



COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
CHIEF INFORMATION OFFICE BUREAU



## ELECTRONIC TRADING PARTNER AGREEMENT

This Trading Partner Agreement ('Agreement') is made and entered by and between the Legal Entity or FFS Provider named \_\_\_\_\_ ("Trading Partner"), whose legal entity or FFS Provider number is \_\_\_\_\_ and the County of Los Angeles – Department of Mental Health ("DMH").

WHEREAS, DMH and Trading Partner exchange information and data electronically in connection with certain healthcare transactions; and

WHEREAS, DMH and Trading Partner will be readily equipped at their own expense with the Operating Systems and trained personnel necessary to engage in the successful exchange of electronic information and data; and

WHEREAS, in the electronic transmission of information and data, the confidentiality and security of the data which is exchanged between the Parties is of the highest priority to both Parties; and

WHEREAS, it is anticipated by DMH that the Trading Partner may use, in the performance of this Agreement, various third parties as the Trading Partner's Agents in the electronic exchange of information;

NOW THEREFORE, in consideration for the mutual promises herein, the Parties agree as follows:

### I. DEFINITIONS

- 1.1 Agents. Third parties or organizations that contract with the Trading Partner to perform designated services in order to facilitate the electronic transfer of data. Examples of Agents include, claims clearinghouses, vendors, and billing services.
- 1.2 Confidential Information. Information relating to specific Individuals which is exchanged by and between DMH, the Trading Partner, and/or the Agents for various business purposes, but which is protected from disclosure to unauthorized persons or entities by The Privacy Act of 1974, The Administrative Simplification Provisions of the federal Health Insurance Portability and Accountability Act and regulations promulgated there under ("HIPAA"). The Insurance Information and Privacy Protections Act, or other applicable state and federal statutes and regulations, which shall hereinafter be collectively referred to as "Privacy Statutes and Regulations."
- 1.3 Covered Individuals. Individual persons who are eligible for payment of certain services or prescriptions rendered or sold to them under the terms, conditions, limitations and exclusions of a health benefit program administered by DMH or by some other Payor.
- 1.4 Data. A formalized representation of specific facts or concepts suitable for communication, interpretation, or processing by people or by automatic means.

- 1.5 Data Log. A complete written summary of Data and Data Transmissions exchanged between the Parties over the period of time this Agreement is in effect and, including, without limitation, sender and receiver information, the date and time of transmission and the general nature of the transmission.
- 1.6 Data Transmission. The automated transfer or exchange of data between Trading Partners, by means of their Operating Systems which are compatible for that purpose, pursuant to the terms and conditions set forth in this Agreement.
- 1.7 Digital Certificate. Software that resides on Trading Partner's workstation or server assigned to the Trading Partner by DMH for the purpose of successfully executing Data Transmissions or otherwise carrying out the express terms of this Agreement.
- 1.8 Electronic Data Interchange. ("EDI"). The automated exchange of business documents from application to application in an ANSI approved or other mutually agreed format.
- 1.9 Electronic Remittance Advice ("ERA"). A document containing information pertaining to the disposition of a specific claim for payment of services or prescription rendered to Individuals which are filed with DMH on behalf of the Individual by Providers. The ERA includes information such as the Provider name and address, Individual name, date of service, amount billed, amount paid, whether the claim was approved or denied, and if denied the specific reason for the denial.
- 1.10 Envelope. A control structure in a mutually agreed format for the electronic interchange of one or more encoded Data Transmissions either sent or received by the Parties to this Agreement.
- 1.11 Individual. An individual person(s) whose claims for payment of services may be eligible to be paid, under the terms of the applicable federal, state or local governmental program for which DMH processes or administers claims. It is acknowledged and agreed between the Parties that claim payments for purposes of this Agreement will be made directly to Providers on behalf of such Individuals.
- 1.12 Lost or Indecipherable Transmission. A Data Transmission which is never received by or cannot be processed to completion by the receiving Party in the format or composition received because it is garbled or incomplete, regardless of how or why the message was rendered garbled or incomplete.
- 1.13 Operating System. The equipment and software necessary for a successful electronic Data Transmission.
- 1.14 Provider. Hospitals, clinics or persons duly licensed or certified to provide mental health services to Covered Individuals of Los Angeles County.
- 1.15 Secure Identification Cards. Those cards assigned to the Trading Partner or his or her Agent by DMH for allowing the Trading Partner access to DMH's Integrated System via the Direct Data Entry (DDE) System.
- 1.16 Source Documents. Documents containing Data which is or may be required as part of Data Transmission with respect to a claim for payment for mental health services rendered to an eligible Individual. Examples of Data contained within a specific Source Document include, without limitation, the following: Individual's name and identification number, claim number, diagnosis code for the service rendered, dates of service, procedure code, applicable charges, the Provider's name and/or provider number.
- 1.17 Submitter ID Number. A unique number assigned by DMH to the Trading Partner or his or her Agent for the purpose of identifying the Trading Partner for Data Transmissions.

- 1.18 Trading Partner. A Provider which has entered into this Agreement with DMH in order to satisfy all or part of its obligations under a Legal Entity Agreement by means of EDI.
- 1.19 Payor. A business organization that provides benefit payments on behalf of Covered Individuals eligible for payment for certain services to Covered Individuals.

## II. TERM AND TERMINATION

- 2.1 Term of Agreement. This Agreement will be effective on \_\_\_\_\_ (leave this blank) \_\_\_\_\_, 200\_, and shall continue in full force and effect through \_\_\_\_\_ (leave this blank) \_\_\_\_\_, 200\_.
- 2.2 Voluntary Termination. Either Party may terminate this Agreement for its own convenience on thirty (30) days advance written notice to the other Party.
- 2.3 Termination for Cause. Either party may terminate this Agreement upon ten (10) working days advance written notice to the other Party upon the default by the other Party of any material obligation hereunder, which default is incapable of cure or which, being capable of cure, has not been cured within 30 days after receipt of written notice with reasonable specificity of such default (or such additional cure period as the non-defaulting Party may authorize). However, in the event of a breach by the Trading Partner of the terms of Article IV, Section 4.3 (Express Warranties Regarding Agents) or any Section of Article V (CONFIDENTIALITY AND SECURITY), or in the event a change of ownership of the Trading Partner or its Agents as defined by Article VII Section 7.12 (Change in Ownership of Trading Partner or its Agents) takes place, DMH shall have the unilateral right to terminate this Agreement immediately without prior notice to the Trading Partner. However, in its right to exercise immediate termination, DMH shall provide the Trading Partner with written notice the day the termination occurs.

## III. OBLIGATIONS OF THE PARTIES

- 3.1 Mutual Obligations. In addition to the obligations of the respective Parties which are set forth elsewhere in this Agreement, the mutual obligations of DMH, the Trading Partner and/or the Trading Partner's Agents collectively referred to as "the Parties" shall include, but not be limited to, the following:
- (a) Accuracy of EDI Transmission. The Parties shall take reasonable care to ensure that Data and Data Transmissions are timely, complete, accurate and secure, and shall take reasonable precautions to prevent unauthorized access to the Operating System of the other Party, the Data Transmission itself or the contents of an Envelope which is transmitted either to or from either Party pursuant to this Agreement.
  - (b) Re-transmission of Indecipherable Transmissions. Where there is evidence that a Data Transmission is Lost or Indecipherable Transmission, the sending Party shall make best efforts to trace and re-transmit the original Data Transmission in a manner which allows it to be processed by the receiving Party as soon as practicable.
  - (c) Cost of Equipment. Each Party shall, at its own expense, obtain and maintain its own Operating System and shall update its Operating system as recommended by the manufacturer/owner/licensor of said Operating System. Furthermore, each Party shall pay its own costs for any and all charges related to Data Transmission under this Agreement and specifically including, without limitation, charges for Operating System equipment, software and services, charges for maintaining an electronic mailbox, connect time, terminals, connections,

telephones, modems, and any applicable minimum use charges. Each Party shall also be responsible for any and all expenses it incurs for translating, formatting, or sending and receiving communications over the electronic network to the electronic mailbox, if any, of the other Party.

- (d) Back-up Files. Each Party shall maintain adequate back-up files and/or electronic tapes or other means sufficient to re-create a Data Transmission in the event that such re-creation becomes necessary for any purpose at any time. Such back-up files and/or tapes shall be subject to the terms of this Agreement to the same extent as the original Data Transmission.
- (e) Format of Transmissions. Except as otherwise provided herein, each Party shall send and receive all Data Transmissions in the ANSI approved format, or such other format as DMH shall designate in writing to the Trading Partner.
- (f) Testing. Each Party shall, prior to the initial Data Transmission and throughout the term of this Agreement, test and cooperate with the other Party in the testing of the Operating Systems of both Parties as DMH considers reasonably necessary to ensure the accuracy, timeliness, completeness and confidentiality of each Data Transmission.

3.2 Trading Partner Obligations. In addition to the requirements of Section 3.1 and 5.1 and this section (3.2), the Trading Partner shall also be specifically obligated as follows:

- (a) Testing. Proof that transactions meet X12N 4010A standards from a qualified vendor is required prior to testing. Trading Partners must submit documentation with this Agreement.
- (b) To refrain from copying, reverse engineering, disclosing, publishing, distributing or altering any Data, Data Transmissions or the contents of an Envelope, except as necessary to comply with the terms of this Agreement, or use the same for any purpose other than that for which the Trading Partner was specifically given access and authorization by DMH;
- (c) To refrain from obtaining by any means to any Data, Data Transmission, Envelope or DMH's Operating System for any purpose other than that which the Trading Partner has received express authorization to receive access. Furthermore, in the event that the Trading Partner receives Data or Data Transmissions, which are clearly not intended for the receipt of the Trading Partner, the Trading Partner shall immediately notify DMH and make arrangements to return the Data or Data Transmission or re-transmit the Data or Data Transmission to DMH. After such re-transmission, the Trading Partner shall immediately delete the Data contained in such Data Transmission from its Operating System.
- (d) To install necessary security precautions to ensure the security of the Operating System or records relating to the Operating system of both DMH or the Trading Partner when the Operating System is not in active use by the Trading Partner.
- (e) To protect and maintain at all times the confidentiality of Secure Identification Cards issued by DMH to the Trading Partner.
- (f) To provide special protection for security and other purposes where appropriate, by means of authentication, encryption, the use of passwords or by other mutually agreed means, to those specific Data Transmissions which the Parties agree should be so protected shall use at least the same level of protection for any subsequent transmission of the original Data Transmission.
- (g) Prior to or upon execution of this Agreement, to provide DMH in writing with all of the information requested in Exhibit A (Trading Partner Information) of this Agreement. While this Agreement is in effect, the Trading Partner shall notify DMH in writing within five (5) business days of any material changes in the information originally provided by the Trading Partner in Exhibit A.

3.3 DMH Obligations. In addition to the obligations of DMH which are set forth herein, DMH shall also be specifically obligated as follows:

- (a) Availability of Data. DMH shall subject to the terms of this Agreement, make available to the Trading Partner by electronic means those types of Data and Data Transmissions to which the Trading Partner is entitled to receive by mutual agreement of the Parties or as provided by law.

- (b) Notices Regarding Formats. DMH shall inform the Trading Partner in writing of acceptable formats in which Data Transmissions may be made and shall provide the Trading Partner with at least 14 days prior written notice of any and all changes in such formats.

#### **IV. AGENTS**

- 4.1 Responsibility for Agents. If the Trading Partner uses the services of an Agent in any capacity in order to receive, transmit, store or otherwise process Data or Data Transmissions or perform related activities, the Trading Partner shall be fully liable to DMH or for any acts, failures or omissions of the Agent in providing said services as though they were the Trading Partner's own acts, failures, or omissions.
- 4.2 Notices Regarding Agents. Prior to the commencement of the Agent's services in the performance of this Agreement, the Trading Partner shall designate in writing, by means of completing and forwarding to DMH, Exhibit I (Trading Partner Agent Authorization hereinafter referred to as "Exhibit I") of this Agreement, its specific Agents who are authorized to send and/or receive Data Transmissions in the performance of this Agreement on behalf of the Trading Partner. Except as provided otherwise in the Agreement, the Trading Partner shall notify DMH of any material changes in the information contained in Exhibit I, no less than 14 days prior to the effective date of such changes. Exhibit I when fully executed, shall be incorporated into this Agreement by reference and shall be effective on the date of its execution, unless specified otherwise. The Trading Partner's designation of its Agent for purposes of this Agreement is expressly subject to the approval of DMH, which approval shall not be unreasonably withheld.
- 4.3 Express Warranties Regarding Agents. The Trading Partner expressly warrants that the Agent will make no changes in the Data content of any and all Data Transmissions or the contents of an Envelope, and further that such Agent will take all appropriate measures to maintain the timeliness, accuracy, confidentiality and completeness of each 'Data Transmission. Furthermore, the Trading Partner expressly warrants that its Agents will be specifically advised of, and will comply in all respects with, the terms of this Agreement.
- 4.4 Indemnification Regarding Agents. The Trading Partner shall indemnify, defend and hold harmless DMH from any and all claims, actions, damages, liabilities, costs and expenses, specifically including, without limitation, reasonable attorney's fees and costs resulting from the acts or omissions of the Trading Partner, its Agents, employees, subcontractors in the performance of this Agreement; provided however, that DMH shall have the option, at its sole discretion, to employ attorneys selected by it to defend any such action, the costs and expenses of which shall be the responsibility of the Trading Partner. DMH for its part, shall provide the Trading Partner with timely notice of the existence of such proceedings and such information, documents and other cooperation as reasonably necessary to assist the Trading Partner in establishing a defense to such action. These indemnities shall survive termination of this Agreement and DMH reserves the right, at its option and expense, to participate in the defense of any suit or proceeding through counsel of its own choosing.

#### **V. CONFIDENTIALITY AND SECURITY**

- 5.1 General Requirements. In addition to the requirements of Section 3.1 and 3.2, the Trading Partner shall maintain adequate security procedures to prevent unauthorized access to Data, Data Transmissions, or the Operating System of DMH, and shall immediately notify DMH of any and all unauthorized attempts by any person or entity to obtain access to or otherwise tamper with the Data, Data Transmissions or the Operating System of DMH.

- (a) Confidential Information. The Trading Partner further agrees to hold DMH harmless for any and all claims or causes of action brought by any party, including third parties, arising from any unauthorized disclosure of Confidential Information by or on behalf of the Trading Partner. In addition, the Trading Partner shall in its performance under this Agreement, comply with any and all applicable Privacy Statutes and Regulations (as defined in Article I, Section 1.4, Confidential Information) relating to Confidential Information and agrees to maintain the confidentiality of such Confidential Information for the benefit of such Individuals or of DMH as is required by such Privacy Statutes and Regulations. Such Confidential Information concerning Individuals includes, but is not limited to, medical records and information regarding claims and payment of the claims of Individuals.
- (b) Notice of Unauthorized Disclosures. The Trading Partner will promptly notify DMH of any and all unlawful or unauthorized disclosures of Confidential Information that comes to its attention and will cooperate with DMH in the event any litigation arises concerning the unauthorized use, transfer or disclosure of Confidential Information.

## **VI. RECORDS RETENTION AND AUDIT**

- 6.1 Records Retention. The Trading Partner shall maintain, for a period of no less than seven (7) years from the date of its receipt complete, (except for children for whom records should be retained until 18 years of age) or until the audit is settled, accurate and unaltered copies of any and all Source Documents from all Data Transmissions.
- 6.2 Data Log. Both Parties shall establish and maintain a Data Log, which shall record any and all Data Transmissions taking place between the Parties during the term of this Agreement. Each Party will take necessary and reasonable steps to ensure that such Data Log constitutes a current, accurate, complete and unaltered record of any and all Data Transmissions between the Parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the Data Transmission. The Data Log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the Data Log may be timely retrieved and presented in readable form.

## **VII. MISCELLANEOUS**

- 7.1 Amendments. This Agreement may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto.
- 7.2 Dispute Resolution. With the exception of disputes which are the subject of immediate termination as set forth in this Agreement, the Parties hereby agree that, in the event of a dispute or alleged breach of the terms of this Agreement between the Parties, they will work together in good faith first, to resolve the matter internally and within a reasonable period of time by escalating it as reasonably necessary to higher levels of management of each of the respective Parties, and, then if necessary, to use a mutually agreed alternative dispute resolution technique prior to resorting to litigation, with the exception of disputes involving either fraud or breaches of the requirements of Article V. (CONFIDENTIALITY AND SECURITY), in which case either Party shall be free to seek available remedies in any appropriate forum at any time.
- 7.3 Mutual Compliance With Applicable Laws and Regulations. The Parties hereby mutually agree that they will, in the performance of the terms of this Agreement, comply in all respects with any and all

applicable local, state and federal ordinances, statutes, regulations, or orders of courts of competent jurisdiction.

- 7.4 Force Majeure. Each Party shall be excused from performance for any period of time during this Agreement to the extent that it is prevented from performing any obligation of service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such Party. Such acts include without limitation, strikes, lockouts, riots, acts of war, epidemics, fire, communication line failures, power failures, earthquakes, floods or natural disasters. Delays in performance due to the occurrence of such events shall automatically extend such dates for a period equal to the duration of such events. However, such automatic extension shall have no effect on the exercise of either Party's right of voluntary termination as set forth in Article II, Section 2.2 (Term of Agreement).
- 7.5 Change of Ownership of Trading Partner. The Trading Partner shall notify DMH no less than ten days in advance of any transfer of ownership interest in the Trading Partner's business or any transfer of ownership in the business of the Trading Partner's Agent. Furthermore, notwithstanding the providing of notice regarding changes in the ownership of the Trading Partner as required by this section, no such changes in ownership or other information provided by the Trading Partner will alter in any way the obligations of the Parties under the terms of this Agreement without prior written agreement of DMH.
- 7.6 Notices. Any notices pertaining to this Agreement shall be given in writing and shall be deemed duly given when personally delivered to the Trading Partner or the Trading Partner's authorized representative.



**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
CHIEF INFORMATION OFFICE BUREAU**



**ELECTRONIC TRADING PARTNER INFORMATION FORM**

By execution hereof by duly authorized representatives of both Parties, the Parties hereby acknowledge, agree to and shall be bound by all the terms, provisions and conditions of the Trading Partner Agreement.

Agreed To:	Agreed To:
	COUNTY OF LOS ANGELES
	DEPARTMENT OF MENTAL HEALTH
	3160 W. 6 <sup>TH</sup> STREET, LOS ANGELES 90020
("THE TRADING PARTNER")	("DMH")
By:	By:
(Authorized Signature)	(Authorized Signature)
*Federal Taxpayer/ SSN :	
Name:	Name:
(Type or Print)	(Type or Print)
Title:	Title: Division Chief
(Type or Print)	(Type or Print)
Date:	Date:
Contact Person:	Contact Person:
Address:	Address:
City, State, Zip:	City, State, Zip
Telephone:	Telephone:
(Area Code and Number)	(Area Code and Number)
Email Address:	Email Address:

\*If you submit claims under multiple tax id numbers, a separate Trading Partner Information Form must be completed and returned for each tax id number.

*Return this form to the CIOB Help Desk*