by the County that an audit of this contract will be performed, the Subrecipient will be given advance notice. The Subrecipient shall maintain books, records, and documents that support the services provided, that the fees retained are in accordance with the contract, and that the Subrecipient has complied with the contract terms and conditions. The Subrecipient agrees to make available, upon reasonable notice, at the office of the Subrecipient, during normal business hours, for the term of this contract and the retention period set forth in this Appendix U, all books, records, and documents for inspection, audit, or reproduction by the County or a state or federal agency or their authorized representative.

Audit working papers and audit reports must be retained by the Subrecipient's auditor for a minimum of three years from the date of issuance of the audit report, unless the Subrecipient or the Subrecipient's auditor is notified in writing by the cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or the County, to extend the retention period. The term "cognizant agency" means any Federal or State agency that has the primary audit or oversight responsibility for a particular contractor or grantee. Audit working papers must be made available, upon request, to the cognizant or oversight agency for audit or its designee, cognizant agency for indirect costs, a federal agency, General Accounting Office, the County or its designee at the completion of the audit, as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities. Access to audit documentation includes the right to obtain copies of audit documentation, as is reasonable and necessary.

The Subrecipient shall preserve all books, records, and documents related to the program year for at least three years from the contract expiration date, or until all questioned costs or activities have been resolved to the satisfaction of the grantor or pass-through agency, or as required by applicable federal laws and regulations, whichever is longer. If the program contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

Special Purpose Reports

The County may require the subrecipient organization or its auditor to issue other reports in addition to those reports addressed in Appendix U. Special Purpose Reports will generally be referenced in the contract.

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U-II GENERAL AUDIT REQUIREMENTS

A. Federally Mandated Audit Requirements

Subpart F

The subrecipient organization must comply with all federal, state, and county audit requirements including the *Single Audit Act*, as amended, Subpart F of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, state audit supplements and audit requirements, other applicable laws or regulations, and any amendments to such other applicable laws or regulations which may be enacted or promulgated by federal, state, or local government.

Local Governments or Non-Profit Organizations

If the subrecipient organization expends total federal awards of $750,000 or more (from all funding sources) during its fiscal year, either directly from the federal government or indirectly from a recipient of federal funds, the subrecipient organization is required to have a Single Audit or Program Specific Audit performed in accordance with the provisions of Subpart F of the Uniform Guidance.

If the subrecipient organization expends total federal awards of less than $750,000 (from all funding sources) during its fiscal year, it is exempt from these audit requirements. However, it is required to maintain auditable records of federal, state, and local funds that supplement such awards, and to provide access to such records by federal, state, and local agencies or their designees for a period of at least 5 years after the report release date or for any additional period requested. An organization expending less than $750,000 in federal funds may nevertheless be subject to audit requirements specific to the programs from which they receive funds.

For-Profit Organizations

The Uniform Guidance applies primarily to state and local governments, Indian tribes, institutions of higher education and nonprofit organizations that carry out a federal award as a recipient or subrecipient. However, a subrecipient organization is not exempt from reporting requirements on the basis that it is a for-profit entity. Where funding has been passed through to a for-profit subrecipient, the primary recipient or subrecipient must ensure compliance with applicable laws and regulations. This can be accomplished through pre-award audits, monitoring and post-award audits. Specific audit requirements may also be included in the contract with the for-profit recipient. In some cases, program-specific audits may be required.

B. Federal Expenditures Notification

Subrecipient organizations receiving funding from the Delaware County Department of Human Services are required to provide the County with notification regarding federal expenditures. The purpose of this notification is to determine which of the County's subrecipient organizations has met the Uniform Guidance Single Audit threshold. The notification is to be completed and forwarded to the Delaware County Department of Human Services within 45 days after the subrecipient's fiscal year end. The schedule format appears as Exhibit B on page 17 of this Appendix U. Subrecipient organizations not meeting the Single Audit threshold are required to provide the County with certain information described on page 2 of Exhibit B.

C. Types of Federal Audits

1. Single Audits Performed Under the Uniform Guidance

General: The Single Audit shall be conducted in accordance with GAGAS/Yellow Book. The audit shall cover the entire operations of the auditee or at the option of the auditee, a series of audits that cover departments, agencies, and other organizational units which expended, or otherwise administered, federal awards during the fiscal year. Each such audit shall encompass the financial statements and Schedule of Expenditures of Federal Awards. The audited financial statements and the Schedule of Expenditures of Federal Awards shall be presented for the same fiscal year.

Financial Statements: The auditor shall determine whether the financial statements of the auditee are presented fairly in all material respects in conformity with U.S. generally accepted accounting principles. The auditor shall also determine whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole.

Other Reports: The auditor shall issue a Yellow Book report on internal control over financial reporting and on compliance and other matters and a Single Audit report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance.

Audit Follow-up: The auditor shall follow-up on prior audit findings, perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the auditee, and report, as a current year audit finding, if it is concluded that the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior year finding. The auditor shall perform audit follow-up procedures, regardless of whether a prior audit finding relates to a major program, in the current year.

Single Audit Reporting Package Requirements Checklist:

- Financial statements that reflect financial position, results of operations, or changes in net assets and, when appropriate, cash flows for the fiscal year.
- Schedule of Expenditures of federal, state & local awards for the period covered by the financial statements.
- Summary schedule of prior audit findings
- The auditor's opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles and an opinion (or disclaimer of opinion) as to whether the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.
- A report on internal control over financial reporting and compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, noncompliance with which could have a material effect on the financial statements. This report must describe the scope of testing of internal control and compliance and the results of the tests, and, where applicable, it will refer to the separate schedule of findings and questioned costs.
- A report on compliance for each major program and on internal control over compliance. This report must describe the scope of testing of internal control over compliance, include an opinion or modified opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs.
- A schedule of findings and questioned costs which must include the following three components:

  (1) A summary of the auditor's results, which must include:

  (i) The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);

  (ii) Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements;

  (iii) A statement as to whether the audit disclosed any noncompliance that is material to the financial statements of the auditee;

(iv) Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit;

(v) The type of report the auditor issued on compliance for major programs (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);

(vi) A statement as to whether the audit disclosed any audit findings that the auditor is required to report;

(vii) An identification of each individual major program, or in the case of a cluster of programs, the cluster name as shown on the Schedule of Expenditures of Federal Awards;

(viii) The dollar threshold used to distinguish between Type A and Type B programs; and

(ix) A statement as to whether the auditee qualified as a low-risk auditee under the criteria for a low-risk auditee.

(2) Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

(3) Findings and questioned costs for Federal awards.

(i) Audit findings (e.g., internal control findings, compliance findings, questioned costs, or fraud) that relate to the same issue should be presented as a single audit finding. Where practical, audit findings should be organized by Federal agency or pass-through entity.

(ii) Audit findings that relate to both the financial statements and Federal awards should be reported in both sections of the schedule.

- Corrective action plan on all current year findings and a summary schedule of prior audit findings. When audit findings were not corrected or only partially corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action.
- Data Collection Form stating whether the audit was completed in accordance with the standards for the audit of non-federal entities expending federal awards. The Data Collection Form also provides information about the auditee, its federal programs, and the results of the audit.
- Management Letter issued by the auditor.
- Delaware County Supplemental Schedule and related report (Appendix U -Exhibit A).

2. Program Specific Audits Performed Under the Uniform Guidance

A subrecipient that expends $750,000 in federal awards in any year may elect to have a Program Specific Audit, an audit of one federal program, rather than a Single Audit, if the subrecipient expends its federal awards under only one program (CFDA No.), excluding research and development, and that federal program's laws, regulations, or grant requirements do not require a financial statement audit of the entity.

Some federal assistance programs make available a Program Specific Audit Guide. If such a guide exists, it must be followed. A Program Specific Audit Guide provides specific guidance with respect to internal control, compliance requirements, suggested audit procedures, and audit reporting requirements. A listing of current program-specific audit guides can be found in the compliance supplement, including federal awarding agency contact information and a web site where a copy of the guide can be obtained. The auditor shall follow GAGAS/Yellow Book and the audit guide when performing a Program Specific Audit.

In those instances where a Federal Program Specific Audit Guide is available, the audit reporting package for a Program Specific Audit may be different and should be prepared in accordance with the audit guide. If a guide does not exist, the same basic responsibilities exist for the federal program as they would for an audit of a major program in a Single Audit.

The auditor must perform an audit of the financial statement(s) for the federal program in accordance with GAGAS/Yellow Book, must obtain an understanding of the subrecipient's internal control, and must perform tests of internal control as would be required for a major program. Also, the auditor must determine whether the auditee has complied with laws, regulations, and the provision of the grant agreements that could have a direct and material effect on the program as would be required for a major program, follow-up on prior year findings, and report any current year findings.

Program Specific Audit Reporting Package Checklist (when an audit guide is not available):

The Auditee Responsibilities

- Financial statements for the federal program that include, at a minimum, a schedule of federal expenditures of federal awards for the program and notes that describe the significant accounting policies used in preparing the schedule.
- Summary schedule of prior audit findings.
- Audit findings follow-up.

- Corrective action plan.

The Auditor Responsibilities

- Perform an audit in accordance with GAGAS.
- Obtain an understanding of internal controls and perform tests of internal controls over the federal program.
- Perform procedures to determine that the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on the federal program.
- Follow up on prior audit findings and perform procedures to assess the reasonableness of the summary schedule of prior audit findings.
- Report on audit findings.
- Issue the following reports:
  - (i) An opinion (or disclaimer of opinion) as to whether the financial statement(s) of the Federal program is/are presented fairly in all material respects in accordance with the stated accounting policies;
  - (ii) A report on internal control related to the Federal program, which must describe the scope of testing of internal control and the results of the tests;
  - (iii) A report on compliance which includes an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on the Federal program; and
  - (iv) A schedule of findings and questioned costs for the Federal program that includes a summary of the auditor's results relative to the Federal program.

In certain instances, a Yellow Book report on compliance and on internal control over financial reporting with appropriate report modifications for a program-specific audit may be required.

U-III THE COUNTY'S FUNDING SOURCES

The Delaware County Department of Human Services funds its human services programs primarily by the pass-through of funding received from the Pennsylvania Department of Human Services (DHS) and the Pennsylvania Department of Drug and Alcohol (DDAP). Auditors of subrecipient organizations should become familiar with the DHS Single Audit Supplement, Pennsylvania Code Title 55, the Bureau of Drug and Alcohol Fiscal Manual and the Pennsylvania Department of Health Audit Requirements.

A. Pennsylvania Department of Human Services (DHS) Audit Guidelines

DHS requires the County to be responsible for ensuring that its subrecipients/ subcontractors are audited in accordance with the Yellow Book and, when appropriate, with the Single Audit Act and the Uniform Guidance. The County manages its subrecipient organization audits by contract.

A Single Audit or program-specific audit in accordance with the Uniform Guidance is acceptable from any entity required to have one. However, the County may require an audit in accordance with Generally Accepted Government Auditing Standards even when expenditures do not exceed the Single Audit threshold.

DHS issues an Administrative Bulletin annually for the purpose of updating and releasing its Single Audit Supplement. Independent auditors of programs funded via DHS either directly or as pass-through funds are responsible for reviewing and implementing the procedures contained in the Single Audit Supplement. Accordingly, the County herewith passes down all applicable sections of the DHS Single Audit Supplement to its subrecipients who receive DHS funds passed through the County. DHS includes the Single Audit Supplement on the DHS website:

http://www.dhs.state.pa.us/publications/index.htm

The Single Audit Supplement contains Common Requirements representing compliance requirements applicable to all programs funded through DHS. It also provides compliance requirements specific to DHS funded programs. It specifies certain suggested audit procedures that are applicable to subrecipients of service. The Single Audit Supplement is not intended to supersede federal or Commonwealth of Pennsylvania policy, nor is it intended to serve as an all-inclusive audit manual or to supplant the auditor's judgment concerning the audit work required. The DHS Audit Supplement also follows the Uniform Guidance regarding the determination of major programs. Activities are governed by PA Code Regulations: Title 55.

The Bureau of Financial Operations plans, organizes, directs, and controls financial support within the Pennsylvania Department of Human Services. These activities include the resolution of audits, providing technical support on county and subrecipient human services programs and conducting performance audits and reviews of DHS-funded programs. BFO's Audit Resolution Section manages and reviews DHS's subrecipient audits from counties and non-profit agencies and these audits can become the basis for any audit adjustments to the contracts and grants.

B. Pennsylvania Department of Drug and Alcohol Audit Guidelines

The Pennsylvania Department of Drug and Alcohol was formerly administered under the Department of Health. In 2012, it became a department in its own right.

The audit requirements for DDAP funded contracts are incorporated by reference to its funding requirements. DDAP's audit requirements were last revised in July 2015. The Department has also published a Fiscal Manual, which covers the period July 2015 through June 2020.

DDAP subscribes to the federally mandated audit requirements for contracts that are federally funded. Accordingly, if total federal awards of $750,000 or more received either directly from the federal government or indirectly from a recipient of federal funds are expended during the organization's fiscal year, an audit in accordance with the provisions of the Uniform Guidance is required. This requirement is stipulated regardless of the amount of state funds expended.

DDAP mandates performance of a financial audit made in accordance with the provisions of GAGAS for any contract if less than $750,000 of federal funds but more than $500,000 of state funds are expended during the state fiscal year (July 1 - June 30).

Unless stated otherwise in the contract, DDAP does not require an audit if:

- The organization expends less than $500,000 of state funds under the contract during the state fiscal year and expends less than $750,000 in federal awards received from all sources during its fiscal year; or
- All contract funds are received on a strictly fee-for-service basis.

Even if the recipient organization is not required to have an audit performed, it is required to maintain auditable records of federal, state, and county awards and expenditures and to provide access to its records by federal, state, and county agencies or their designees.

SUPPLEMENTARY FINANCIAL SCHEDULES AND AGREED-UPON PROCEDURES REPORT

Whenever Delaware County Human Services awards are passed down to subrecipient organizations, the recipient organizations are required to submit supplementary financial schedules to the County. The supplemental financial schedules should be considered an integral part of the subrecipient's audit package. The supplemental financial schedule required under Appendix U Exhibit A identifies all revenue support received by the subrecipient organization from Delaware County Human Services and reconciles that information to the total of all revenue reported by the subrecipient organization in its audited financial statements for that period. This schedule is to be accompanied by an auditor's report on additional information accompanying the basic financial statements.

An illustrative presentation of the format of the supplementary financial schedule report on additional information is presented below.

A. Reconciliation of Support Received from Delaware County Department of Human Services (Appendix U Exhibit A)

EXAMPLE – Report on Reconciliation of Support Received

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To _____

We have audited the financial statements of _____ as of and for the year ended June 30, ___, and have issued our report thereon dated _____, which contained (an unqualified opinion) on those financial statements. Our report was performed for the purpose of forming an opinion on the financial statements as a whole. The Reconciliation of Support Received from Delaware County Department of Human Services (Appendix U Exhibit A) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other re cords used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Auditor's Signature

Date of report on the basic financial statements.

_____
(NAME OF SUBRECIPIENT ORGANIZATION)
RECONCILIATION OF SUPPORT RECEIVED FROM
DELAWARE COUNTY DEPARTMENT OF HUMAN SERVICES
YEAR ENDED JUNE 30, _____

Revenue recognized as support received from Delaware County
(indicate by Delaware County Program):

	Federal	State and Local	Other	Total
Mental Health	_____	_____	_____	_____
Intellectual and Developmental Disabilities	_____	_____	_____	_____
Early Intervention	_____	_____	_____	_____
Drug and Alcohol	_____	_____	_____	_____
Adult and Family Services	_____	_____	_____	_____
Children & Youth Services	_____	_____	_____	_____
Juvenile Probation	_____	_____	_____	_____
Total	_____	_____	_____	_____
Other revenue recognized	_____	_____	_____	_____
Total revenue recognized	_____	_____	_____	_____

Note: Total revenue should be reconcilable to the audited financial statements of the subrecipient organization.

NOTIFICATION OF SINGLE AUDIT STATUS

This is to certify that _____ (subrecipient organization) is subject to compliance with the item marked below for the Fiscal Year Ending _____ (Last Day of Entity Fiscal Year):

☐ The Organization Expended $750,000 or more in federal financial assistance during the fiscal year ended _____. We understand that a copy of our Single Audit Report must be submitted to Delaware County Department of Human Services within the earlier of 30 days after completion of the audit, or nine months after the end of the fiscal year.

☐ The Organization expended $750,000 or more in federal financial assistance on **a single federal program**, therefore we have elected to have a program-specific audit of the contract in lieu of a single audit. We understand that a copy of our program-specific audit must be submitted to Delaware County Department of Human Services within the earlier of 30 days after completion of the program audit, or nine months after the end of the audit period.

☐ The Organization expended total federal financial assistance of less than $750,000 during the fiscal year ended _____, therefore it is exempt with respect to filing a Single Audit Report for that year. We understand however, that we may be asked to provide access to the records we are required to maintain concerning such federal assistance. (Submit page 2 within nine months after the end of the fiscal year.)

☐ The Organization is a for-profit organization and is therefore not subject to the requirements of the Uniform Guidance. (Submit page 2 within nine months after the end of the fiscal year.)

We understand that a copy of the applicable report must be submitted by the required deadline to:

Human Services Accountant
Delaware County Department of Human Services
20 South 69th Street, 4th Floor
Upper Darby, PA 19082

We further understand that our failure to submit any applicable report(s) by the required deadline may result in the suspension of payments or prevent the award of future grants.

_____ _____
Signature of Authorized Official Date

_____
Title of Authorized Official

AUDIT STATUS NOTIFICATION LETTER

(Required for Subrecipient Organizations claiming exemption from audit submission requirements)

Please complete the following information, sign after the statement below, and fax it to 610-713-2326. The form is due to the Delaware County Department of Human Services within nine months after the end of the subrecipient organization's fiscal year.

Subrecipient Organization:_____

Address:_____

Fiscal Year Ended (month/date/year):_____

Agency Contact Person (Name, Title, Phone #):_____
_____
_____

I certify that the Subrecipient Organization identified above expended less than $750,000 in federal awards from all funding sources for the fiscal year ended _____or is a for-profit organization. I also certify that (**CHECK ONE**):

☐ The Subrecipient organization's financial statement audit did not include any disclosures related to current or prior years that could negatively impact Delaware County-funded programs (including, but not limited to, fraud, going concern uncertainties, financial statement misstatements and violations of contract and grant provisions), or

☐ A financial statement audit has not been conducted for the above-mentioned fiscal year.

_____
Signature

_____
Print Name/Title
(Financial Director or Designee)

_____
Date

DELAWARE COUNTY DEPARTMENT OF HUMAN SERVICES
SUBRECIPIENT REQUEST FOR EXTENSION
RELATED TO SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Subrecipient Organization: _____

Address: _____

_____

_____

_____

Fiscal Year Ended: _____

Name of Subrecipient Organization Contact Person: _____

Phone #: _____ Fax #: _____

Email: _____

Subrecipient requests an extension of the due date for report submission until _____.

Explanation and Justification:

_____ _____

Signature and Title Date

Submit this request by mail, or fax to:

Mail: Delaware County Department of Human Services
Attention: Human Services Accountant
20 South 69th Street, 4th Floor
Upper Darby, PA 19082

Fax: Attention: Human Services Accountant
610-713-2326

FOR USE BY DELAWARE COUNTY

_____ Request Approved
_____ Request Not Approved

By: _____ _____
Delaware County Department of Human Services Date

INVOICING SUBMISSION REQUIREMENTS

Per your preference, invoices may be sent via mail **OR** email as follows:

Invoices submitted via mail to:

Accounts Payable Department
Department of Human Services Administration
20 South 69th Street, 4TH Floor
Upper Darby, PA 19082

Invoices submitted electronically to:

Delcohsa_ap@delcohsa.org

NOTE: TO AVOID DUPLICATION DO NOT SEND THE INVOICE IN BOTH FORMATS AND DO NOT COPY OTHER INDIVIDUALS

Basic Invoice Requirements

- All invoices must be signed, dated and include a unique invoice number as well as the County Program Office and Program Name
- All invoices must include a coversheet if client specific data is included (See sample attached of both Fee for Service & Cost Reimbursement invoice coversheets)
- All invoices must include detail to support amount due – as per directed / mandated by your Assigned Program / Fiscal County Staff

Additional Electronic Submission Requirements

- Submit invoices separately, one email for each invoice
- Invoice must be in PDF format only; any other format will be rejected by Accounts Payable
- Email subject line must include your Agency's name, County Program / Program name for which the invoice is being submitted, Invoice #, Invoice Date and Invoice amount

APPENDIX AA

((Provider letterhead, address, etc))

To: Accounts Payable
Delaware County Department of Human Services
20 South 69th Street, 4th Floor
Upper Darby, PA 19082

DHS PROGRAM OFFICE: _____

PROGRAM NAME: _____

INVOICE DATE: _____

INVOICE # _____

SERVICE MONTH: _____

INVOICE AMOUNT: $_____

((Signature))
((Title))

APPENDIX AA

Provider Name / Location

Delaware County DHS Program Office

Program Name

Service Month

Unique Invoice Reference #

Service / Level of Care	Total Units	Rate	Total Service / Program Expenses
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
Total Invoice			**$ -**

Authorized Signature

Date

DELAWARE COUNTY DEPARTMENT OF HUMAN SERVICES
HIPAA BUSINESS ASSOCIATE AGREEMENT

WHEREAS, the Delaware County Department of Human Services (Covered Entity) and Provider (Business Associate) intend to protect the privacy and security of certain Protected Health Information (PHI) to which Business Associate may have access in order to provide goods or services to or on behalf of Covered Entity, in accordance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009) and related regulations, the HIPAA Privacy Rule (Privacy Rule), 45 C.F.R. Parts 160 and 164, as amended, the HIPAA Security Rule (Security Rule), 45 C.F.R. Parts 160, 162 and 164), as amended, 42 U.S.C. § 602(a)(1)(A)(iv), 42 U.S.C. § 1396a(a)(7), 35 P.S. § 7607, 50 Pa.C.S. § 7111,71 P.S. § 1690.108(c), 62 P.S. §404, 55 Pa. Code Chapter 105, 55 Pa. Code Chapter 5100, 42 C.F.R. §§ 431.301-431,302, 42 C.F.R. Part 2, 45 C.F.R. § 205.50, the Pennsylvania Breach of Personal Information Notification Act, 73 P.S. § 2301 et seq., and other relevant laws, including subsequently adopted provisions applicable to use and disclosure of confidential information, and applicable agency guidance.

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI may be used or disclosed only in accordance with this Agreement and the standards established by applicable laws and agency guidance.

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI must be handled in accordance with this Agreement and the standards established by HIPAA, the HITECH Act and related regulations, and other applicable laws and agency guidance.

NOW, THEREFORE, Covered Entity and Business Associate agree as follows:

1. Definitions.

A. "Business Associate" shall have the meaning given to such term under HIPAA, the HITECH Act, applicable regulations and agency guidance.
B. "Covered Entity" shall have the meaning given to such term under HIPAA, the HITECH Act and applicable regulations and agency guidance.
C. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
D. "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009).
E. "Privacy Rule" shall mean the standards for privacy of individually identifiable health information in 45 C.F.R. Parts 160 and 164, as amended, and related agency guidance.

F. "Protected Health Information" or "PHI" means any information, transmitted or recorded in any form or medium; (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual, and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under HIPAA, the HITECH Act and related regulations and agency guidance. PHI also includes any and all information that can be used to identify a current or former applicant or recipient of benefits or services of Covered Entity (or Covered Entity's contractors/business associates).

G. "Security Rule" shall mean the security standards in 45 C.F.R. Parts 160, 162 and 164, as amended, and related agency guidance.

H. "Unsecured PHI" shall mean PHI that is not secured through the use of a technology or methodology as specified in HITECH regulations and agency guidance or as otherwise defined in the HITECH Act.

2. **Stated Purposes For Which Business Associate May Use Or Disclose PHI.** The Parties hereby agree that Business Associate shall be permitted to use and/or disclose PHI provided by or obtained on behalf of Covered Entity for the following stated purposes, except as otherwise stated in this Agreement.

NO OTHER DISCLOSURES OF PHI OR OTHER INFORMATION ARE PERMITTED.

3. **BUSINESS ASSOCIATE OBLIGATIONS:**

A. **Limits On Use And Further Disclosure Established By Agreement And Law.** Business Associate hereby agrees that the PHI provided by, or created or obtained on behalf of Covered Entity shall not be further used or disclosed other than as permitted or required by this Agreement or as required by law and agency guidance.

B. **Appropriate Safeguards.** Business Associate shall establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this Agreement. Appropriate safeguards shall include implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that is created, received, maintained, or transmitted on behalf of the Covered Entity and limiting use and disclosure to applicable minimum necessary requirements as set forth in applicable federal and state statutory and regulatory requirements and agency guidance.

C. **Reports Of Improper Use Or Disclosure.** Business Associate hereby agrees that it shall report to HIPAA Compliance Officer at 20 S. 69th Street, Upper Darby, PA 19082, within two (2) days of discovery any use or disclosure of PHI not provided for or allowed by this Agreement.

D. **Reports Of Security Incidents.** In addition to following the breach notification requirements in section 13402 of the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act") and related regulations, agency guidance and other applicable federal and state laws, Business Associate shall report to HIPAA Compliance Officer at 20 S. 69th Street, Upper Darby, PA 19082, within two (2) days of discovery any security incident of which it becomes aware. At the sole expense of Business Associate,

Business Associate shall comply with all applicable federal and state breach notification requirements, Business Associate shall indemnify the Covered Entity for costs associated with any incident involving the acquisition, access, use or disclosure of Unsecured PHI in a manner not permitted under federal or state law and agency guidance.

E. **Subcontractors And Agents.** Business Associate hereby agrees that any time PHI is provided or made available to any subcontractors or agents, Business Associate shall provide only the minimum necessary PHI for the purpose of the covered transaction and shall first enter into a subcontract or contract with the subcontractor or agent that contains the same terms, conditions and restrictions on the use and disclosure of PHI as contained in this Agreement.

F. **Right Of Access To PHI.** Business Associate hereby agrees to allow an individual who is the subject of PHI maintained in a designated record set, to have access to and copy that individual's PHI within five (5) business days of receiving a written request from the Covered Entity. Business Associate shall provide PHI to the extent and in the manner required by 45 C.F.R. §164.524 and other applicable federal and state law and agency guidance. If Business Associate maintains an electronic health record, Business Associate must provide the PHI in electronic format if requested. If any individual requests from Business Associate or its agents or subcontractors access to PHI. Business Associate shall notify Covered Entity of same within five (5) business days. Business Associate shall further conform with and meet all of the requirements of 45 C.F.R. §164.524 and other applicable laws, including the HITECH Act and related regulations, and agency guidance.

G. **Amendment And Incorporation Of Amendments.** Within five (5) business days of receiving a request from Covered Entity for an amendment of PHI maintained in a designated record set, Business Associate shall make the PHI available and incorporate the amendment to enable Covered Entity to comply with 45 C.F.R. §164,526, applicable federal and state law, including the HITECH Act and related regulations, and agency guidance. If any individual requests and amendment from Business Associate or its agents or subcontractors, Business Associate shall notify Covered Entity within five (5) business days.

H. **Provide Accounting Of Disclosures.** Business Associate agrees to maintain a record of all disclosures of PHI in accordance with 45 C.F.R. §164.528 and other applicable laws and agency guidance, including the HITECH Act and related regulations. Such records shall include, for each disclosure, the date of the disclosure, the name and address of the recipient of the PHI, a description of the PHI disclosed, the name of the individual who is the subject of the PHI disclosed, and the purpose of the disclosure. Business Associate shall make such record available to the individual or the Covered Entity within five (5) business days of a request for an accounting of disclosures.

I. **Requests For Restriction.** Business Associate shall comply with requests for restrictions on disclosures of PHI about an individual if the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for treatment purposes), and the PHI pertains solely to a health care item or service for which the service involved was paid in full out-of-pocket. For other requests for restriction, Business Associate shall otherwise comply with the Privacy Rule, as amended, and other applicable statutory and regulatory requirements and agency guidance.

J. **Access To Books And Records.** Business Associate hereby agrees to make its internal practices, books, and records relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of the Covered Entity, available to the Secretary of Health and Human Services or designee for purposes of determining compliance with applicable laws and agency guidance.

K. **Return Or Destruction Of PHI.** At termination of this Agreement, Business Associate hereby agrees to return or destroy all PHI provided by or obtained on behalf of Covered Entity. Business Associate agrees not to retain any copies of the PHI after termination of this Agreement. If return or destruction of the PHI is not feasible, Business Associate agrees to extend the protections of this Agreement to limit any further use or disclosure until such time as the PHI may be returned or destroyed. If Business Associate elects to destroy the PHI, it shall certify to Covered Entity that the PHI has been destroyed.

L. **Maintenance Of PHI.** Notwithstanding Section 3(k) of this Agreement, Business Associate and its subcontractors or agents shall retain all PHI throughout the term of the Agreement and shall continue to maintain the information required under the various documentation requirements of this Agreement (such as those in §3(h)) for a period of six (6) years after termination of the Agreement, unless Covered Entity and Business Associate agree otherwise.

M. **Mitigation Procedures.** Business Associate agrees to establish and to provide to Covered Entity upon request, procedures for mitigating, to the maximum extent practicable, any harmful effect from the use or disclosure of PHI in a manner contrary to this Agreement or the Privacy Rule, as amended. Business Associate further agrees to mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement or applicable laws and agency guidance.

N. **Sanction Procedures.** Business Associate agrees that it shall develop and implement a system of sanctions for any employee, subcontractor or agent who violates this Agreement, applicable laws or agency guidance.

O. **Grounds For Breach.** Non-compliance by Business Associate with this Agreement or the Privacy or Security Rules, as amended, is a breach of the Agreement, if Business Associate knew or reasonably should have known of such non-compliance and failed to immediately take reasonable steps to cure the non-compliance.

P. **Termination By County.** Business Associate authorizes termination of this Agreement by the County if the County determines, in its sole discretion, that the Business Associate has violated a material term of this Agreement.

Q. **Failure To Perform Obligations.** In the event Business Associate fails to perform its obligations under this Agreement, Covered Entity may immediately discontinue providing PHI to Business Associate. Covered Entity may also, at its option, require Business Associate to submit to a plan of compliance, including monitoring by Covered Entity and reporting by Business Associate, as Covered Entity in its sole discretion determines to be necessary to maintain compliance with this Agreement and applicable laws and agency guidance.

R. **Privacy Practices.** The Department will provide and Business Associate shall immediately begin using any applicable form, including but not limited to, any form used

for Notice of Privacy Practices, Accounting for Disclosures, or Authorization, upon the effective date designated by the Program or Department. The Department retains the right to change the applicable privacy practices, documents and forms. The Business Associate shall implement changes as soon as practicable, but not later than 45 days from the date of notice of the change.

4. OBLIGATIONS OF COVERED ENTITY:

A. **Provision of Notice of Privacy Practices.** Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with applicable law and agency guidance as well as changes to such notice.

B. **Permissions.** Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI of which Covered Entity is aware, if such changes affect Business Associate's permitted or required uses and disclosures.

C. **Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. §164.522 and other applicable laws and applicable agency guidance, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.