

ORANGE COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

January 14, 2014

Submitting Agency/Department: HEALTH CARE AGENCY

Approve agreement with Advanced Medical Management, Inc. for Fiscal Intermediary Services for Medical Safety Net Program, 1/1/14 - 12/31/15 (\$636,000); approve selection of and agreement with Advanced Medical Management, Inc. for Fiscal Intermediary Services for Emergency Medical Services Fund Program, 7/1/14 - 9/30/17 (\$1,867,410); renewable for two year term; and authorize Director or designee to execute agreements and to exercise contingency cost increase of 10% under certain conditions; and authorize Auditor-Controller to make related payments - All Districts

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED ☐ OTHER ☒

APPROVED AS RECOMMENDED WITH STATUS REPORT TO THE BOARD IN 6 MONTHS

Unanimous ☐ (1) NGUYEN: Y (2) MOORLACH: Y (3) SPITZER: Y (4) NELSON: X (5) BATES: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

- ☐ Resolution(s)
- ☐ Ordinances(s)
- ☐ Contract(s)

Item No. 12

Special Notes:

Copies sent to:

HCA – Holly Veale

1/17/14



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Orange County, State of California.
Susan Novak, Clerk of the Board

By. _____
Deputy



AGENDA STAFF REPORT

Agenda Item

ASR Control 13-001615

MEETING DATE: 01/14/14
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: Health Care Agency (Approved)
DEPARTMENT CONTACT PERSON(S): Holly Veale (714) 834-4418

SUBJECT: Medical Services Agreements for Fiscal Intermediary Services

CEO CONCUR
Concur

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Discussion
3 Votes Board Majority

Budgeted: Yes

Current Year Cost: \$126,000

Annual Cost: FY 14-15:

\$879,976

FY 15-16: \$750,470

FY 16-17: \$622,470

FY 17-18: \$124,494

Staffing Impact: No

of Positions:

Sole Source: No

Current Fiscal Year Revenue: N/A

Funding Source: GF: 25%, Fed: N/A, State: 75%

County Audit in last 3 years No
Year of Audit

Prior Board Action: N/A

RECOMMENDED ACTION(S):

1. Approve the Agreement for Provision of Fiscal Intermediary Services for the Medical Safety Net Program (MSN) with Advanced Medical Management, Inc., to process claims incurred beginning January 1, 2014 through December 31, 2015, with a maximum obligation of \$636,000.
2. Approve the selection of and the Agreement for Provision of Fiscal Intermediary Services for the Emergency Medical Services Fund Program (EMSF) with Advanced Medical Management, Inc., for the period of July 1, 2014 through September 30, 2017, with a maximum obligation of \$1,867,410, renewable for a two-year term under the same terms, conditions, and scope of work per Board policy, pursuant to Contract Policy Manual.
3. Authorize the Health Care Agency Director, or designee, on behalf of the Board of Supervisors, to execute the MSN and EMSF Agreements with Advanced Medical Management, Inc.
4. Authorize the Health Care Agency Director or designee, pursuant to Contract Policy Manual Section 3.3-113, to exercise a contingency contract cost increase of 10% for the Medical Safety Net Agreement, as identified in Recommended Action Number 1 above, for unanticipated administrative

services within the scope of work set forth in the contract. The use of this contingency contract cost increase is subject to approval requirements established by CEO/Purchasing, as approved by the Board of Supervisors.

5. Authorize the Auditor Controller to pay invoices submitted to the County by Advanced Medical Management, Inc. through the Health Care Agency for community provider claims for the Medical Safety Net and Emergency Medical Services Fund, as approved in the applicable Health Care Agency budget.

SUMMARY:

The Health Care Agency (HCA) requests approval of fiscal intermediary Agreements with Advanced Medical Management, Inc. for the Medical Safety Net Program and the Emergency Management Services Fund Program administered by the Medical Services division of the Health Care Agency.

BACKGROUND INFORMATION:

On May 13, 2013, the Health Care Agency (HCA) released a Request for Proposals (RFP) for fiscal intermediary (FI) services. HCA routinely administers program funds through a fiscal intermediary, which in turn processes and pays claims submitted to HCA in accordance with specific program rules. A total of 10,819 recipients received notification through the County's BidSync notification system, with two bids received, both being determined to be responsive. Advanced Medical Management, Inc. (AMM) is being recommended to provide FI services.

Medical Safety Net (MSN) Program

On January 1, 2014, the County began its Medical Safety Net (MSN) Program for the purpose of meeting the County's mandate under the California Welfare & Institutions Code Section 17000. Under the Affordable Care Act, individuals between 138% to 200% of the federal poverty level that are eligible for the MSN Program, are also eligible for Covered California. In late October, Covered California announced its enrollment would be extended through March 31, 2014. Therefore, while HCA has projected that up to 12,000 individuals could experience an urgent or emergent condition necessary to meet the mandate for enrollment into the MSN Program, actual enrollment and utilization data is unavailable until later spring, at the earliest.

HCA proposes that the recommended Agreement with AMM, which would not begin until after approval by your Board, allow for the processing of claims effective January 1, 2014. HCA is not proposing any work by AMM unless and until this Agreement receives Board approval. HCA does not anticipate any claims processing to occur during the month of January.

As a result, HCA is proposing to continue the contract with AMM through July 2015 with a six month run out, consistent with MSN Program schedules, for provider claims and final settlement processing, through December 2015. The Agency will release a new RFP for FI services based upon enrollment and utilization data in fall of 2014.

Under the proposed Agreement, AMM will be responsible for reimbursing and registering all community providers for services to MSN Enrollees. The maximum obligation for fiscal intermediary services provided through this Agreement is \$636,000. For the period January 1, 2014 through December 31,

2014, the maximum obligation for AMM's services is \$252,000. The amount of the proposed Agreement for the period July 1, 2014 through December 31, 2015 is \$384,000. Available funding for reimbursement to community providers for health care services is approximately \$14.5 million.

Emergency Medical Services Fund (EMSF) Program

Emergency Medical Services Fund (EMSF) is a State mandated program that collects and distributes payments to physicians to offset the cost of charity care provided to unfunded patients in an emergency room. HCA receives annual funding from various sources, to reimburse these emergency room physicians for services provided, which include: 1) a portion of Tobacco Settlement Revenues (TSR), as specified by Measure H; and 2) a portion of SB 12/612 (Maddy) and SB 1773 funds, which come from penalty assessments on certain traffic fines.

HCA currently administers these funds through an Agreement with AMM as the fiscal intermediary to process and pay claims in accordance with EMSF program rules. AMM is the recommended bidder and the proposed Agreement covers three 15 month periods. Each period runs from July 1 through September 30 to allow for claims processing 90 days after each fiscal year, as well as final settlement. The maximum obligation for AMM's fiscal intermediary services is \$622,470 per period, for a total maximum obligation of \$1,867,410.

HCA requests that your Honorable Board authorize the Health Care Agency Director or designee to exercise a contingency contract cost increase, not to exceed \$25, 200 (10% of the first contract period) for the MSN FI services pursuant to Contract Policy Manual Section 3.3-113, to support administrative services, if necessary, as set forth in the scope of work in the contracts.

The MSN and EMSF Agreements listed in Recommended Actions Number 1 and 2 above contain indemnification provisions which vary from the County standard of sole indemnification. CEO/Risk Management has reviewed the indemnification and insurance provision and determined them to be acceptable for these services.

The Agreements do not include any subcontracts.

The Health Care Agency requests that your Board approve the Agreements as referenced in the Recommended Actions Number 1 and 2 above.

FINANCIAL IMPACT:

These agreements are included in the Health Care Agency's FY 2013-14 Current Budget and will be included in the budgeting processes for FY 2014-15, FY 2015-16, FY 2016-17, and FY 2017-18.

Should services need to be reduced or terminated due to lack of funding, this agreement contains language that allows HCA to give 30 days' notice to either terminate or renegotiate the level of services to be provided. The notice will allow HCA adequate time to transition or terminate services to clients, if necessary.

Information provided by the contractor indicates that the aggregate administrative fees in this contract will represent an estimated 23% of the contractor's total annual operating budget.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

- A. Agreement for Provision of Fiscal Intermediary Services for the Medical Safety Net Program with Advanced Medical Management, Inc.
- B. Agreement for Provision of Fiscal Intermediary Services for the Emergency Medical Services Fund Program with Advanced Medical Management, Inc.
- C. Redline Version to Attachment A
- D. Redline Version to Attachment B

1 AGREEMENT FOR PROVISION OF
2 FISCAL INTERMEDIARY SERVICES
3 FOR THE
4 MEDICAL SAFETY NET PROGRAM
5 BETWEEN
6 COUNTY OF ORANGE
7 AND
8 ADVANCED MEDICAL MANAGEMENT, INC.
9 JANUARY 14, 2014 THROUGH DECEMBER 31, 2015
10

11 THIS AGREEMENT entered into this 14th day of January 2014, which date is enumerated for
12 purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and
13 Advanced Medical Management, Inc., a California for-profit corporation (CONTRACTOR). This
14 Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).
15

16 **W I T N E S S E T H:**

17 WHEREAS, COUNTY, in order to meets is obligations under California Welfare & Institutions
18 Code 17000 (W&I 17000), has established a Medical Safety Net (MSN) Program to provide services
19 which are medically necessary to protect life, prevent significant disability, or prevent serious
20 deterioration of health; and,
21

22 WHEREAS, with respect to medical criteria for enrollment into the MSN Program, applicants must
23 have an urgent or emergent medical condition that if left untreated would result in serious deterioration
24 of health; and,
25

26 WHEREAS, COUNTY desires to assure the availability of Medical Services to persons for whom
27 COUNTY is legally responsible pursuant W&I 17000; and,
28

29 WHEREAS, COUNTY has entered into a separate agreements with hospital providers for
30 provision of MSN Hospital Services (MSN Hospital Agreement) or MSN Emergency and
31 Stabilization Hospital Services (MSN ED Hospital Agreement); and,
32

33 WHEREAS, COUNTY has entered into a separate agreement with clinic providers for provision
34 of MSN Clinical Services (MSN Clinic Agreement); and,
35

36 WHEREAS, CONTRACTOR, is the fiscal intermediary for the MSN Program services specified
37 herein; and,
38

39 WHEREAS, the parties wish to provide for equitable reimbursement of those providing MSN
40 Program services with a minimum of administrative costs; and,
41

42 WHEREAS, the parties desire to state their respective rights and responsibilities related to
43 providing, claiming, and reimbursing MSN Program services.
44

45 NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:
46

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REFERENCED CONTRACT PROVISIONS

Term: January 1, 2014 through December 31, 2015

“MSN Period One” means the period January 1, 2014 through December 31, 2014

“MSN Period Two” means the period July 1, 2014 through December 31, 2015

CONTRACTOR Maximum Obligation:	Period One	Period Two	Total
MSN CONTRACTOR Maximum Obligation:	\$240,000	\$360,000	\$600,000
MSN Ancillary Services Maximum Obligation:	<u>12,000</u>	<u>24,000</u>	<u>36,000</u>
CONTRACTOR Maximum Obligations:	\$252,000	\$384,000	\$636,000

Total CONTRACTOR Maximum Obligations: **\$636,000**

Notices to COUNTY and CONTRACTOR:

COUNTY: County of Orange
Health Care Agency
Contract Development and Management
405 West 5th Street, Suite 600
Santa Ana, CA 92701-4637

CONTRACTOR: Advanced Medical Management, Inc.
5000 Airport Plaza Drive, Suite 150
Long Beach, CA 90815-1260
Kristin Gates
Email: kgates@amm.cc
Voice: (562) 766-2000 – Ext. 273
Fax: (562) 766-2006

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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Agreement:

A. ARRA	American Recovery and Reinvestment Act
B. ASRS	Alcohol and Drug Programs Reporting System
C. CCC	California Civil Code
D. CCR	California Code of Regulations
E. CEO	County Executive Office
F. CFR	Code of Federal Regulations
G. CHPP	COUNTY HIPAA Policies and Procedures
H. CHS	Correctional Health Services
I. COI	Certificate of Insurance
J. D/MC	Drug/Medi-Cal
K. DHCS	Department of Health Care Services
L. DPFS	Drug Program Fiscal Systems
M. DRS	Designated Record Set
N. ePHI	Electronic Protected Health Information
O. GAAP	Generally Accepted Accounting Principles
P. HCA	Health Care Agency
Q. HHS	Health and Human Services
R. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public Law 104-191
S. HSC	California Health and Safety Code
T. ISO	Insurance Services Office
U. MHP	Mental Health Plan
V. OCJS	Orange County Jail System
W. OCPD	Orange County Probation Department
X. OCR	Office for Civil Rights
Y. OCSD	Orange County Sheriff's Department
Z. OIG	Office of Inspector General
AA. OMB	Office of Management and Budget
AB. OPM	Federal Office of Personnel Management
AC. PA DSS	Payment Application Data Security Standard
AD. PC	State of California Penal Code
AE. PCI DSS	Payment Card Industry Data Security Standard
AF. PHI	Protected Health Information
AG. PII	Personally Identifiable Information

1	AH. PRA	Public Record Act
2	AI. SIR	Self-Insured Retention
3	AJ. The HITECH Act	The Health Information Technology for Economic and Clinical Health
4		Act, Public Law 111-005
5	AK. USC	United States Code
6	AL. WIC	State of California Welfare and Institutions Code

8 **II. ALTERATION OF TERMS**

9 A. This Agreement, together with Exhibits A through C attached hereto and incorporated herein,
10 fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the
11 subject matter of this Agreement.

12 B. Unless otherwise expressly stated in this Agreement, no addition to, or alteration of the terms of
13 this Agreement or any Exhibits, whether written or verbal, made by the parties, their officers, employees
14 or agents shall be valid unless made in the form of a written amendment to this Agreement, which has
15 been formally approved and executed by both parties.

17 **III. ASSIGNMENT OF DEBTS**

18 Unless this Agreement is followed without interruption by another Agreement between the parties
19 hereto for the same services and substantially the same scope, at the termination of this Agreement,
20 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of
21 persons receiving services pursuant to this Agreement. CONTRACTOR shall immediately notify by
22 mail each of these persons, specifying the date of assignment, the County of Orange as assignee, and
23 the address to which payments are to be sent. Payments received by CONTRACTOR from or on
24 behalf of said persons, shall be immediately given to COUNTY.

26 **IV. COMPLIANCE**

27 A. ADMINISTRATOR has established a Compliance Program for the purpose of ensuring
28 adherence to all rules and regulations related to federal and state health care programs.

29 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the relevant HCA
30 policies and procedures relating to HCA's Compliance Program, HCA's Code of Conduct and General
31 Compliance Trainings.

32 2. CONTRACTOR has the option to adhere to HCA's Compliance Program and Code of
33 Conduct or establish its own, provided CONTRACTOR's Compliance Program and Code of Conduct
34 have been verified to include all required elements by ADMINISTRATOR's Compliance Officer as
35 described in subparagraphs below.

36 3. If CONTRACTOR elects to adhere to HCA's Compliance Program and Code of Conduct;
37 the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of award

1 of this Agreement a signed acknowledgement that CONTRACTOR shall comply with HCA's
2 Compliance Program and Code of Conduct.

3 4. If CONTRACTOR elects to have its own Compliance Program and Code of Conduct then it
4 shall submit a copy of its Compliance Program, Code of Conduct and relevant policies and procedures
5 to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement.
6 ADMINISTRATOR's Compliance Officer shall determine if CONTRACTOR Compliance Program
7 and Code of Conduct contains all required elements. CONTRACTOR shall take necessary action to
8 meet said standards or shall be asked to acknowledge and agree to the HCA's Compliance Program and
9 Code of Conduct if the CONTRACTOR's Compliance Program and Code of Conduct does not contain
10 all required elements.

11 5. Upon written confirmation from ADMINISTRATOR's Compliance Officer that the
12 CONTRACTOR Compliance Program and Code of Conduct contains all required elements,
13 CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of
14 CONTRACTOR's Compliance Program, Code of Conduct and related policies and procedures.

15 6. Failure of CONTRACTOR to submit its Compliance Program, Code of Conduct and
16 relevant policies and procedures shall constitute a material breach of this Agreement. Failure to cure
17 such breach within sixty (60) calendar days of such notice from ADMINISTRATOR shall constitute
18 grounds for termination of this Agreement as to the non-complying party.

19 B. SANCTION SCREENING – CONTRACTOR shall adhere to all screening policies and
20 procedures and screen all Covered Individuals employed or retained to provide services related to this
21 Agreement to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement.
22 Screening shall be conducted against the General Services Administration's Excluded Parties List
23 System or System for Award Management, the Health and Human Services/Office of Inspector General
24 List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider
25 List and/or any other as identified by the ADMINISTRATOR.

26 1. Covered Individuals includes all contractors, subcontractors, agents, and other persons who
27 provide health care items or services or who perform billing or coding functions on behalf of
28 CONTRACTOR. Notwithstanding the above, this term does not include part-time or per-diem
29 employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to
30 work more than one hundred sixty (160) hours per year; except that any such individuals shall become
31 Covered Individuals at the point when they work more than one hundred sixty (160) hours during the
32 calendar year. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are
33 made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and
34 procedures.

35 2. An Ineligible Person shall be any individual or entity who:

36 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
37 federal and state health care programs; or

1 b. has been convicted of a criminal offense related to the provision of health care items or
2 services and has not been reinstated in the federal and state health care programs after a period of
3 exclusion, suspension, debarment, or ineligibility.

4 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
5 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
6 Agreement.

7 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors semi-
8 annually to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that
9 its subcontractors use their best efforts to verify that they are eligible to participate in all federal and
10 State of California health programs and have not been excluded or debarred from participation in any
11 federal or state health care programs, and to further represent to CONTRACTOR that they do not have
12 any Ineligible Person in their employ or under contract.

13 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any
14 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.
15 CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing
16 services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an
17 Ineligible Person.

18 6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing
19 federal and state funded health care services by contract with COUNTY in the event that they are
20 currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency.
21 If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,
22 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY
23 business operations related to this Agreement.

24 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
25 entity is currently excluded, suspended or debarred, or is identified as such after being sanction
26 screened. Such individual or entity shall be immediately removed from participating in any activity
27 associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or
28 sanction(s) to CONTRACTOR for services provided by ineligible person or individual.
29 CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the
30 overpayment is verified by the ADMINISTRATOR.

31 C. COMPLIANCE TRAINING – ADMINISTRATOR shall make General Compliance Training
32 and Provider Compliance Training, where appropriate, available to Covered Individuals.

33 1. CONTRACTOR shall use its best efforts to encourage completion by Covered Individuals;
34 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
35 representative to complete all Compliance Trainings when offered.

36 2. Such training will be made available to Covered Individuals within thirty (30) calendar
37 days of employment or engagement.

3. Such training will be made available to each Covered Individual annually.

4. Each Covered Individual attending training shall certify, in writing, attendance at compliance training. CONTRACTOR shall retain the certifications. Upon written request by ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

D. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner and are consistent with federal, state and county laws and regulations.

2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims for payment or reimbursement of any kind.

3. CONTRACTOR shall bill only for those eligible services actually rendered which are also fully documented. When such services are coded, CONTRACTOR shall use accurate billing codes which accurately describes the services provided and must ensure compliance with all billing and documentation requirements.

4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in coding of claims and billing, if and when, any such problems or errors are identified.

5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by the ADMINISTRATOR.

V. CONFIDENTIALITY

A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any audio and/or video recordings, in accordance with all applicable federal, state and county codes and regulations, as they now exist or may hereafter be amended or changed.

B. Prior to providing any services pursuant to this Agreement, all members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the confidentiality of any and all information and records which may be obtained in the course of providing such services. This Agreement shall specify that it is effective irrespective of all subsequent resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and interns.

VI. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without prior written consent of COUNTY. CONTRACTOR shall provide written notification of CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation. Any attempted assignment or delegation in derogation of this paragraph shall be void.

1 B. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the
2 prior written consent of COUNTY.

3 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to
4 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%)
5 of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an
6 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
7 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
8 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

9 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
10 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of
11 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
12 change in fifty percent (50%) or more of Board of Directors of CONTRACTOR at one time shall be
13 deemed an assignment pursuant to this paragraph. Any attempted assignment or delegation in
14 derogation of this subparagraph shall be void.

15 3. If CONTRACTOR is a governmental organization, any change to another structure,
16 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board
17 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an
18 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of
19 this subparagraph shall be void.

20 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
21 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
22 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
23 the effective date of the assignment.

24 C. CONTRACTOR's obligations undertaken pursuant to this Agreement may be carried out by
25 means of subcontracts, provided such subcontracts are approved in advance, in writing by
26 ADMINISTRATOR, meet the requirements of this Agreement as they relate to the service or activity
27 under subcontract, and include any provisions that ADMINISTRATOR may require.

28 1. After approval of a subcontract, ADMINISTRATOR may revoke the approval of a
29 subcontract upon five (5) calendar days written notice to CONTRACTOR if the subcontract
30 subsequently fails to meet the requirements of this Agreement or any provisions that
31 ADMINISTRATOR has required.

32 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
33 pursuant to this Agreement.

34 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR,
35 amounts claimed for subcontracts not approved in accordance with this paragraph.

36 //

37 //

1 4. This provision shall not be applicable to service agreements usually and customarily
2 entered into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional
3 services provided by consultants.
4

5 **VII. EMPLOYEE ELIGIBILITY VERIFICATION**

6 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and
7 regulations regarding the employment of aliens and others and to ensure that employees,
8 subcontractors, and consultants performing work under this Agreement meet the citizenship or alien
9 status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all
10 employees, subcontractors, and consultants performing work hereunder, all verification and other
11 documentation of employment eligibility status required by federal or state statutes and regulations
12 including, but not limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as
13 they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such
14 documentation for all covered employees, subcontractors, and consultants for the period prescribed by
15 the law.
16

17 **VIII. FACILITIES, PAYMENTS AND SERVICES**

18 CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance with
19 Exhibits A through C to this Agreement. COUNTY shall compensate, and authorize, when applicable,
20 said services. CONTRACTOR shall operate continuously throughout the term of this Agreement with
21 at least the minimum number and type of staff which meet applicable federal and state requirements,
22 and which are necessary for the provision of the services hereunder.
23

24 **IX. INDEMNIFICATION AND INSURANCE**

25 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
26 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
27 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
28 (COUNTY INDEMNITEES) harmless from any claims, demands or liability of any kind or nature,
29 including but not limited to personal injury or property damage, arising from or related to the services,
30 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is
31 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
32 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
33 COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request
34 a jury apportionment.

35 B. COUNTY agrees to indemnify, defend and hold CONTRACTOR, its officers, employees,
36 agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including
37 defense costs, or liability of any kind or nature, including but not limited to personal injury or property

1 damage, arising from or related to the services, products or other performance provided by COUNTY
2 pursuant to this Agreement. If judgment is entered against COUNTY and CONTRACTOR by a court
3 of competent jurisdiction because of the concurrent active negligence of CONTRACTOR, COUNTY
4 and CONTRACTOR agree that liability will be apportioned as determined by the court. Neither party
5 shall request a jury apportionment.

6 C. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all
7 required insurance at CONTRACTOR's expense and to submit to COUNTY the COI, including all
8 endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this
9 Agreement have been complied with and to maintain such insurance coverage with COUNTY during
10 the entire term of this Agreement. In addition, all subcontractors performing work on behalf of
11 CONTRACTOR pursuant to this Agreement shall obtain insurance subject to the same terms and
12 conditions as set forth herein for CONTRACTOR.

13 D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply,
14 indicate this on the COI with a 0 by the appropriate line of coverage. Any SIR or deductible in an
15 amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the
16 CEO/Office of Risk Management.

17 E. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this
18 Agreement, COUNTY may terminate this Agreement.

19 F. QUALIFIED INSURER

20 1. The policy or policies of insurance must be issued by an insurer licensed to do business in
21 the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M.
22 Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's
23 Key Rating Guide/Property-Casualty/United States or ambest.com)

24 2. If the insurance carrier is not an admitted carrier in the state of California and does not have
25 an A.M. Best rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or
26 reject a carrier after a review of the company's performance and financial ratings.

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1 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
2 limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Employee Dishonesty Insurance	\$1,000,000 per occurrence

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20 H. REQUIRED COVERAGE FORMS

21 1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a
22 substitute form providing liability coverage at least as broad.

23 2. The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05,
24 CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

25 I. REQUIRED ENDORSEMENTS – The Commercial General Liability policy shall contain the
26 following endorsements, which shall accompany the COI:

27 1. An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least
28 as broad naming the County of Orange, its elected and appointed officials, officers, employees, agents
29 as Additional Insureds.

30 2. A primary non-contributing endorsement evidencing that the CONTRACTOR's insurance
31 is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and
32 non-contributing.

33 3. A Loss Payee endorsement evidencing that the County of Orange is a Loss Payee shall
34 accompany the Certificate of Insurance.

35 J. All insurance policies required by this Agreement shall waive all rights of subrogation against
36 the County of Orange and members of the Board of Supervisors, its elected and appointed officials,
37 officers, agents and employees when acting within the scope of their appointment or employment.

1 K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving
2 all rights of subrogation against the County of Orange, and members of the Board of Supervisors, its
3 elected and appointed officials, officers, agents and employees.

4 L. All insurance policies required by this Agreement shall give COUNTY thirty (30) calendar days
5 notice in the event of cancellation and ten (10) calendar days notice for non-payment of premium. This
6 shall be evidenced by policy provisions or an endorsement separate from the COI.

7 M. If CONTRACTOR's Professional Liability policy is a "claims made" policy, CONTRACTOR
8 shall agree to maintain professional liability coverage for two years following completion of Agreement.

9 N. The Commercial General Liability policy shall contain a severability of interests clause also
10 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

11 O. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
12 insurance of any of the above insurance types throughout the term of this Agreement. Any increase or
13 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to
14 adequately protect COUNTY.

15 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
16 CONTRACTOR does not deposit copies of acceptable COI's and endorsements with COUNTY
17 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Agreement
18 may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal
19 remedies.

20 Q. The procuring of such required policy or policies of insurance shall not be construed to limit
21 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
22 this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

23 R. SUBMISSION OF INSURANCE DOCUMENTS

24 1. The COI and endorsements shall be provided to COUNTY as follows:

- 25 a. Prior to the start date of this Agreement.
26 b. No later than the expiration date for each policy.
27 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
28 changes to any of the insurance types as set forth in Subparagraph F. of this Agreement.

29 2. The COI and endorsements shall be provided to the COUNTY at the address as referenced
30 in the Referenced Contract Provisions of this Agreement.

31 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
32 provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall
33 have sole discretion to impose one or both of the following:

- 34 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
35 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the
36 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are
37 submitted to ADMINISTRATOR.

1 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
2 COI or endorsement for each business day, pursuant to any and all Agreements between COUNTY and
3 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
4 provisions stipulated in this Agreement are submitted to ADMINISTRATOR.

5 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
6 CONTRACTOR's monthly invoice.

7 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
8 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid
9 COI's and endorsements, or in the interim, an insurance binder as adequate evidence of insurance.

10 11 **X. INSPECTIONS AND AUDITS**

12 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
13 of the State of California, the Secretary of the United States Department of Health and Human Services,
14 the Comptroller General of the United States, or any other of their authorized representatives, shall have
15 access to any books, documents, and records, including but not limited to, financial statements, general
16 ledgers, relevant accounting systems, medical and client records, of CONTRACTOR that are directly
17 pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an
18 audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth
19 in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all
20 reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the
21 premises in which they are provided.

22 B. CONTRACTOR shall actively participate and cooperate with any person specified in
23 Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this
24 Agreement, and shall provide the above-mentioned persons adequate office space to conduct such
25 evaluation or monitoring.

26 **C. AUDIT RESPONSE**

27 1. Following an audit report, in the event of non-compliance with applicable laws and
28 regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement
29 as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement
30 appropriate corrective action. A plan of corrective action shall be submitted to ADMINISTRATOR in
31 writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR.

32 2. If the audit reveals that money is payable from one party to the other, that is, reimbursement
33 by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said
34 funds shall be due and payable from one party to the other within sixty (60) calendar days of receipt of
35 the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement
36 is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies
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provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

D. CONTRACTOR shall employ a licensed certified public accountant, who will prepare and file with ADMINISTRATOR, an annual, independent, organization-wide audit of related expenditures during the term of this Agreement.

E. CONTRACTOR shall forward to ADMINISTRATOR a copy of any audit report within fourteen (14) calendar days of receipt. Such audit shall include, but not be limited to, management, financial, programmatic or any other type of audit of CONTRACTOR's operations, whether or not the cost of such operation or audit is reimbursed in whole or in part through this Agreement.

XI. LICENSES AND LAWS

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies.

B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

1. CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) calendar days of the award of this Agreement:

a. In the case of an individual contractor, his/her name, date of birth, social security number, and residence address;

b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, social security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

c. A certification that CONTRACTOR has fully complied with all applicable federal and state reporting requirements regarding its employees;

d. A certification that CONTRACTOR has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

2. Failure of CONTRACTOR to timely submit the data and/or certifications required by Subparagraphs 1.a., 1.b., 1.c., or 1.d. above, or to comply with all federal and state employee reporting requirements for child support enforcement, or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, shall constitute a material breach of this Agreement; and failure to cure such breach within sixty (60) calendar days of notice from COUNTY shall constitute grounds for termination of this Agreement.

3. It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, or as permitted by federal and/or state statute.

1 **XII. MAXIMUM OBLIGATION**

2 A. The Maximum Obligation of COUNTY for services provided by CONTRACTOR in
3 accordance with this Agreement for each Period are as specified in the Reference Contract Provisions of
4 this Agreement.

5 B. Upon written request by CONTRACTOR, and at sole discretion of ADMINISTRATOR,
6 ADMINISTRATOR may increase or decrease the Period One and Period Two Maximum Obligations,
7 provided the total of these Maximum Obligations does not exceed the Total Maximum Obligation of
8 COUNTY as specified in the Referenced Contract Provisions of this Agreement.

9 C. ADMINISTRATOR may amend the Aggregate Maximum Obligation by an amount not to
10 exceed ten percent (10%) for Period One of funding for this Agreement.

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12 **XIII. NONDISCRIMINATION**

13 A. EMPLOYMENT

14 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals shall not
15 unlawfully discriminate against any employee or applicant for employment because of his/her ethnic
16 group identification, race, religion, ancestry, color, creed, sex, marital status, national origin, age (40
17 and over), sexual orientation, medical condition, or physical or mental disability. Additionally, during
18 the term of this Agreement, CONTRACTOR and its Covered Individuals shall require in its
19 subcontracts that subcontractors shall not unlawfully discriminate against any employee or applicant for
20 employment because of his/her ethnic group identification, race, religion, ancestry, color, creed, sex,
21 marital status, national origin, age (40 and over), sexual orientation, medical condition, or physical or
22 mental disability.

23 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
24 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or
25 recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection
26 for training, including apprenticeship.

27 3. CONTRACTOR shall not discriminate between employees with spouses and employees
28 with domestic partners, or discriminate between domestic partners and spouses of those employees, in
29 the provision of benefits.

30 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
31 employment, notices from ADMINISTRATOR and/or the United States Equal Employment
32 Opportunity Commission setting forth the provisions of the Equal Opportunity clause.

33 5. All solicitations or advertisements for employees placed by or on behalf of
34 CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration
35 for employment without regard to ethnic group identification, race, religion, ancestry, color, creed, sex,
36 marital status, national origin, age (40 and over), sexual orientation, medical condition, or physical or
37 mental disability. Such requirements shall be deemed fulfilled by use of the term EOE.

1 6. Each labor union or representative of workers with which CONTRACTOR and/or
2 subcontractor has a collective bargaining agreement or other contract or understanding must post a
3 notice advising the labor union or workers' representative of the commitments under this
4 Nondiscrimination Paragraph and shall post copies of the notice in conspicuous places available to
5 employees and applicants for employment.

6 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
7 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
8 on the basis of ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,
9 national origin, age (40 and over), sexual orientation, medical condition, or physical or mental disability
10 in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 -
11 §1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975
12 (42 USC §6101); and Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of
13 Regulations,) as applicable, and all other pertinent rules and regulations promulgated pursuant thereto,
14 and as otherwise provided by state law and regulations, as all may now exist or be hereafter amended or
15 changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not
16 limited to the following based on one or more of the factors identified above:

- 17 1. Denying a client or potential client any service, benefit, or accommodation.
- 18 2. Providing any service or benefit to a client which is different or is provided in a different
19 manner or at a different time from that provided to other clients.
- 20 3. Restricting a client in any way in the enjoyment of any advantage or privilege enjoyed by
21 others receiving any service or benefit.
- 22 4. Treating a client differently from others in satisfying any admission requirement or
23 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
24 any service or benefit.
- 25 5. Assignment of times or places for the provision of services.

26 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all clients
27 through a written statement that CONTRACTOR and/or subcontractor's clients may file all complaints
28 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
29 ADMINISTRATOR.

30 1. Whenever possible, problems shall be resolved informally and at the point of service.
31 CONTRACTOR shall establish an internal informal problem resolution process for clients not able to
32 resolve such problems at the point of service. Clients may initiate a grievance or complaint directly with
33 CONTRACTOR either orally or in writing.

34 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as
35 to the findings regarding the alleged complaint and, if not satisfied with the decision, may file an appeal.

36 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
37 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as

1 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 (42 USC 12101
2 et seq.), as applicable, pertaining to the prohibition of discrimination against qualified persons with
3 disabilities in all programs or activities; and if applicable, as implemented in Title 45, CFR, §84.1 et
4 seq., as they exist now or may be hereafter amended together with succeeding legislation.

5 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
6 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
7 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
8 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to
9 enforce rights secured by federal or state law.

10 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and
11 state law, this Agreement may be canceled, terminated or suspended in whole or in part and
12 CONTRACTOR or subcontractor may be declared ineligible for further contracts involving federal,
13 state or county funds.

14 15 **XIV. NOTICES**

16 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
17 authorized or required by this Agreement shall be effective:

18 1. When written and deposited in the United States mail, first class postage prepaid and
19 addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed
20 by ADMINISTRATOR;

21 2. When faxed, transmission confirmed;

22 3. When sent by Email; or

23 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
24 Service, or other expedited delivery service.

25 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
26 this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
27 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
28 Parcel Service, or other expedited delivery service.

29 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
30 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
31 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
32 damage to any COUNTY property in possession of CONTRACTOR.

33 D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by
34 ADMINISTRATOR.

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1 **XV. RECORDS MANAGEMENT AND MAINTENANCE**

2 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term
3 of this Agreement, prepare, maintain and manage records appropriate to the services provided and in
4 accordance with this Agreement and all applicable requirements.

5 B. CONTRACTOR shall ensure appropriate financial records related to cost reporting,
6 expenditure, revenue, billings, etc., are prepared and maintained accurately and appropriately.

7 C. CONTRACTOR shall ensure all appropriate state and federal standards of documentation,
8 preparation, and confidentiality of records related to participant, client and/or patient records are met at
9 all times.

10 D. CONTRACTOR shall retain all financial records for a minimum of seven (7) years from the
11 commencement of the contract, unless a longer period is required due to legal proceedings such as
12 litigations and/or settlement of claims.

13 E. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
14 billings, and revenues available at one (1) location within the limits of the County of Orange.

15 F. If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR
16 may provide written approval to CONTRACTOR to maintain records in a single location, identified by
17 CONTRACTOR.

18 G. CONTRACTOR may be required to retain all records involving litigation proceedings and
19 settlement of claims for a longer term which will be directed by the ADMINISTRATOR.

20 H. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
21 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR
22 all information that is requested by the PRA request.

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24 **XVI. RESEARCH AND PUBLICATION**

25 CONTRACTOR shall not utilize information and data received from COUNTY or developed as a
26 result of this Agreement for the purpose of personal publication.

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28 **XVII. RIGHT TO WORK AND MINIMUM WAGE LAWS**

29 A. In accordance with the United States Immigration Reform and Control Act of 1986,
30 CONTRACTOR shall require its employees directly or indirectly providing service pursuant to this
31 Agreement, in any manner whatsoever, to verify their identity and eligibility for employment in the
32 United States. CONTRACTOR shall also require and verify that its contractors, subcontractors, or any
33 other persons providing services pursuant to this Agreement, in any manner whatsoever, verify the
34 identity of their employees and their eligibility for employment in the United States.

35 B. Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and
36 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the
37 federal or California Minimum Wage to all its employees that directly or indirectly provide services

1 pursuant to this Agreement, in any manner whatsoever. CONTRACTOR shall require and verify that
2 all its contractors or other persons providing services pursuant to this Agreement on behalf of
3 CONTRACTOR also pay their employees no less than the greater of the federal or California Minimum
4 Wage.

5 C. CONTRACTOR shall comply and verify that its contractors comply with all other federal and
6 State of California laws for minimum wage, overtime pay, record keeping, and child labor standards
7 pursuant to providing services pursuant to this Agreement.

8 D. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR,
9 where applicable, shall comply with the prevailing wage and related requirements, as provided for in
10 accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the
11 State of California (§§1770, et seq.), as it exists or may hereafter be amended.

12 13 **XVIII. SEVERABILITY**

14 If a court of competent jurisdiction declares any provision of this Agreement or application thereof
15 to any person or circumstances to be invalid or if any provision of this Agreement contravenes any
16 federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or
17 the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain
18 in full force and effect, and to that extent the provisions of this Agreement are severable.

19 20 **XIX. SPECIAL PROVISIONS**

21 A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following
22 purposes:

- 23 1. Making cash payments to intended recipients of services through this Agreement.
- 24 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
25 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on
26 use of appropriated funds to influence certain federal contracting and financial transactions).
- 27 3. Fundraising.
- 28 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
29 CONTRACTOR's staff, volunteers, or members of the Board of Directors.
- 30 5. Reimbursement of CONTRACTOR's members of the Board of Directors for expenses or
31 services.
- 32 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
33 subcontractors, and members of the Board of Directors or its designee or authorized agent, or making
34 salary advances or giving bonuses to CONTRACTOR's staff.
- 35 7. Paying an individual salary or compensation for services at a rate in excess of the current
36 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
37 Schedule may be found at www.opm.gov.

8. Severance pay for separating employees.
9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building codes and obtaining all necessary building permits for any associated construction.
- B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR shall not use the funds provided by means of this Agreement for the following purposes:
 1. Funding travel or training (excluding mileage or parking).
 2. Making phone calls outside of the local area unless documented to be directly for the purpose of client care.
 3. Payment for grant writing, consultants, certified public accounting, or legal services.
 4. Purchase of artwork or other items that are for decorative purposes and do not directly contribute to the quality of services to be provided pursuant to this Agreement.

XX. STATUS OF PARTIES

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during the course and scope of their employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner to be COUNTY's employees.

XXI. TERM

A. The term of this Agreement shall commence and terminate as specified in the Referenced Contract Provisions of this Agreement, unless otherwise sooner terminated as provided in this Agreement; provided, however, CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

B. Any administrative duty or obligation to be performed pursuant to this Agreement on a weekend or holiday may be performed on the next regular business day.

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XXII. TERMINATION

A. Either party may terminate this Agreement, without cause, upon one hundred eighty (180) calendar days written notice given the other party.

B. Unless otherwise specified in this Agreement, COUNTY may terminate this Agreement upon five (5) calendar days written notice if CONTRACTOR fails to perform any of the terms of this Agreement. At ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty (30) calendar days for corrective action.

C. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence of any of the following events:

1. The loss by CONTRACTOR of legal capacity.

2. Cessation of services.

3. The delegation or assignment of CONTRACTOR's services, operation or administration to another entity without the prior written consent of COUNTY.

D. Neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service or employment deemed resulting, directly or indirectly, from Acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, machinery or suppliers, vandalism, strikes or other work interruptions by a party's officers, agents, employees, affiliates, or subcontractors, or any similar cause beyond the reasonable control of any party to this Agreement. However, all parties shall make good faith efforts to perform under this Agreement in the event of any such circumstance.

E. If a court of competent jurisdiction determines that Eligible Persons are fully covered by the State Medi-Cal Program, or any other State program, all obligations and rights related to such persons under this Agreement shall be suspended while such court order is effective, and COUNTY shall have the right to terminate this Agreement, or the provisions relating to the MSN Program as applicable, upon thirty (30) calendar days prior written notice and without any cure period. In the event of any suspension or termination pursuant to this Agreement, deposits of Funding and reimbursement to any party shall be adjusted to reflect the obligations and duties thereby reduced.

F. CONTINGENT FUNDING

1. Any obligation of COUNTY under this Agreement is contingent upon the following:

a. The continued availability of federal, state and county funds for reimbursement of COUNTY's expenditures, and

b. Inclusion of sufficient funding for the services hereunder in the applicable budget approved by the Board of Supervisors.

2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend, terminate or renegotiate this Agreement upon thirty (30) calendar days written notice given CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

1 G. In the event this Agreement is suspended or terminated prior to the completion of the term as
2 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its sole
3 discretion, reduce the Maximum Obligation of this Agreement in an amount consistent with the reduced
4 term of the Agreement.

5 H. In the event this Agreement is terminated by either party pursuant to Subparagraphs B., C. or D.
6 above, CONTRACTOR shall do the following:

7 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
8 is consistent with recognized standards of quality care and prudent business practice.

9 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
10 performance during the remaining contract term.

11 3. Until the date of termination, continue to provide the same level of service required by this
12 Agreement.

13 4. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
14 upon request, all client information and records deemed necessary by ADMINISTRATOR to effect an
15 orderly transfer.

16 5. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with
17 client's best interests.

18 6. If records are to be transferred to COUNTY, pack and label such records in accordance
19 with directions provided by ADMINISTRATOR.

20 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
21 supplies purchased with funds provided by COUNTY.

22 8. To the extent services are terminated, cancel outstanding commitments covering the
23 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
24 commitments which relate to personal services. With respect to these canceled commitments,
25 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
26 arising out of such cancellation of commitment which shall be subject to written approval of
27 ADMINISTRATOR.

28 I. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
29 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

30 31 **XXIII. THIRD PARTY BENEFICIARY**

32 Neither party hereto intends that this Agreement shall create rights hereunder in third parties
33 including, but not limited to, any subcontractors or any clients provided services pursuant to this
34 Agreement.

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XXIV. WAIVER OF DEFAULT OR BREACH

Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default or any breach by CONTRACTOR shall not be considered a modification of the terms of this Agreement.

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1 IN WITNESS WHEREOF, the parties have executed this Agreement, in the County of Orange,
2 State of California.

3
4 ADVANCED MEDICAL MANAGEMENT, INC.

5
6
7 BY: [REDACTED] DATED: 1/7/2014

8
9 TITLE: [REDACTED]

10
11
12 BY: [REDACTED] DATED: 1-7-2014

13
14 TITLE: [REDACTED]

15
16
17
18
19 COUNTY OF ORANGE

20
21
22 BY: [Signature] DATED: 1/14/14
23 HEALTH CARE AGENCY

24
25
26 APPROVED AS TO FORM
27 OFFICE OF THE COUNTY COUNSEL
28 ORANGE COUNTY, CALIFORNIA

29
30
31 BY: [Signature] DATED: 12/31/13
32 DEPUTY

33
34
35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the
36 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer
37 or by-laws whereby the board of directors has empowered said authorized individual to act on its behalf by his or her
signature alone is required by ADMINISTRATOR.

EXHIBIT A
TO AGREEMENT FOR PROVISION OF
FISCAL INTERMEDIARY SERVICES
FOR THE
MEDICAL SAFETY NET PROGRAM
WITH
ADVANCED MEDICAL MANAGEMENT, INC.
JANUARY 14, 2014 THROUGH DECEMBER 31, 2015

MEDICAL SAFETY NET PROGRAM

I. PREAMBLE

The Medical Safety Net (MSN) Program provides services that are medically necessary to protect life, prevent significant disability, or prevent serious deterioration of health. With respect to medical criteria for enrollment into the MSN Program, applicants must have an urgent or emergent medical condition that if left untreated would result in serious deterioration of health with an initial intake through a Hospital's emergency department.

II. DEFINITIONS

The parties agree to the following terms and definitions, and to those terms and definitions that, for convenience, are set forth elsewhere in the Agreement.

A. "All Providers" or "Providers" means Physicians, Contracting Hospitals, Contracting ED Hospitals, Contracting Clinics, and Other Providers.

B. "Allowable Charges" means

1. For Physicians - an amount not to exceed 100% of CalOptima fee-for-service reimbursement rates, less required co-payments; provided, however, that COUNTY shall not be obligated to the additional reimbursement which may be due to Physicians by CalOptima in accordance with 42 CFR Part 438, 441 and 447.

2. For Other Providers - an amount not to exceed 100% of billed charges

C. "CalOptima" means the local agency created by COUNTY to contract with the Medi-Cal program.

D. "Care Coordination Unit" or "CCU" means appropriately licensed COUNTY staff and/or COUNTY contracted staff responsible for the coordination of services as well as the concurrent and retrospective utilization review of the medical appropriateness, level of care, and utilization of all services provided to MSN Patients by All Providers.

E. "Claim(s)" means a claim submitted by All Providers to CONTRACTOR for reimbursement of Medical Services.

1 F. "Clinic," for purposes of the Agreement, means any health care facility designated and licensed
2 by the State of California as a community clinic, mobile health clinic, university clinic, hospital-
3 affiliated clinic, or free clinic that is located within the geographic boundary of Orange County,
4 California.

5 G. "Clinic Services" means any medical service provided by a Contracting Clinic as set forth in
6 MSN Clinic Agreement. Clinic Services may also include emergent or urgent dental services if
7 provided by Contracting Clinic.

8 H. "Consultation" means the rendering by a specialty physician of an opinion or advice, or
9 prescribing treatment by telephone, when determined to be medically necessary by the on-duty
10 emergency department physician and specialty physician, as appropriate. Such Consultation includes
11 review of the patient's medical record, and the examination and treatment of the patient in person, when
12 appropriate, by a specialty physician who is qualified to give an opinion or render treatment necessary to
13 stabilize the patient.

14 I. "Contracting Clinic" means a community clinic that has executed an MSN Clinic Agreement
15 with COUNTY.

16 J. "Contracting ED Hospital" means a hospital that has executed an MSN Emergency and
17 Stabilization Hospital Services Agreement with COUNTY.

18 K. "Contracting Hospital" means a hospital that has executed an MSN Hospital Services
19 Agreement with COUNTY.

20 L. "Covered California" means the California Health Benefit Exchange, an independent public
21 entity within the California State government, responsible for providing financial assistance and
22 organizing a marketplace for low-income and other California residents to compare and choose
23 affordable health insurance coverage.

24 M. "Emergency and Stabilization Services" means those specific Hospital Services that are
25 reimbursable to Hospitals as set forth in the MSN Hospital Services Agreement and MSN Emergency
26 and Stabilization Hospital Services Agreement and further defined as follows:

27 1. "Emergency Services" means lawfully provided medical screening, examination, and
28 evaluation by a physician, or other physician-supervised personnel in a hospital to determine if an
29 emergency medical condition exists, and includes treatment necessary to relieve the condition; provided,
30 however, such treatment shall be within the capabilities required of Hospital as a condition of its
31 emergency medical services permit, on file with the Office of Statewide Health Planning and
32 Development, and may include but not be limited to laboratory, pharmacy, and ancillary services.

33 2. "Medically Stable" means when an acute care patient is able to reasonably sustain a
34 transport in an Emergency Medical Technician I (EMT I) staffed ambulance, with no expected increase
35 in morbidity or mortality, as determined by the treating physician.

36 3. "Post Stabilization Services" means medically necessary Hospital Services provided by
37 Hospital after the patient is considered to be Medically Stable following an Emergency Medical

Condition, which may include, but not be limited to continued hospitalization and/or Outpatient Hospital Services,

4. "Stabilization Services" means Hospital Services provided in an emergency department and/or an inpatient setting to a patient, admitted through Hospital's Emergency Department, up to the point the patient is considered to be Medically Stable for transport.

N. "Final Settlement" means the final reimbursement to All Providers, as specified in Paragraph X. of Exhibit B to the Agreement.

O. "Follow-Up Care and Specialty Services" means those specific medical services that are reimbursable to Contracting Clinics only as set forth in the MSN Clinic Agreement and further defined as follows:

1. "Follow-Up Care" means a Contracting Clinic that coordinates a cooperative team of healthcare professionals, takes collective responsibility for the care provided to the MSN Patient, and arranges for appropriate care with other qualified providers as needed to ameliorate a condition that could result in significant disability or serious deterioration of health if left untreated. Physicians may also be used for Follow-Up Care at the sole discretion of ADMINISTRATOR.

2. "Specialty Services" means the focus of medical care on one aspect of the MSN Patient's care such as one organ system or one problem area.

P. "Funds" means any payments, transfers, or deposits made by COUNTY, and any refunds, repayments, adjustments, earned interest or other payments made by, or recovered from All Providers, patient, third-party, or other entity as the result of any duty arising from to the Agreement.

Q. "Hospital," for purposes of the Agreement, means a general acute care facility licensed by the State of California that is located in the County of Orange.

R. "Hospital Service(s)" means medically necessary emergency, inpatient, and outpatient hospital services provided in a Hospital, including, but not limited to, laboratory, pharmacy and ancillary services, as well as any other services as defined herein.

S. "Interim Payment" means the interim reimbursement rates as established in Paragraph IX of Exhibit B to the Agreement which COUNTY estimates will be paid to All Providers.

T. "Medi-Cal" means a government program financed by federal and state funds that provides health care insurance to persons meeting eligibility criteria as provided for in Title 22 of the California Code of Regulations

U. "Medical Service(s)" means a medical service necessary to protect life, prevent significant disability, or prevent serious deterioration of health. Guidelines for Reimbursable Medical Services are set forth in Paragraph IV of this Exhibit A to the Agreement and in the MSN Provider Manual.

V. "Medically Stable" – See definition for Emergency and Stabilization Services

W. "MSN" means the Medical Safety Net Program which is the County's Program responsible for its California Welfare & Institutions Code (W&I) 17000 obligation.

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1 X. "MSN Funding" means the amount of funds identified by COUNTY for reimbursement of all
2 MSN Program Services, including those specified in this Exhibit A to the Agreement to be provided by
3 CONTRACTOR.

4 Y. "MSN Clinic Agreement" means the Agreement between the COUNTY and Contracting
5 Clinics for Clinic Services for the Medical Safety Net Program in effect during the term of the
6 Agreement.

7 Z. "MSN Enrollee" or "Enrollee," means a person, enrolled in the MSN Program, meeting the
8 eligibility criteria set by ADMINISTRATOR in order to meet its obligations under W&I 17000.

9 AA. "MSN ED Hospital Agreement" means the Agreement between COUNTY and Contracting ED
10 Hospitals for Emergency and Stabilization Hospital Services for the Medical Safety Net Program in
11 effect during the term of the Agreement.

12 AB. "MSN Hospital Agreement" means the Agreement between COUNTY and Contracting
13 Hospitals for Hospital Services for the Medical Safety Net Program in effect during the term of the
14 Agreement.

15 AC. "MSN Patient" means a person who is either a MSN Enrollee or MSN Pending.

16 AD. "MSN Pending" means a person believed to meet the eligibility requirements for enrollment
17 into the MSN Program whose MSN Program application has been submitted and not yet approved.

18 AE. "MSN Program Services" means

19 1. All medical and administrative services for which reimbursement is authorized by the
20 Agreement and all other agreements for the MSN Program, and;

21 2. Administrative services provided directly by COUNTY for which costs are directly
22 incurred by COUNTY.

23 AF. "Non-Contract Hospital" means any Hospital that is neither a Contracting ED Hospital or a
24 Contracting Hospital.

25 AG. "Other Provider" means a Non-Contract Hospital, laboratory, urgent care center, imaging
26 center, ambulance operator, home health services Provider, a supplier of durable medical equipment, or
27 other health care provider as may be authorized by ADMINISTRATOR.

28 AH. "Outpatient Hospital Services" means any type of medical or surgical care performed at a
29 Hospital for which there is no expectation of being admitted as an inpatient.

30 AI. "Post Stabilization Services" – See definition for Emergency and Stabilization Services

31 AJ. "Physician(s)" means any licensed medical doctor with a practice located in Orange County and
32 registered with the MSN Program.

33 AK. "Physician Claim" means a claim submitted by a Physician for reimbursement of Medical
34 Services.

35 AL. "Post-Stabilization Care" - See definition for Emergency and Stabilization Services

36 AM. "Recovery Account" means a separate account for monies recovered by Intermediary, or other
37 contracted entity with the COUNTY, from All Providers.

1 AN. "Recuperative Care" or "Recuperative Care Day" means post-stabilization hospital room and
2 board provided by a community-based provider to MSN Patients transitioning out of a Hospital's acute
3 care facility. Additional health care services may be arranged by the CCU to be provided by a home
4 health care and/or durable medical equipment providers, which services shall be reimbursed separately
5 by the MSN Program.

6 AO. "Skilled Nursing Facility (SNF)" means a health facility or distinct part of a hospital which
7 provides, under a separate agreement with COUNTY, continuous skilled nursing and supportive care to
8 MSN Enrollees in lieu of acute hospitalization.

9 AP. "Special Permit Medical Service" means a burn center service, cardiovascular surgery service,
10 radiation therapy service, trauma center service, renal transplant center service, acute psychiatric
11 service, or a service provided by a hospital with a special rehabilitation unit licensed in accordance with
12 appropriate laws and, if applicable, with Section 70351 et seq. of Title 22. Special Permit Medical
13 Service shall also include such types or kinds of transfers as may be approved in writing by
14 ADMINISTRATOR.

15 AQ. "Special Permit Transfer" means a MSN Patient, who needs a Special Permit Medical Service
16 that is not available from a hospital, which another hospital elects to accept for treatment.

17 AR. "Stabilization Services and/or Care" - See definition for Emergency and Stabilization Services

18 AS. "Third Party-Covered Claim" means a claim for reimbursement of Medical Services, which
19 services are covered, at least in part, by a non-COUNTY third party payer.

20 AT. "Transfer Patient" means a person accepted by a Hospital, or transferred by a Hospital to
21 another Hospital or health facility without prior approval of ADMINISTRATOR. COUNTY shall not
22 reimburse for services provided to Transfer Patients.

23 AU. "Trauma Hospital" means a Hospital that is designated to treat severe physical trauma as a
24 result of the specialized training of its staff and the availability of appropriate diagnostic and treatment
25 tools.

26 27 **III. PHYSICIAN AND OTHER PROVIDER OBLIGATIONS**

28 A. As a condition of receiving reimbursement, Physicians and Other Providers, shall register with
29 CONTRACTOR for the MSN Program and provide all requested information by logging on to
30 <https://ochca.amm.cc/register.aspx>. By registering as a Provider for the MSN Program, Physicians and
31 Other Providers shall:

32 1. Assure that they meet all applicable licensing requirements to provide Medical Services to
33 Enrollees under the Agreement.

34 2. Ensure that it includes in the registration process all employees, agents, or contractors who
35 provide services on behalf of Physicians and Other Providers and for which services Physician and
36 Other Providers will submit a Claim to CONTRACTOR. Claims for such services shall be processed
37 and reimbursed by CONTRACTOR in accordance with Exhibit B to the Agreement.

1 3. Agree to comply with the Agreement, including but not limited to Exhibit A and Exhibit B,
2 hereto as they apply to Physicians and Other Providers

3 4. Agree to comply with all provisions of the MSN Provider Manual, as it exists now or may
4 hereafter be amended, which is available at <http://ochealthinfo.com/about/medical/providers/news>.

5 5. Provide Medical Services to all MSN Enrollees covered by the Agreement presenting for
6 treatment as authorized by the CCU in accordance with subparagraph B below.

7 6. Provide Medical Services in the same manner to MSN Patients as it provides to all other
8 patients with the same medical need or condition and shall not discriminate against said MSN Patients in
9 any manner, including but not limited to: admission practices, place of residency within the County,
10 and timely access to care and services considering the urgency of the service needed.

11 a. ADMINISTRATOR shall notify Physicians and/or Other Providers of and investigate
12 allegations of discrimination in the provision of services on the basis of the patient's status as an MSN
13 Patient, including but not limited to denial of care. ADMINISTRATOR may request that the Medical
14 Policy Committee (MPC) assist with the investigation of service denials for discrimination.

15 b. In the event that Physician and/or Other Provider is determined by ADMINISTRATOR
16 to have discriminated in the provision of Medical Services on the basis of the patient's status as an MSN
17 Patient, ADMINISTRATOR shall advise CONTRACTOR to levy appropriate financial penalties for
18 each occurrence against Physician and/or Other Provider, which may include, but not be limited to, one
19 or more the following:

20 1) A reduction in payment related to the episode of care from any payment due
21 Physician and/or Other Provider, including Final Settlement.

22 2) Withholding of any payment due Physician and/or Other Provider pending
23 satisfactory compliance.

24 3) Termination as a provider for the MSN Program at the sole discretion of
25 ADMINISTRATOR.

26 B. ADMINISTRATOR shall establish, either directly and/or through subcontract(s), a Care
27 Coordination Unit (CCU) which shall coordinate and make arrangements for the medical needs and care
28 of MSN Enrollees. The CCU shall not be responsible for the coordination of the social services needs
29 of such patients.

30 1. Non-Contract Hospitals must notify the CCU of an MSN Enrollee admission.

31 a. The CCU shall be available, at a minimum, seven (7) days per week during normal
32 business hours. Any obligation of the Non-Contract Hospital to communicate with the CCU, pursuant
33 to the Agreement, that falls outside the CCU's hours of operation may be performed on the next regular
34 business day.

35 b. Non-Contract Hospital must send MSN Enrollee information to the CCU for concurrent
36 review within twenty-four (24) hours of the MSN Enrollee's admission to Non-Contract Hospital's
37 facility.

1 c. Non-Contract Hospitals shall assist the CCU in the evaluation of the MSN Enrollee's
2 medical stability and need for the MSN Enrollee's hospitalization and/or continued hospitalization.
3 CCU cannot authorize any lower level of care or other referrals for patients who are MSN Pending. If a
4 patient who is MSN Pending is later determined to an MSN Enrollee, Non-Contract Hospitals shall be
5 reimbursed as specified in the MSN Hospital Agreement.

6 d. If continued hospitalization is required, an MSN Enrollee shall be transferred to
7 Contracting Hospital when the MSN Enrollee is determined by the treating physician to be medically
8 stable. Upon such determination the CCU shall, within sixty (60) minutes of consulting with the Non-
9 Contract Hospital, advise the Non-Contract Hospital when a transfer can be arranged.

10 1) Transfer shall occur following a physician to physician consultation and agreement
11 to accept transfer between Non-Contract Hospital and Contracting Hospital.

12 2) If transfer can be arranged, in accordance with applicable law, the CCU shall make
13 necessary arrangements as soon as possible.

14 3) If a transfer cannot be arranged, in accordance with applicable law, the MSN
15 Enrollee may be admitted to Non-Contractor's facility if medically appropriate.

16 e. If a Non-Contract Hospital determines that an MSN Enrollee admitted to Non-Contract
17 Hospitals facility no longer meets the criteria for acute care and requires discharge to a lower level of
18 care program, the Non-Contract Hospital shall notify the CCU within twenty-four (24) hours of that
19 determination to arrange for the transfer of the MSN Enrollee to a lower level of care, which may
20 include Recuperative Care.

21 f. Non-Contract Hospital shall notify the CCU if an MSN Enrollee will be transferred to
22 Recuperative Care.

23 1) Non-Contract Hospital shall make arrangements to transfer the MSN Enrollee to a
24 provider of Recuperative Care.

25 2) Non-Contract Hospital shall be responsible for reimbursement to the Recuperative
26 Care provider.

27 3) Use of a Recuperative Care provider shall be at the discretion of the Non-Contract
28 Hospital.

29 g. Non-Contract Hospital shall send MSN Enrollee discharge information within seventy-
30 two (72) hours to the CCU. Non-Contract Hospital's failure to meet this requirement may result in
31 denial of patient days if the patient remained in Non-Contract Hospital's facility post-stabilization.

32 h. CCU may authorize Outpatient Hospital Services as Post Stabilization Services to be
33 provided by Non-Contract Hospital. Such services shall only be authorized when they are:

- 34 1) In accordance with generally accepted standards of medical practice;
35 2) Clinically appropriate in terms of type, frequency, extent, site and duration, an
36 considered effective for the MSN Enrollee's illness, injury or disease;

37 //

1 3) Not primarily for the convenience of the MSN Enrollee, Hospital, or Physician and
2 not more costly than an alternative service or sequence of services at least as likely to produce
3 equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that MSN Enrollee's
4 illness, injury, or disease; and

5 4) Within the scope of the MSN Program in accordance with the Agreement and the
6 MSN Provider Manual.

7 2. Physicians and Other Providers (except Hospitals and providers of Emergency and
8 Stabilization Services)

9 a. Coordinate and make arrangements for the medical needs and care of MSN Enrollees.

10 1) The CCU cannot authorize any lower level of care or referrals for patients who are
11 MSN Pending.

12 2) The CCU shall not be responsible for the coordination of social services needs of
13 such MSN Enrollees.

14 b. Perform concurrent and retrospective utilization review of the medical appropriateness,
15 level of care, and utilization of all services provided to MSN Enrollees by All Providers.

16 c. Assist in coordinating the transitions of MSN Enrollees to appropriate outpatient care,
17 lower levels of care or needed services through COUNTY-contracted and/or registered providers for
18 durable medical equipment, pharmacy services and home health care.

19 C. Reimbursement provided through the Agreement shall be payment of last resort.

20 1. Physicians and Other Providers shall bill and attempt collection of Medi-Cal, third-party
21 settlement, or primary other insurance covered claims to the full extent of such coverage and, upon
22 submission of any Claim, shall provide to CONTRACTOR proper documentation demonstrating
23 compliance with this requirement.

24 2. Acceptance by Physician and Other Providers of reimbursement made by CONTRACTOR
25 for services provided in accordance with the Agreement shall be deemed satisfaction in full, with respect
26 to the COUNTY's obligations for the services for which payment was made, except as follows:

27 a. Collection of co-payments established by the MSN Program for Medical Services.
28 Nothing herein shall prevent All Providers from pursuing co-payment reimbursement from any MSN
29 Enrollee. Nothing in this paragraph shall prohibit All Providers from applying any uncollected portion
30 of an MSN Enrollee's co-payments amounts toward All Provider's charity and write-off policy.

31 b. All required co-payments shall be deducted, by CONTRACTOR, from reimbursement
32 due Physician and Other Providers; provided, however, if a co-payment is to be waived in accordance
33 with the Agreement, these amounts shall not be deducted by Intermediary from reimbursement due
34 CONTRACTOR.

35 c. Except for services relating to Emergency and Stabilization Services, if an MSN
36 Enrollee is unable or unwilling to pay any Provider all or part of the required co-payment, the Provider
37 may, at its sole discretion, refuse to provide services to the MSN Enrollee.

1 3. Claims covered by Medi-Cal, any third-party settlement, primary, or other insurance,
2 including those received by or on behalf of an MSN Enrollee. Physicians and Other Providers shall
3 attempt to bill and collect to the full extent of coverage those claims covered by all known Medi-Cal,
4 third-party settlement, primary, or other insurance payers.

5 4. If Physician or Other Provider becomes aware of any Medi-Cal, third-party settlement (for
6 services provided on or after January 1, 2014), primary, or other insurance, including those received by
7 or on behalf of an MSN Enrollee after reimbursement is made by CONTRACTOR, nothing herein shall
8 prevent Physician or Other Provider from pursuing reimbursement from these sources; provided,
9 however, that Physician or Other Provider shall comply with Paragraph VII.G. of Exhibit B to the
10 Agreement. Nothing in this paragraph shall prohibit Physician or Other Provider from applying any
11 unreimbursed portion of Physician's or Other Provider's charges toward its respective charity care and
12 bad debt write-off policy.

13 D. During the registration process, Physician may express interest in providing Follow-Up Care
14 Services. In addition, Physician shall submit to ADMINISTRATOR a written request, on Physician's
15 letterhead, to provide Follow-Up Care Services and shall include their geographic location, contact
16 information, and any experience in providing medical care to and/or underserved populations.

17 1. Designation of any Physician to provide Follow-Up Services is at the sole discretion of
18 ADMINISTRATOR.

19 2. Physician may inform ADMINISTRATOR, in writing, of its request to institute limitations
20 to referring MSN Enrollees to Physician for Follow-Up Care Services. This may include limiting the
21 number of referred MSN Enrollees Physician is willing or capable of accepting.

22 E. Upon approval of ADMINISTRATOR, at ADMINISTRATOR's sole discretion,
23 CONTRACTOR shall reimburse certain Physicians and/or Other Providers specified by
24 ADMINISTRATOR at rates negotiated by ADMINISTRATOR, which rates may be the same as those
25 specified in the Agreement.

26 1. Such arrangements shall be limited to services by types of specialties and/or geographic
27 areas for which certain services are not otherwise available, or coordination of certain services so as to
28 allow better coordination of patient care and/or management.

29 2. As a condition of negotiating any additional agreement for certain services,
30 ADMINISTRATOR may require Physician or Other Provider to meet additional requirements that may
31 not be otherwise specified in the Agreement or the MSN Provider Manual. For example: the ability to
32 electronically transmit patient specific test results to COUNTY's contracted Provider of its patient
33 registration system.

34 F. All Providers shall assist ADMINISTRATOR and CONTRACTOR in the conduct of any
35 appeal hearings conducted by ADMINISTRATOR or CONTRACTOR in accordance with the
36 Agreement.

37 //

1 G. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
2 of the State of California, the Secretary of the United States Department of Health and Human Services,
3 the Comptroller General of the United States, or any other of their authorized representatives, shall have
4 access to any books, documents, and records, including but not limited to, financial statements, general
5 ledgers, relevant accounting systems, medical and client records, of Physician and Other Providers that
6 are directly pertinent to the Agreement, for the purpose of responding to a beneficiary complaint or
7 conducting an audit, review, evaluation, or examination, or making transcripts during the periods of
8 retention set forth in Paragraph I below. Such persons may at all reasonable times inspect or otherwise
9 evaluate the services provided pursuant to the Agreement, and the premises in which they are provided.

10 1. Physicians and Other Providers shall actively participate and cooperate with any person
11 specified in Subparagraph F. above in any evaluation or monitoring of the services provided pursuant to
12 the Agreement, and shall provide the above-mentioned persons adequate office space to conduct such
13 evaluation or monitoring.

14 2. ADMINISTRATOR shall provide Physician or Other Provider with at least fifteen (15)
15 calendar days written prior notice of such inspection or evaluation; provided, however, that Department,
16 or duly authorized representative, which may include COUNTY, shall be required to provide at least
17 seventy-two (72) hours notice for its onsite reviews and inspections. Unannounced inspections,
18 evaluations, or requests for information may be made in those situations where arrangement of an
19 appointment beforehand is not possible or inappropriate due to the nature of the inspection or
20 evaluation.

21 H. Physician and Other Provider shall maintain records that are adequate to substantiate the
22 services for which claims are submitted for reimbursement under the Agreement and the charges
23 thereto. Such records shall include, but not be limited to, individual patient charts and utilization review
24 records.

25 1. Physician and Other Provider shall keep and maintain records of each service rendered, the
26 MSN Patient to whom the service was rendered, the date the service was rendered, and such additional
27 information as COUNTY or Department may require.

28 2. Physician and Other Provider shall maintain books, records, documents, and other
29 evidence, accounting procedures, and practices sufficient to reflect properly all direct and indirect cost
30 of whatever nature claimed to have been incurred in the performance of the Agreement and in
31 accordance with Medicare principles of reimbursement and generally accepted accounting principles.

32 3. Physician and Other Provider shall ensure the maintenance of medical records required by
33 Sections 70747 through and including 70751 of the California Code of Regulations, as they exist now or
34 may hereafter be amended, and other records related to a MSN Patient's eligibility for services, the
35 service rendered, the medical necessity of the service, and the quality of the care provided. Records
36 shall be maintained in accordance with Section 51476 of Title 22 of the California Code of Regulations,
37 as it exists now or may hereafter be amended.

1 4. Records Retention

2 a. All financial records connected with the performance of the Agreement shall be
3 retained by the parties, at a location in the County of Orange, for a period of seven (7) years after
4 termination of the Agreement.

5 b. All patient records connected with the performance of the Agreement shall be retained
6 by the parties, at a location in the County of Orange, or other location approved in advance and in
7 writing by ADMINISTRATOR, for a period of seven (7) years after termination of the Agreement.

8 c. Records which relate to litigation or settlement of claims arising out of the performance
9 of the Agreement, or costs and expenses of the Agreement as to which exception has been taken by
10 COUNTY or State or Federal governments, shall be retained by Physician and Other Provider until
11 disposition of such appeals, litigation, claims or exceptions is completed.

12 I. All Providers shall make their best efforts to provide services pursuant to the Agreement in a
13 manner that is culturally and linguistically appropriate for the population(s) served. All Providers shall
14 maintain documentation of such efforts which may include, but not be limited to: records of
15 participation in COUNTY-sponsored or other applicable training; recruitment and hiring policies and
16 procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of
17 measures taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

18 J. All Providers shall not conduct any proselytizing activities, regardless of funding sources, with
19 respect to any person who has received services under the terms of the Agreement. Further, All
20 Providers agree that the funds provided hereunder shall not be used to promote, directly or indirectly,
21 any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

22 K. Any administrative duty or obligation to be performed pursuant to the Agreement on a weekend
23 or holiday may be performed on the next regular business day.

24 L. ADMINISTRATOR may direct CONTRACTOR to withhold or delay payment due any
25 Physician or Other Provider for failure to comply with the terms of the Agreement.

26
27 **IV. GUIDELINES FOR REIMBURSABLE MEDICAL SERVICES**

28 A. Medical Services reimbursable through the MSN Program means those services that are
29 medically necessary to protect life, prevent significant disability, or prevent serious deterioration of
30 health. Reimbursable and non-reimbursable services include those covered in the MSN Provider
31 Manual as approved by the Medical Policy Committee (MPC).

32 B. The scope of Medical Services to be provided may include, but are not limited to, the following:

33 1. Acute hospital inpatient services, including room and board, diagnostic and therapeutic
34 ancillary services, laboratory, therapy services, anesthesia services, pharmacy services, administrative
35 days, and other acute hospital inpatient services necessary to the care of the patient.

36 2. Emergency and Stabilization Services including diagnostic and therapeutic services.

37 3. Blood and blood derivatives.

4. Prosthetic and medical supplies.
 5. Outpatient services, including physician services, clinic services, diagnostic and therapeutic services that are:
 - a. In accordance with generally accepted standards of medical practice;
 - b. Clinically appropriate in terms of type, frequency, extent, site and duration, and considered effective for the MSN Patient's illness, injury or disease;
 - c. Not primarily for the convenience of the patient, Physician or Other Provider and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that MSN Patient's illness, injury or disease; and
 - d. Within the scope of the MSN Program in accordance with the Agreement and the MSN Provider Manual.
 6. Emergent or urgent dental services.
- C. Contracting ED Hospitals and Non-Contract Hospitals shall not be reimbursed for any Outpatient Hospital Services outside of the Contracting ED Hospital's emergency department that are not authorized by the CCU as Stabilization Services or Post Stabilization Services.

V. INTERMEDIARY OBLIGATIONS

A. CONTRACTOR shall perform as fiscal intermediary on behalf of All Providers and COUNTY. CONTRACTOR shall reimburse All Providers in accordance with the Agreement and all other agreements for the MSN Program in which CONTRACTOR is defined as Fiscal Intermediary or Intermediary. ADMINISTRATOR shall provide copies of all such agreements to CONTRACTOR.

B. CONTRACTOR shall operate continuously throughout the term of the Agreement with at least the minimum number and type of staff which are necessary for the provision of services hereunder. Specifically, CONTRACTOR shall ensure that for all key staff with whom ADMINISTRATOR interacts, there is at least one (1) alternate staff person designated who can make key decisions and/or provide requested information in a timely manner should the key staff person be unavailable.

C. During the term of the Agreement, and for such time thereafter as required by the Agreement, CONTRACTOR shall perform the services herein including, but not limited to, the following:

1. Receiving, compiling, preserving, and reporting information and data.
2. Receiving eligibility data by direct on-line input provided by ADMINISTRATOR's eligibility system provider, performing utilization review, and processing, denying, and approving all claims submitted in accordance with Exhibit B to the Agreement.
3. Receiving prior authorization data provided by the CCU and approving or denying Claims accordingly.
4. Providing a process for All Provider and patient appeals of denied services.
5. Receiving, maintaining, collecting, and accounting for Funds.

6. Reimbursing claims and making other required payments.

7. Sanction screening All Providers for the MSN Program to ensure that they are not designated as Ineligible Persons.

D. MSN Provider Appeals – CONTRACTOR shall provide a formal opportunity for MSN Providers to appeal denial of services or payment (Appeals System). The Appeals System shall meet the following submission requirements:

1. Print and distribute the “Explanation of Benefits” or “EOB” forms as to the disposition of claims to MSN Providers.

2. CONTRACTOR shall advise MSN Provider on all EOBs that if the MSN Provider wishes to appeal a service or payment denied by CONTRACTOR, the MSN Provider must submit the request for appeal within thirty (30) calendar days of the date of the EOB.

3. All appeals must include an Appeal Form, provided on the back of the EOB, from the MSN Provider requesting the appeal and must be accompanied by the corresponding medical records. The MSN Provider request for appeal and the medical records may be sent separately; provided, however, that both must be received by CONTRACTOR within the thirty (30) calendar day timeframe.

a. Untimely Appeal – CONTRACTOR may deny any requests for appeal that do not meet the submission requirements. Provider Appeals shall be deemed on time:

1) When delivered personally, within the thirty (30) calendar day timeframe; or

2) If the date sent by first-class, certified or registered mail in the United States Postal is within the thirty (30) calendar day timeframe; or

3) When faxed, transmission confirmed, within the thirty (30) calendar day timeframe; or

4) When sent by electronic mail, within the thirty (30) calendar day timeframe; or

5) When delivered by U.S. Postal Service Express Mail, Federal Express, United Parcel Service or other expedited delivery service within the thirty (30) calendar day timeframe.

b. CONTRACTOR shall not be required to provide any timeline extensions, including, but not limited to, the following:

1) If the MSN Provider sends the Appeal Form, but does not also send the medical records.

2) If the MSN Provider arranges for medical records to be sent, but no Appeal Form or EOB is attached in reference to the medical records.

3) If the MSN Provider calls and states they did not receive the EOB advising them of the service and/or payment denial.

c. Nothing herein shall prevent CONTRACTOR from contacting any MSN Provider regarding an incomplete appeal and requesting the required information be submitted within the original thirty (30) calendar day timeframe.

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1 E. Sanction Screening

2 1. CONTRACTOR shall screen All Providers registered to provide Medical Services for the
3 MSN Program, as well as Contracting Hospitals, Contracting ED Hospitals, and Non-Contract Hospitals
4 that submit Claims for reimbursement, to ensure that they are not designated as Ineligible Persons as
5 defined in the Compliance Paragraph of the Agreement. Screening shall be conducted against the
6 following lists;

- 7 a. General Services Administration's List of Parties Excluded from Federal Programs;
8 b. Health and Human Services/Office of Inspector General List of Excluded
9 Individuals/Entities;
10 c. State of California Medi-Cal Suspended and Ineligible Provider List; and
11 d. Any other lists regarding exclusion or debarment from participation in federal or state
12 health care programs, as may be requested by ADMINISTRATOR.

13 2. CONTRACTOR shall screen All Providers monthly to ensure that they have not become
14 Ineligible Persons.

15 3. CONTRACTOR shall submit a monthly report to ADMINISTRATOR detailing if a
16 Provider of Medical Services has been found to be currently excluded, suspended or debarred, or is
17 identified as such after a prior sanction screening.

18 a. CONTRACTOR shall notify such individual or entity and immediately remove them
19 from being able to be reimbursed for Medical Services in accordance with this or any other Agreement
20 for MSN Services.

21 b. CONTRACTOR shall note the date the Provider became an Ineligible Person, or the
22 date CONTRACTOR became aware that the Provider became an Ineligible Person and shall provide
23 ADMINISTRATOR with a report of the claims received and paid to said Ineligible Person.
24 ADMINISTRATOR will determine if any repayment is necessary from the Ineligible Person for
25 services provided.

26 F. CONTRACTOR shall provide, with respect to All Providers, such printing, mailing, and
27 training as may be reasonably required by ADMINISTRATOR and reasonably within the capacity of
28 CONTRACTOR to undertake.

29 G. CONTRACTOR shall attend MPC meetings, as requested by ADMINISTRATOR, and shall
30 provide additional information to Committee members as may be requested by ADMINISTRATOR.

31 H. At no additional cost to COUNTY, CONTRACTOR shall maintain a telephone number
32 dedicated to facilitating communication with All Providers. CONTRACTOR shall notify, in writing,
33 All Providers of such phone number and its hours of operation.

34 I. CONTRACTOR shall refer requests for patient information requested in accordance with the
35 Public Records Act to ADMINISTRATOR's Custodian of Records.

36 //

37 //

1 J. CONTRACTOR shall keep a copy of its current Operations Manual at its main facility which
2 shall include CONTRACTOR's policies and procedures relating to its operations, including, but not
3 limited to the activities specified herein.

4 K. CONTRACTOR shall make its best efforts to provide services pursuant to the Agreement in a
5 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR
6 shall maintain documentation of such efforts which may include, but not be limited to:

- 7 a. Records of participation in COUNTY-sponsored or other applicable training;
- 8 b. Recruitment and hiring policies and procedures;
- 9 c. Copies of literature in multiple languages and formats, as appropriate; and
- 10 d. Descriptions of measures taken to enhance accessibility for, and sensitivity to, persons
11 who are physically challenged.

12 L. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,
13 with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of
14 the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to
15 promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian
16 institution, or religious belief.

17 18 **VI. FUNDING AND PAYMENTS**

19 **A. CONTRACTOR Payments**

20 1. For services provided in accordance with the Agreement and all other agreements for the
21 MSN Program, COUNTY shall reimburse CONTRACTOR monthly, in arrears, as follows; provided,
22 however the total of all payments to CONTRACTOR does not exceed COUNTY's Maximum
23 Obligation for CONTRACTOR for each Period as specified in the Referenced Contract Provisions
24 section of the Agreement:

25 a. Period One – Twenty thousand dollars (\$20,000.00) per month for January 2014
26 through and including December 2014. Should Provider claims processed by CONTRACTOR, for dates
27 of services provided from January 1, 2014 through and including June 30, 2014, exceed 46,000 claims,
28 CONTRACTOR shall be paid an additional fiscal intermediary service fee of \$4.45 per claim.

29 b. Period Two – Twenty thousand dollars (\$20,000.00) per month for June 2014 through
30 and including December 2015. Should Provider claims processed by CONTRACTOR, for dates of
31 services provided from July 1, 2014 through and including June 30, 2015, exceed 96,000 claims,
32 CONTRACTOR shall be paid an additional fiscal intermediary service fee of \$4.45 per claim.

33 2. Should claims processed by CONTRACTOR, in accordance with the Agreement for the
34 MSN Program, exceed forty-six thousand (46,000) claims for Period One or ninety-six thousand
35 (96,000) claims for Period Two, CONTRACTOR may submit an invoice for an additional fiscal
36 intermediary services fee of four dollars forty-five cents (\$4.45) per claim for each claim processed in
37 excess of the stated amount above for each Period.

1 3. For ancillary services, approved in advance by ADMINISTRATOR and provided in
2 accordance with the Agreement for the MSN Program, COUNTY shall reimburse CONTRACTOR
3 monthly in arrears, for the actual cost of providing said services; provided, however the total of all
4 payments to CONTRACTOR for ancillary services do not exceed COUNTY's Maximum Obligation for
5 CONTRACTOR for each Period as specified in the Referenced Contract Provisions of the Agreement.

6 4. For each Period, the final monthly payment to CONTRACTOR shall not be made until
7 ADMINISTRATOR determines that CONTRACTOR has satisfactorily completed its Final Settlement
8 duties for the applicable Period in accordance with the Agreement.

9 5. CONTRACTOR's invoice shall be on a form approved or supplied by ADMINISTRATOR
10 and provide such information as is required by ADMINISTRATOR. CONTRACTOR shall use its best
11 efforts to submit invoices to ADMINISTRATOR no later than two (2) business days following
12 CONTRACTOR's check run, unless otherwise agreed to by ADMINISTRATOR and CONTRACTOR,
13 and payments to CONTRACTOR should be released by COUNTY no later than twenty-one (21) days
14 after receipt of the correctly completed invoice form.

15 6. Upon determination by CONTRACTOR that the Account requires additional funds for
16 reimbursement of claims authorized in accordance with the Agreement, CONTRACTOR shall submit a
17 supplemental invoice to COUNTY, together with any documentation that may be required by
18 ADMINISTRATOR.

19 7. All billings to COUNTY shall be supported, at CONTRACTOR's facility, by source
20 documentation including, but not limited to, ledgers, books, and records of services provided.

21 8. COUNTY may withhold or delay any payment if CONTRACTOR fails to comply with any
22 provision of the Agreement.

23 9. COUNTY shall not reimburse CONTRACTOR for direct services provided beyond the
24 expiration and/or termination of the Agreement, except as may otherwise be provided under the
25 Agreement, or specifically agreed upon in a subsequent Agreement.

26 B. MSN Funding

27 1. For MSN Program Services provided during Period One, the MSN Funding is estimated to
28 be \$10,127,026.

29 2. For MSN Program Services provided during Period Two, the MSN Funding is estimated to
30 be \$19,243,004.

31 3. Throughout the term of the Agreement, COUNTY, at its sole discretion, may modify the
32 MSN Funding without a formal amendment to the Agreement.

33 a. If a reduction in MSN Funding is anticipated to impact COUNTY'S obligations to
34 reimburse All Providers as specified in Exhibit B to the Agreement, COUNTY shall provide thirty (30)
35 calendar days written notice to All Providers of said impact.

36 b. After receiving notice from COUNTY, Physicians and Other Providers may terminate
37 their participation in the MSN Program, at each Physician and Other Provider's sole discretion, upon

1 forty-five (45) days written notice to ADMINISTRATOR. Physician and Other Providers shall continue
2 to provide services during the forty-five (45)-day notice period and shall cooperate with
3 ADMINISTRATOR in the reassignment of MSN Enrollees to alternate Providers of care as determined
4 by ADMINISTRATOR with the CCU.

5 C. MSN Funds – COUNTY shall establish an interest-bearing trust fund (MSN Trust Fund) into
6 which it shall deposit the following amounts for reimbursement of all Medical Services for the MSN
7 Program. Throughout the term of the Agreement, at ADMINISTRATOR's sole discretion, these
8 amounts may be modified.

9 1. Period One

10 a. The first MSN Trust Fund deposit shall be made on or about January 24, 2014 in the
11 amount of \$2,042,324.

12 b. All subsequent MSN Trust Fund deposits shall continue thereafter in the amount of
13 \$1,021,171 on or about the tenth (10th) day of each month from February, 2014 through and including
14 May, 2014.

15 2. Period Two

16 a. The first MSN Trust Fund deposit shall be made on or about July 21, 2014 in the
17 amount of \$2,440,500

18 b. All subsequent MSN Trust Fund deposits shall continue thereafter in the amount of
19 \$1,220,250 on or about the tenth (10th) day of each month from August, 2014 through and including
20 May, 2015.

21 3. Monies in the MSN Trust Fund shall be treated in the same fashion as all other monies held
22 by COUNTY in trust funds, and COUNTY may commingle said monies with other monies for purposes
23 of investment.

24 a. Interest earned on the MSN Trust Fund monies shall be allocated based on the balance
25 of all Funds in the MSN Trust Fund pending transfer to CONTRACTOR. The interest earned and
26 apportioned to funds pending transfer to CONTRACTOR may be, in whole or part and at
27 ADMINISTRATOR's sole discretion, transferred to CONTRACTOR or transferred to a Holding
28 Account with any transferred principal and retained by COUNTY to offset any portion of its
29 administrative expenses, or retained by COUNTY for any Period.

30 b. No interest shall be credited to the MSN Funds before they are deposited in the MSN
31 Trust Fund, nor before the Agreement becomes effective, as specified in the Term Paragraph of the
32 Agreement.

33 D. MSN Program Disbursements to CONTRACTOR - COUNTY shall pay CONTRACTOR an
34 amount sufficient to reimburse Claims in accordance with Exhibit B to the Agreement. Such Funds
35 shall be deposited immediately by CONTRACTOR into an account maintained for all payments in
36 accordance with the Agreement, as specified in Exhibit B to the Agreement, including Final Settlement.

37 //

1 E. Any duties pursuant to the Agreement to deposit monies or make any payment shall not be due
2 until after fifteen (15) calendar days after execution of the Agreement by the parties.
3

4 **VII. COUNTY OBLIGATIONS**

5 A. ADMINISTRATOR shall provide oversight of the MSN Program, including appropriate
6 program administration, coordination, planning, evaluation, financial and contract monitoring, public
7 information and referral, standards assurance, and review and analysis of data gathered and reported.

8 B. ADMINISTRATOR shall establish, either directly and/or through subcontract(s), a CCU which
9 shall coordinate and make arrangements for the medical needs and care of MSN Enrollees as specified
10 in Paragraph III. above.

11 C. ADMINISTRATOR shall direct the CCU to work with CONTRACTOR to develop reporting
12 and information sharing activities to address the following:

13 1. Deny claims based on recommendations from the CCU.

14 2. Coordinate collection and evaluation of data by CONTRACTOR and the CCU.

15 D. When needed services are not available through any Contracting Hospital, ADMINISTRATOR
16 may negotiate separate Letters of Agreement with rates appropriate for securing care for the provision of
17 such services with Non-Contract Hospitals and providers, including those that may not be located in
18 Orange County.

19 E. If an MSN Enrollee requires acute psychiatric care, ADMINISTRATOR will make every
20 reasonable effort to facilitate the transfer of the MSN Enrollee to a hospital or health care facility that is
21 operated by or has contracted with COUNTY to provide such acute psychiatric treatment.

22 F. Except as provided herein with respect to discrimination of care to MSN Patients, COUNTY
23 shall neither have, nor exercise, any control or direction over the methods by which Physicians and
24 Other Providers shall perform their obligations under the Agreement. The standards of medical care and
25 professional duties of Physician's and Other Provider's employees providing Medical Services under the
26 Agreement shall be determined, as applicable, by Physician's and Other Provider's Board of Directors
27 and the standards of care in the community in which Physician and Other Providers are located and all
28 applicable provisions of law and other rules and regulations of any and all governmental authorities
29 relating to licensure and regulation of Physician and Other Providers.

30 G. Any administrative duty or obligation to be performed pursuant to the Agreement on a weekend
31 or holiday may be performed on the next regular business day.
32

33 **VIII. COMMITTEES/GROUPS**

34 A. A Medical Policy Committee (MPC) shall be formed by ADMINISTRATOR which shall meet
35 at least quarterly and may meet more frequently as determined by ADMINISTRATOR.

36 B. The MPC shall consist of the following members:

37 1. MSN Program Medical Director who shall serve as Chairperson of the Committee

2. Multiple Physicians from the private sector, hospital and clinic communities
 3. A minimum of two additional representatives from the MSN Program
 4. Representative from the Care Coordination Unit
 5. Pharmacy Consultant
 6. MSN Program Public Health Nurse(s)
- C. The MPC shall adopt and follow rules as it deems necessary to carry out its responsibilities.
- D. The duties of the MPC shall include, but not be limited to, the following:
1. Prospective and retrospective review of services rendered and their medical appropriateness.
 2. Review of procedures, treatments, and therapies, consistent with MSN Program benefits, for inclusion in, or deletion from, the MSN Program's scope of covered services.
 3. Review of medical policy as it relates to patient treatment and community standards of care.
 4. Approval of modifications, deletions, and additions to the list of services for which All Providers will be recommended to seek pre-authorization from the CCU.
 5. Review and ruling on any appeals brought before the MPC.
 6. Enlisting the expertise of specialists when indicated.
- E. Decisions of the MPC shall be binding and final.

1 EXHIBIT B
2 TO AGREEMENT FOR PROVISION OF
3 FISCAL INTERMEDIARY SERVICES
4 FOR THE
5 MEDICAL SAFETY NET PROGRAM
6 WITH
7 ADVANCED MEDICAL MANAGEMENT, INC.
8 JANUARY 14, 2014 THROUGH DECEMBER 31, 2015
9

10 CLAIMS AND DISBURSEMENTS
11

12 **I. PREAMBLE**

13 The Medical Safety Net (MSN) Program provides services that are medically necessary to protect
14 life, prevent significant disability, or prevent serious deterioration of health. With respect to medical
15 criteria for enrollment into the MSN Program, applicants must have an urgent or emergent medical
16 condition that if left untreated would result in serious deterioration of health with the initial intake
17 conducted through a Hospital's emergency department.
18

19 **II. SATISFACTION OF COUNTY OBLIGATION**

20 Reimbursement provided through the Agreement is only intended to cover those persons who would
21 not be eligible for medical benefits from the State Medi-Cal Program, or whose medical care would not
22 be covered by other non-COUNTY third party payers, including those available through Covered
23 California. In consideration of payments made by COUNTY through CONTRACTOR for payment for
24 Medical Services to MSN Enrollees pursuant to the Agreement, COUNTY's obligation to All Providers
25 and persons for whom it may have any legal obligation to provide Medical Services, shall be satisfied.
26

27 **III. IMPREST ACCOUNT**

28 A. CONTRACTOR shall maintain an interest-bearing account for the MSN Program called the
29 "Imprest Account." A separate Imprest Account shall be maintained for each Period.

30 1. CONTRACTOR shall maintain a separate accounting of Funds commingled in the Imprest
31 Account for each service area: Hospital, Physician, Clinic (including dental services), and Outpatient.
32 The separate accounting of Funds within the Imprest Account shall be grouped to as follows:

33 a. Hospital Services- CONTRACTOR shall reimburse Hospitals in accordance with the
34 MSN Hospital Agreement and the MSN Hospital ED Agreement. The following shall also be accounted
35 for through this service area:

- 36 1) Sub-Acute Services
37 2) Skilled Nursing Facility Services

1 3) Special Permit Transfer Services
2 4) Letters of Agreement for Hospital Services as may be negotiated by
3 ADMINISTRATOR
4 5) Recuperative Care
5 b. Physician Services – CONTRACTOR shall reimburse Claims received from Physicians
6 in accordance with the Agreement. The following shall also be accounted for in this service area:
7 1) Non-Physician practitioners which may include, but not be limited, to Nurse
8 Practitioners and Physicians' Assistants.
9 2) Claims for the professional component of items a.1) through a.4) above
10 3) Letters of Agreement for specialty Physician and capitated physician services as
11 may be negotiated by ADMINISTRATOR.
12 4) Physicians affiliated with Long Beach Memorial Medical Center (Medical Center)
13 for those MSN Enrollees brought by Orange County Paramedics to Medical Center for Emergency and
14 Stabilization Services
15 c. Clinic Services – CONTRACTOR shall reimburse Contracting Clinics in accordance
16 with the MSN Clinic Agreement. The following shall also be accounted for through this service area:
17 1) Dental Services provided by Contracting Clinics
18 2) Dental Services provided by other community Providers
19 d. Outpatient Services
20 1) CONTRACTOR shall reimburse non-hospital based outpatient service and other
21 ancillary Providers not otherwise specified in the Agreement and approved in writing by
22 ADMINISTRATOR, including, but not limited to, ambulance, home health Providers, durable medical
23 equipment, laboratories, imaging, surgery centers, and urgent care centers which may include
24 professional services; as negotiated by ADMINISTRATOR.
25 2) Pharmacy Claims – CONTRACTOR shall reimburse those outpatient
26 pharmaceutical costs typically not claimed through the COUNTY's Pharmacy Benefits Manager for the
27 MSN Program, including, but not limited to, chemotherapy and other injectable drugs provided in
28 Physician offices.
29 a) Except as otherwise specified, in writing, by ADMINISTRATOR,
30 reimbursement of pharmaceutical costs by CONTRACTOR shall not exceed that which would
31 otherwise be paid by COUNTY's pharmacy benefits manager. ADMINISTRATOR shall provide
32 CONTRACTOR the reimbursement rates in effect with COUNTY's Pharmacy Benefits Manager and
33 any exceptions.
34 b) Upon written authorization from ADMINISTRATOR, other pharmaceutical
35 costs or costs from other non-hospital outpatient Providers may be paid by CONTRACTOR.
36 e. Other MSN Funding Obligations – Any expenses not specifically identified above and
37 shall be deducted from the service area as specified by ADMINISTRATOR.

2. The separate accounting of Funds by service area shall include, but may not be limited to: deposits/funding, interest, recovery, transfers, claims and other payments, and bank charges.

3. CONTRACTOR shall use the Imprest Account to deposit MSN Funding disbursed by COUNTY for each service area for the purpose of reimbursing corresponding claims from Providers of those service areas as specified herein.

4. Except as otherwise provided herein, the Imprest Account shall not exceed a maximum of one million two hundred fifty thousand dollars (\$1,250,000) ("Imprest Account Maximum") during any forty-five (45) day period and shall be managed so as to maximize the interest earned upon Funds in the Account. Upon written request of CONTRACTOR, and at ADMINISTRATOR's sole discretion, the maximum may be modified.

5. If CONTRACTOR determines that the fees to maintain an interest-bearing Imprest Account are more than projected interest to be earned, CONTRACTOR shall recommend to ADMINISTRATOR that such funds be maintained in a non-interest-bearing Imprest Account. Approval of the recommendation shall be at the sole discretion of ADMINISTRATOR.

B. Funding of the Imprest Account – CONTRACTOR shall use its best efforts to submit invoices to ADMINISTRATOR no later than two (2) business days following CONTRACTOR's check run, unless otherwise agreed to by ADMINISTRATOR and CONTRACTOR, and payments to CONTRACTOR should be released by COUNTY no later than twenty-one (21) days after receipt of the correctly completed invoice form; provided, however that the total of all payments to CONTRACTOR for Medical Services Claims payment shall not exceed the total amount transferred to the MSN Trust Fund for each Period as specified in Paragraph VI of Exhibit A to the Agreement.

1. COUNTY shall pay CONTRACTOR, upon receipt of an appropriate invoice, an initial provisional payment for each service area to be mutually agreed upon in writing between CONTRACTOR and ADMINISTRATOR for each Period.

2. Following the initial payment for each Period CONTRACTOR shall submit separate and appropriate invoices for each service area for payment of MSN Hospital, Physician, Clinic, and Outpatient claims on a regular basis, which frequency shall be no less often than bi-weekly without mutual consent of ADMINISTRATOR and CONTRACTOR. Each individual invoice may be in an amount up to the COUNTY's initial provisional payment as mutually agreed to in accordance with in subsection B.1. above, which amount may be modified by mutual written consent of CONTRACTOR and ADMINISTRATOR.

C. Upon determination by CONTRACTOR that the Imprest Account requires additional Funds for reimbursement of any claims authorized in accordance with the Agreement, CONTRACTOR shall submit a request for supplemental payment to ADMINISTRATOR, together with any documentation that may be required by ADMINISTRATOR.

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1 D. CONTRACTOR shall provide ADMINISTRATOR by the tenth (10th) day of each month
2 access to an electronic copy of the prior month's bank statement(s) and reconciliation with respect to all
3 monies disbursed through the Imprest Account pursuant to the Agreement.

4 E. In the event CONTRACTOR anticipates expenditures pursuant to the Agreement in excess of
5 the Imprest Account maximum, CONTRACTOR shall advise ADMINISTRATOR, in writing of the
6 circumstances. Upon approval by ADMINISTRATOR, COUNTY will disburse to CONTRACTOR the
7 requested Funds and CONTRACTOR shall disburse Funds immediately upon receipt to Providers of
8 Medical Services, unless otherwise approved, in writing, by ADMINISTRATOR.

10 **IV. REVIEW OF CLAIMS**

11 A. CONTRACTOR shall review all claims to determine whether the services for which
12 reimbursement is sought are Medical Services, reimbursable pursuant to the Agreement, and whether
13 such services were rendered to an MSN Enrollee.

14 B. CONTRACTOR shall review claims, and provide a medical utilization review, in accordance
15 with its Operations Manual.

16 C. CONTRACTOR shall deny all claims that do not meet the conditions and requirements of the
17 Agreement for claim submission, processing, and reimbursement, including, but not limited to
18 obligations pursuant to Paragraph VII., Third Party, Primary, or Other Insurance Covered Claims, as
19 specified in this Exhibit B to the Agreement.

20 D. CONTRACTOR shall use its best efforts to collect any monies paid, in any form, for non-
21 reimbursable services, for services to persons who are not Enrollees, or for payment to any Provider or
22 other entity not entitled under the Agreement to such payment if the result of inaccurate or inappropriate
23 billing by any Provider or other entity. CONTRACTOR shall not be subject to disallowances for said
24 payments.

25 E. CONTRACTOR shall use its best efforts to collect any monies paid, in any form, for non-
26 reimbursable services, for services to persons who are not Enrollees, or for payment to any Provider or
27 other entity not entitled under the Agreement to such payment if the result of inaccurate or inappropriate
28 processing by CONTRACTOR. Upon becoming aware of such uncollectible payments,
29 CONTRACTOR shall submit to ADMINISTRATOR a corrective action plan. Upon review by
30 ADMINISTRATOR, CONTRACTOR may be subject to disallowances for said payments.

32 **V. CONDITIONS OF REIMBURSEMENT**

33 A. As a condition of reimbursement through the Agreement, all Claims for reimbursement of
34 Medical Services provided to Enrollees shall be:

35 1. Claims for Medical Services provided during each Period of the Agreement except for:

36 a. Claims for Medical Services covered by a court order.

37 //

1 b. Claims for Medical Services if eligibility for a person is established by the Social
2 Services Agency after the claims submission deadline for the applicable contract period.

3 2. Submitted electronically by Hospitals and Clinics and completed in accordance with the
4 Agreement. After July 1, 2014, paper Claims shall not be accepted any Provider without prior
5 authorization of ADMINISTRATOR.

6 3. Initially received by CONTRACTOR no later than ninety (90) calendar days following the
7 date of service; provided, however, that Claims shall be received no later than

8 a. September 30, 2014 for Period One.

9 b. September 30, 2015 for Period Two

10 B. CONTRACTOR should initially approve or deny all claims no later than

11 1. October 31, 2014 for Period One.

12 2. October 31, 2015 for Period Two

13 C. CONTRACTOR should reimburse all approved Claims as soon as possible, and in no event
14 later than sixty (60) calendar days following the end of the month in which the claim was approved,
15 unless otherwise approved by ADMINISTRATOR.

16 D. Except as otherwise specified in this paragraph, any unapproved Claims for Medical Services
17 shall be void after

18 1. November 30, 2014 for Period One

19 2. November 30, 2015 for Period Two

20 E. Exceptions to the above timelines may be allowed under the following conditions, which may
21 be modified by ADMINISTRATOR, at its sole discretion:

22 1. The Notice of Action establishing MSN eligibility was generated after June 30 of the
23 applicable Period.

24 2. More information is requested by ADMINISTRATOR and/or Intermediary to further
25 consider an appeal.

26 3. ADMINISTRATOR and/or Intermediary discover any irregularities in claims payment or
27 denial.

28 4. Any payment for the above Claims occurring after Final Settlement shall be deemed
29 "Exception Claims" and shall be paid from Exception Funding as provided for in Paragraph VIII of this
30 Exhibit B to the Agreement.

31 F. In order for Claims to be considered for any Final Settlement adjustment as provided herein, All
32 Providers eligible to receive Final Settlement must submit all Claims to Intermediary, whether or not,
33 due to All Providers' collection of the co-payment from the MSN Enrollee, the Claims are eligible for
34 the Interim Payment, as specified in Paragraph IX. of this Exhibit B to the Agreement.

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1 G. Unless otherwise directed by ADMINISTRATOR, all Clinic claims shall be submitted to
2 CONTRACTOR at:

3 Advanced Medical Management, Inc.

4 P.O. Box 30248

5 Long Beach, California 90853

6
7 **VI. CLAIM DENIAL/APPEAL**

8 A. CONTRACTOR shall notify, in writing, All Providers of the reason for any denial of a
9 claim(s).

10 B. Notice shall be deemed effective:

11 1. Three (3) calendar days from the date written notice is deposited in the United States mail,
12 first class postage prepaid; or

13 2. When faxed, transmission confirmed; or

14 3. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
15 Service, or other expedited delivery service.

16 C. All Providers may resubmit denied claims to CONTRACTOR; provided, however, All
17 Providers shall complete any necessary corrective action, and resubmit the claim no later than thirty (30)
18 calendar days after notification of the denial.

19 D. All Providers may appeal claims denied by CONTRACTOR to CONTRACTOR in accordance
20 with procedures set forth by ADMINISTRATOR in the MSN Provider Manual and MSN Patient
21 Handbook. Such appeal shall be made, in writing using the appeal form required by CONTRACTOR,
22 no later than thirty (30) calendar days after notification of denial.

23 1. If all information necessary to review the appeal is submitted as required to
24 CONTRACTOR, CONTRACTOR shall respond to the appeal within thirty (30) calendar days.

25 2. If the appeal is subsequently denied by CONTRACTOR, All Providers within thirty (30)
26 calendar days of receipt of the denied appeal may submit an appeal to the MPC.

27 E. If a denied claim is not resubmitted and/or appealed in writing to CONTRACTOR and/or the
28 MPC within thirty (30) calendar days after notification of denial, CONTRACTOR's determination shall
29 be final, and the affected Provider shall have no right to further review of the claim.

30 F. Except as provided for in Paragraph V.E of this Exhibit B to the Agreement, all appeals of
31 denied claims shall be heard and decided no later than

32 1. November 15, 2014 for Period One

33 2. November 15, 2015 for Period Two

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1 **VII. THIRD PARTY, PRIMARY, OR OTHER INSURANCE COVERED CLAIMS**

2 A. Reimbursement provided through the Agreement shall be payment of last resort. Prior to
3 submitting any claim to CONTRACTOR for reimbursement of Medical Services provided to an
4 Enrollee, All Providers shall:

5 1. Use their reasonable best efforts to determine whether the claim is a third-party or primary
6 other insurance covered claim.

7 2. Bill and use their reasonable best efforts to collect third-party or primary other insurance
8 covered claims to the full extent of such coverage.

9 B. All Providers shall determine that a claim is not covered, in whole or in part, under any other
10 state or federal medical care program or under any other contractual or legal entitlement including, but
11 not limited to, coverage defined in W&I Section 10020.

12 C. With submission of a claim, All Providers shall provide proof of denial to CONTRACTOR, if a
13 third-party or primary other insurance denies coverage of the claim.

14 D. All Providers shall report to CONTRACTOR any payments received from third-party or
15 primary other insurance covered claims.

16 E. The Agreement shall not allow for reimbursement of deductibles and co-payments required by
17 an Enrollee's primary other insurance coverage.

18 F. All Providers shall provide CONTRACTOR such records and other documentation as
19 CONTRACTOR may reasonably require to maintain centralized data collection and referral services in
20 support of third-party revenue recovery activities.

21 G. Provider Refunds of Claims Reimbursed By Other Payments

22 1. If any Provider through its own efforts identifies Medi-Cal coverage, third party settlement,
23 primary or other insurance coverage for services reimbursed through the Agreement, such Provider(s)
24 shall, within thirty (30) calendar days of such identification, unless disputed in accordance with
25 subparagraph G.4. below, reimburse CONTRACTOR an amount equal to the MSN Payment. At
26 ADMINISTRATOR's sole discretion, Skilled Nursing Facility providers may reimburse
27 CONTRACTOR an amount equal to the Medi-Cal coverage, third party settlement, primary or other
28 insurance coverage for services or MSN reimbursement amount, whichever is less.

29 2. If Medi-Cal coverage, third party settlement, primary or other insurance coverage is
30 identified due to efforts of COUNTY's contracted Recovery Services (Recovery Services) specified in
31 Subparagraph G.6. below, the Provider shall, within thirty (30) days of notice from Recovery Services,
32 unless disputed in accordance with subparagraph G.4. below, reimburse COUNTY through
33 CONTRACTOR an amount equal to the MSN payment. Third-party settlement payments may be paid
34 directly to COUNTY or CONTRACTOR, as directed by ADMINISTRATOR.

35 3. If it is determined that a patient whose care was previously reimbursed with MSN funding
36 was eligible for third party reimbursement or primary other insurance, retroactively or otherwise, and
37 Provider could have sought such reimbursement and failed to do so, Provider shall reimburse COUNTY

1 through CONTRACTOR the amount of the MSN payment within thirty (30) calendar days notification
2 of said fact.

3 4. Should a Provider wish to dispute the reimbursement of MSN payment as a result of the
4 identification of Medi-Cal coverage, third party settlement, primary or other insurance coverage either
5 by the Provider or through Recovery Services, the Provider shall give written notice, within thirty (30)
6 calendar days of notice of information, to ADMINISTRATOR's MSN Program Administrator, or
7 designee, (MSN Administrator) setting forth in specific terms the existence and nature of any dispute or
8 concern related to the information provided through Recovery Services or the reimbursement due
9 COUNTY. MSN Administrator shall have fifteen (15) business days following such notice to obtain
10 resolution of any issue(s) identified in this manner, provided, however, by mutual consent this period of
11 time may be extended. If MSN Administrator determines that the recovery information is accurate and
12 appropriate, the Provider shall, within thirty (30) calendar days of receipt, reimburse COUNTY through
13 CONTRACTOR an amount equal to the MSN payment.

14 5. For purposes of computing the amount of reimbursement due from Provider, after Final
15 Settlement, the services provided an Enrollee shall be valued at the percentage of reimbursement for the
16 applicable contract period.

17 6. COUNTY shall engage CONTRACTOR, or authorize CONTRACTOR to enter into a
18 separate Agreement, or directly contract with a separate entity, for the provision of Recovery Services
19 for the purpose of actively pursuing reimbursement of claims paid for MSN Enrollees later determined
20 to be Enrollee for Medi-Cal or having third party, primary or other primary other insurance. All
21 Providers shall cooperate in recovering these costs. Except as otherwise directed by
22 ADMINISTRATOR, monies recovered due to the efforts of Recovery Services shall be reimbursed to
23 COUNTY through CONTRACTOR and shall be deemed "Active Recovery Funds." Monies recovered
24 or identified in advance of notice from Recovery Services, and forwarded directly to CONTRACTOR
25 by Provider, shall be deemed "Passive Recovery Funds." For Active Recovery Funds, an administrative
26 fee of eighteen percent (18%) may be deducted by CONTRACTOR and then ten percent (10%) of the
27 balance shall be deposited into the HCA Recovery Account, with the remainder into the appropriate
28 service account. For Passive Recovery Funds, an administrative fee of five percent (5%) may be
29 deducted by CONTRACTOR and the remaining balance shall be deposited into the appropriate service
30 accounts.

31 a. CONTRACTOR will develop and submit for approval to ADMINISTRATOR, an
32 accountability procedure that identifies and tracks the passive recovery funds received versus the active
33 recovery funds received by CONTRACTOR from Providers.

34 b. ADMINISTRATOR will not provide CONTRACTOR with an administrative fee for
35 recovery services until an accountability procedure has been approved.

36 c. Recovery Services provided by CONTRACTOR may be subject to random audits
37 performed by ADMINISTRATOR.

1 7. If any reimbursement due is not paid to CONTRACTOR in accordance with this Paragraph,
2 CONTRACTOR shall reduce any payment due by an amount not to exceed the amount to be
3 reimbursed.
4

5 **VIII. RECOVERY ACCOUNT**

6 A. CONTRACTOR shall collect and deposit refunds and any third-party payments related to any
7 Medical Service rendered by any Provider to a Recovery Account designated within the Imprest
8 Account.

9 B. At Final Settlement, Funds in the Recovery Account may be included in the Final Settlement
10 calculations if determined to be required by ADMINISTRATOR.

11 1. ADMINISTRATOR shall determine the amount of funding from the Recovery Account for
12 each Period that shall be set aside as Exception Funding.

13 a. Exception Funding shall be used to pay claims after Final Settlement has been
14 completed for any Period as may be allowed in accordance with subparagraph V.E of this Exhibit B to
15 the Agreement.

16 b. Any Exception Funding remaining after CONTRACTOR has reasonably determined
17 that no other outstanding claims remain shall either be returned to COUNTY or used for reimbursement
18 of other MSN Program costs as directed by ADMINISTRATOR.

19 2. Any funds in the Recovery Account not required for Exception Funding or Final Settlement
20 shall be either returned to COUNTY or used for reimbursement of other MSN Program costs, including
21 supplemental Final Settlements for prior periods, through CONTRACTOR as directed by
22 ADMINISTRATOR.
23

24 **IX. INTERIM PAYMENTS**

25 A. Hospital Claims

26 1. After deductions of applicable co-payments, Interim Payment to Hospitals, as defined and
27 specified in the MSN Hospital Agreement and the MSN ED Hospital Agreement, shall be made in
28 accordance with said Agreements.

29 2. In order for any Hospital Claims to be considered for any Final Settlement adjustment as
30 provided herein, Contracting Hospitals and Contracting ED Hospitals must submit all Claims to
31 CONTRACTOR, whether or not due to Hospitals' collection of the co-payments from the MSN
32 Enrollees, the Claims are eligible for the Interim Payment.

33 B. Clinic Claims

34 1. After deductions of applicable co-payments, Interim Payment to Contracting Clinics, as
35 defined and specified in the MSN Clinic Agreement, shall be made in accordance with said Agreement.

36 2. In order for any Clinic Claims to be considered for any Final Settlement adjustment as
37 provided herein, Contracting Clinics must submit all Claims to CONTRACTOR, whether or not due to

1 Clinic's collection of the co-payments from the MSN Enrollees, the Claims are eligible for the Interim
2 Payment.

3 C. Physician Claims

4 1. Upon approval of Physician Claims, CONTRACTOR shall make interim reimbursements
5 for these claims at 95% of the CalOptima fee-for-service reimbursement rates, less applicable co-
6 payments. ADMINISTRATOR may, at its sole discretion, modify this percentage at any time during the
7 term of the Agreement.

8 2. If a reduction in MSN Funding is anticipated to impact COUNTY'S obligations to make the
9 Interim Payment to Physician as specified above, COUNTY shall provide written notice to Physician.

10 3. In order for any Physician Claims to be considered for any Final Settlement adjustment as
11 provided herein, Physicians must submit all Claims to CONTRACTOR, whether or not due to Clinic's
12 collection of the co-payments from the MSN Enrollees, the Claims are eligible for the Interim Payment.

13 4. Physicians affiliated with Long Beach Memorial Medical Center for those MSN Enrollees
14 brought by Orange County Paramedics to Long Beach Memorial Medical Center for Emergency and
15 Stabilization Services shall be reimbursed at 45% of CalOptima rates and shall not be subject to Final
16 Settlement.

17 5. CONTRACTOR shall reimburse certain physician groups as authorized in writing by
18 ADMINISTRATOR, at rates negotiated by ADMINISTRATOR. Such agreements with COUNTY
19 shall be limited to types of specialties and/or geographic areas for which said Provider services are not
20 otherwise available. The rates negotiated shall constitute payment in full and shall not be subject to
21 Final Settlement. ADMINISTRATOR shall provide copies of all said agreements to CONTRACTOR
22 and ADMINISTRATOR and CONTRACTOR shall mutually agree on how claims for said agreements
23 shall be processed.

24 D. Other Provider Claims

25 1. All providers identified hereunder shall not be eligible for Final Settlement

26 2. Reimbursement, if any, shall be made after deductions of all applicable co-payments as
27 follows:

28 a. Non-Contract Hospitals shall be reimbursed as specified in the MSN Hospital
29 Agreement and the MSN ED Hospital Agreement.

30 1) Trauma Services provided at Long Beach Memorial Medical Center shall be
31 reimbursed at 45% of the lowest negotiated Trauma Services rate in effect with CalOptima in 2010.

32 2) Acute Care Services provided at Long Beach Memorial Medical Center shall be
33 reimbursed at 45% of the lowest negotiated Acute Care Services rate in effect with CalOptima in 2010.

34 b. The following services shall be reimbursed at Medi-Cal rates provided, however,
35 services authorized by ADMINISTRATOR for which there is not a published Medi-Cal rate shall be
36 reimbursed at National Medicare rates, and provided further, if a service does not have a published
37 Medicare rate, the service may not be reimbursed, at the sole discretion of ADMINISTRATOR:

1 1) Durable medical equipment
2 2) Ambulance services
3 3) Home health services
4 4) Laboratory
5 5) Radiology
6 c. For pharmacy charges claimed through CONTRACTOR:
7 1) Average Sales Price (ASP) plus six percent (6%). Claims containing
8 pharmaceutical codes that do not have ASP pricing will be paid at the Average Wholesale Price (AWP)
9 less sixteen percent (16%) (brand) and AWP less sixty percent (60%) (generic).
10 2) Pharmaceuticals related to home health services claims shall be paid at AWP less
11 sixteen percent (16%) (brand) and AWP less sixty percent (60%) (generic).
12 d. Dental services shall be reimbursed at one hundred percent (100%) of State Medi-Cal
13 (Denti-Cal) rates
14 e. Where applicable and authorized by ADMINISTRATOR, "By Report, Unlisted"
15 procedures will be reimbursed at no more than thirty-five percent (35%) of billed charges.
16 f. The following services shall be reimbursed at rates to be negotiated by
17 ADMINISTRATOR. ADMINISTRATOR shall provide copies of all said agreements to
18 CONTRACTOR and ADMINISTRATOR and CONTRACTOR shall mutually agree on how claims for
19 said agreements shall be processed:
20 1) Skilled Nursing Facility (SNF)
21 2) Urgent Care Center
22 3) Outpatient Surgery Center
23 g. CONTRACTOR shall reimburse certain Other Providers authorized in writing by
24 ADMINISTRATOR, at rates negotiated by ADMINISTRATOR. Such agreements with COUNTY
25 shall be limited to types of services and/or geographic areas for which these Other Provider services are
26 not otherwise available. ADMINISTRATOR shall provide copies of all said agreements to
27 CONTRACTOR and ADMINISTRATOR and CONTRACTOR shall mutually agree on how claims for
28 said agreements shall be processed.
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E. Co-Payments

1. All required co-payments shall be deducted by CONTRACTOR from reimbursement due All Providers; provided, however, if a co-payment is waived in accordance with the MSN Hospital Agreement, the MSN Hospital ED Agreement, the MSN Clinic Agreement or the Agreement as noted in Subparagraph E.2. below, the co-payment amount shall not be deducted by CONTRACTOR from reimbursement due All Providers:

Medical Service	Co-Payment
Emergency Room Visit	\$300
Emergency Medical Transport	\$300
Inpatient Hospital Admission	\$300
Outpatient Hospital Visit	\$20
Follow-Up Care Visits (Clinic or Physician)	\$60
Specialist Visit (Physician)	\$70
Emergent or Urgent Dental Visit	\$60
Laboratory Test	\$45
X-rays and diagnostic imaging	\$65
Advanced Imaging (PET/CT/MRI)	\$75
Durable Medical Equipment	\$90
Home Health Services	\$45
Skilled Nursing Facility Admission	\$150
Urgent Care	\$75
Pharmacy Co-Pay	\$19 to 30% of cost depending on the medication

2. The following are exception provisions to the co-payment collection requirements:

a. Emergency Room Visits – the co-payment shall be waived if the MSN Enrollee is admitted to any inpatient setting, including Recuperative Care, immediately from the emergency department.

b. Inpatient Hospital Services - If the MSN Enrollee is transferred from one inpatient setting to another, only the initial admitting facility will collect the co-payment. All others co-payments are waived for a continuous inpatient stay.

c. Ambulance Services – Co-payments shall be waived for medical transportation requested by Hospital or the CCU for the purposes of transferring an MSN Enrollee to a lower level of care.

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d. Specialty Physician Visit

1) The collection of a co-payment is not applicable to physicians providing Emergency Services and/or Care

2) The collection of a co-payment shall be applicable for services provided at an outpatient surgery center.

e. Laboratory Testing

1) For Contracting Clinics and Physicians, only one (1) co-payment per day may be collected from an MSN Enrollee; therefore, the co-payment shall be waived if the blood or specimen is collected by the Contracting Clinic or the Physician during or on the same day as the Follow-Up Care or Specialty Services Visit for which the appropriate co-payment has already been collected.

2) If the patient is sent to a separate laboratory provider who collects the blood or specimen directly from the MSN Enrollee, the co-payment shall be collected by the laboratory provider, even if the MSN Enrollee has paid a co-payment to a Contracting Clinic or Physician.

f. X-Rays and Diagnostic Imaging

1) For Contracting Clinics and Physicians, only one (1) co-payment per day may be collected from an MSN Enrollee; therefore, the co-payment shall be waived if the X-ray or diagnostic image is performed by the Contracting Clinic or the Physician, during or on the same day as the Follow-Up Care or Specialty Services Visit for which the appropriate co-payment has already been collected.

2) If the MSN Enrollee is sent to a separate radiology provider to take the x-ray or diagnostic image directly of the MSN Enrollee, the co-payment shall be collected by the radiology provider even if the MSN Enrollee has paid a co-payment to a Contracting Clinic or Physician.

g. For Outpatient Hospital Services, including hospital based surgical center services and physical and occupational therapy services as may be authorized by the CCU as Post Stabilization Services, Hospital's co-payment shall be waived if there is a corresponding professional co-payment due from the MSN Enrollee.

h. Regardless of the number of services or visits provided in a single day at any single facility, only one (1) co-payment may be collected per day for that facility.

X. FINAL SETTLEMENT

A. Prior to final reimbursement to All Providers as specified below (Final Settlement), the Intermediary, with ADMINISTRATOR, shall complete an estimated Preliminary Final Settlement to All Providers in order to calculate any Final Settlement reimbursement above the Interim Payment to All Providers.

1. Based upon the results of the Preliminary Final Settlement, ADMINISTRATOR, at its sole discretion, shall determine if Final Settlement shall occur.

2. If ADMINISTRATOR determines that Final Settlement shall occur, ADMINISTRATOR shall direct the Intermediary to distribute said funds, in whole or in part, as determined by

ADMINISTRATOR at its sole discretion, in accordance with the Final Settlement procedures for the Period specified herein that correspond with the additional funding.

3. ADMINSTRATOR shall make its best efforts to calculate Final Settlement for physicians, certain clinic services, and Hospitals eligible for Final Settlement at the same percentage rates of CalOptima reimbursement rates.

B. Unless otherwise extended, in whole or in part, by ADMINISTRATOR, Final Settlement shall be accomplished no later than

1. December 31, 2014 for Period One.

2. December 31, 2015 for Period Two.

C. Settlement to Contracting Hospitals and Contracting ED Hospitals – CONTRACTOR shall utilize the procedures specified in the MSN Hospital Agreement and MSN ED Hospital Agreement to determine and compute amounts due to Contracting Hospitals through Final Settlement.

D. Settlement to Contracting Clinics – CONTRACTOR shall utilize the procedures specified in the MSN Clinic Agreement to determine and compute amounts due to Contracting Clinics through Final Settlement.

E. Settlement to Physicians – CONTRACTOR shall utilize the following procedures to compute amounts due to Physicians. Final Settlement shall be based upon claims submitted and approved in accordance with the Agreement. In order for Physicians, to be considered for any Final Settlement adjustment, Physicians must submit all Claims to CONTRACTOR, whether or not, due the collection of the co-payments from the MSN Enrollees, the Claims are eligible for the Interim Payments.

a. Step 1: All Physician Claims shall be calculated at percentages specified in this Exhibit B to the Agreement for Medical Services.

b. Step 2: CONTRACTOR shall calculate the amount of funding required to reimburse each Physician except those exempt from Final Settlement as specified herein , a proportionate share of the MSN Funding specified by ADMINISTRATOR at an amount not to exceed Allowable Charges based on the formula below.

Physician	Total Agreement Period interim		Funds
Share =	<u>payments to Physicians</u>	x	Specified by
	Total Agreement Period interim		ADMINISTRATOR
	payments for all Physicians		

c. The difference between the interim payment and the amount calculated shall be paid to Physicians as Final Settlement.

4. Settlement Limitation for Physicians and Other Providers – Total interim payments shall be adjusted for other insurance, voided claims and refunds.

a. No Provider shall be reimbursed more than billed charges or one hundred percent (100%) of Allowable Charges, whichever is less.

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1 b. CONTRACTOR shall disburse Final Settlement payments to Physicians, regardless of
2 the Final Settlement payment amount.

3 F. All Funds in accounts maintained by CONTRACTOR relating to the term of the Agreement,
4 which funds are remaining after Final Settlement, and all other payments required by the Agreement
5 have been made, shall be, in whole or in part, returned to COUNTY by CONTRACTOR or used to
6 complete a Supplemental Final Settlement for services provided prior to January 1, 2014, as directed by
7 ADMINISTRATOR, at ADMINISTRATOR's sole discretion.

8 9 **XI. SATISFACTION OF CLAIMS**

10 Acceptance by All Providers of payments made by CONTRACTOR in accordance with the
11 Agreement shall be deemed satisfaction in full of any obligation to All Providers, and no Provider shall
12 seek additional reimbursement from an MSN Enrollee, with respect to those claims for Medical Services
13 for which payment has been made by the MSN Program, notwithstanding a Provider's right to appeal
14 any denied claim, as provided for in subparagraph VI. of this Exhibit B.

15 16 **XII. CLAIMS PROCESSING STANDARDS AND SANCTIONS**

17 A. CONTRACTOR shall take action, other than processing submitted claims from All Providers
18 into its system, upon ninety percent (90%) of all claims within thirty (30) calendar days after their
19 receipt. Such action shall include, but not be limited to, claim suspension, approval, denial, or payment.

20 B. CONTRACTOR shall make available to ADMINISTRATOR an electronic monthly Processing
21 Timeliness Report.

22 C. At ADMINISTRATOR's sole discretion, ADMINISTRATOR may assess a penalty (Penalty
23 Assessment) if CONTRACTOR fails to process and reimburse claims in accordance with the standards
24 set forth herein, as evidenced by the above monthly Processing Timeliness Report and due solely to the
25 actions or inactions of CONTRACTOR.

26 1. The Penalty Assessment, if any, shall be equal to one hundred dollars (\$100) for every
27 percentage point below ninety percent (90%), and shall be deducted from the monthly payment
28 otherwise due CONTRACTOR for services provided pursuant to the Agreement.

29 2. Penalty Assessments, if any, shall be deposited as directed by ADMINISTRATOR and in
30 consideration of, and consistent with, those claims not meeting processing standards as set forth herein.

31 3. If claims received any month, exceed the previous three (3)-month average by at least
32 twenty-five (25%), CONTRACTOR shall be provided an additional ten (10) calendar days to process
33 such claims.

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EXHIBIT C
TO AGREEMENT FOR PROVISION OF
FISCAL INTERMEDIARY SERVICES
FOR THE
MEDICAL SAFETY NET PROGRAM
WITH
ADVANCED MEDICAL MANAGEMENT, INC.
JANUARY 14, 2014 THROUGH DECEMBER 31, 2015

CONTRACTOR DATA REPORTING REQUIREMENTS

I. PREAMBLE

The Medical Safety Net (MSN) Program provides services that are medically necessary to protect life, prevent significant disability, or prevent serious deterioration of health. With respect to medical criteria for enrollment into the MSN Program, applicants must have an urgent or emergent medical condition that if left untreated would result in serious deterioration of health.

II. GENERAL REQUIREMENTS

A. CONTRACTOR shall provide or make available the reports and data specified herein to COUNTY, in the manner and at the times indicated.

B. CONTRACTOR's obligation to compile and preserve data is limited to all elements of the data or information that is made available to CONTRACTOR by COUNTY's eligibility process, from claims submitted by All Providers, date from the CCU, and from inquiries and reports pertaining to, or arising from, third-party payment recovery activities.

C. CONTRACTOR shall advise COUNTY of any problems experienced in obtaining data or information necessary to meet its obligations pursuant to the Agreement, including data from eligibility documents or Medical Services claims.

D. At no additional cost to COUNTY, CONTRACTOR may compile other data, as it deems necessary; provided, however such information shall be the property of COUNTY.

E. CONTRACTOR shall provide online access to all reports requested in this Exhibit C to persons designated by ADMINISTRATOR.

F. CONTRACTOR shall provide online access to its internal data reporting system to persons designated by ADMINISTRATOR for the purposes of creating ad-hoc reports. All reporting listed below shall be available to ADMINISTRATOR for ad-hoc reporting through the internal reporting system.

G. CONTRACTOR shall advise ADMINISTRATOR of reports or information requested by HASC, OCMA, or COCCC or outside parties and shall direct these requests to ADMINISTRATOR.

1 CONTRACTOR shall not provide any such requests for information to HASC, OCMA or COCCC or
2 outside parties unless specifically approved by ADMINISTRATOR.

3 4 **III. ADDITIONAL REPORTS**

5 A. CONTRACTOR shall provide or make available to COUNTY additional reports and data that
6 may be required, in writing, by ADMINISTRATOR, such as:

7 1. Information and data required by this Exhibit at intervals more frequent than those
8 specified.

9 2. Additional cross tabulations of the characteristics of Enrollees, Contracting Hospitals, and
10 Other Providers by assessment and treatment descriptors as may be requested, in writing, by
11 ADMINISTRATOR, if such cross tabulations are capable of computation from the data collected and
12 processed by CONTRACTOR pursuant to the Agreement.

13 3. A machine readable copy of the data accumulated on those items specified in this Exhibit,
14 upon five (5) calendar days prior written notice by ADMINISTRATOR. Upon sole discretion of
15 ADMINISTRATOR, data posted and accessible on-line by ADMINISTRATOR may be deemed as
16 delivered by CONTRACTOR as a machine readable copy.

17 B. CONTRACTOR shall maintain a remote machine readable copy of all information and data
18 compiled in accordance with the requirements of this Exhibit, for purposes of reducing the risk of loss or
19 destruction of such information and data. CONTRACTOR shall consult with, and receive written
20 approval from, COUNTY regarding the manner in which it intends to meet its obligations under this
21 subparagraph.

22 C. At the discretion of ADMINISTRATOR, failure by CONTRACTOR to provide any reports
23 required by the Agreement, within thirty (30) calendar days of their due date, may result in a temporary
24 withholding of \$150 per delayed report. If such reports are more than sixty (60) calendar days late, a
25 penalty assessment of \$150 per report may be assessed.

26 D. CONTRACTOR shall collect, compile, preserve and report the following information and data.
27 Unless otherwise specified, reports shall be run each month and consist of all available data for the
28 Fiscal Year running. A final annual report for services provided for each Fiscal Year shall be completed
29 no later than the Final Settlement for each Fiscal Year. CONTRACTOR shall ensure the internal
30 consistency of all reports. Some reports, or databases used to generate such reports, may be requested in
31 machine readable format at a later date. Format of all reports shall be determined by COUNTY in
32 accordance with State and COUNTY requirements as they currently exist or may be amended. Unless
33 otherwise specified, all reports shall be made available to ADMINISTRATOR's MSN Program
34 Manager as specified in the Referenced Contract Provisions section of the Agreement.

35 1. Monthly data transfer updating COUNTY eligibility file and identifying potential Medi-Cal
36 Enrollees receiving MSN.

37 2. Financial monitoring reports to include:

1 a. Open Pending Report: Claims status (pending, approved, denied) by individual
2 Contracting Hospital showing key action dates for all logged claims. (Quarterly)

3 b. Service Area Status Reports: For each of the following service areas, detail dollars by
4 month of service, total billed charges, allowed charges by service category appropriate to the service
5 area, disallowed charges by reason, reimbursement rate, co-payments estimated to have been collected,
6 interim payments, unduplicated users, and encounters. (Monthly and following Final Settlement)

7 1) Hospital expenditures by Contracting Hospital, Contracting ED Hospitals and Non-
8 Contract Hospitals

9 2) Physician expenditures by individual Provider.

10 3) Ambulance, Home Health, and Durable Medical Equipment Providers.

11 4) Clinic expenditures by Individual Provider.

12 5) Pharmaceuticals.

13 6) Ambulance claims

14 7) Non-Hospital Outpatient Service Providers.

15 8) Dental expenditures by individual Provider.

16 c. The following reports shall be made available to ADMINISTRATOR:

17 1) Processing Timeliness Report: Month's numbers of claims received, processed,
18 pending action-to-date; current week's claims being worked and current processing time from receipt to
19 final action. (Monthly)

20 2) Recovery Account Status Report: Recovery Account balance, listing refunding
21 hospitals and individual Providers and origin of reimbursement resulting in refund. (Quarterly)

22 3) MSN Fund Reconciliation Report: CONTRACTOR and ADMINISTRATOR shall
23 mutually agree on a format and content of this report which shall be designated to aid in the
24 reconciliation of Funds provided by COUNTY to CONTRACTOR.

25 3. Utilization Review Reports, to be provided as requested by ADMINISTRATOR, to
26 include:

27 a. All Trauma Patients Sorted By Charges: Listing each trauma patient by name, case
28 number, inpatient days and charges, points, reimbursement rate, primary discharge diagnosis, facility,
29 admission and discharge dates, disposition.

30 b. Utilization analysis of Most Costly Surgical, Non-Surgical, and MSN Patients With
31 The Greatest Number of Emergency Room Encounters: Listing each selected patient by name, case
32 number, encounters and charges by type, reimbursement rate, primary discharge diagnosis, ICD9/10
33 Code, facility, service dates, disposition.

34 c. Inpatients With Excessive Lengths of Stay as determined by ADMINISTRATOR:
35 Listing each selected patient by name, case number, total days, case type, primary diagnosis, ICD9/10
36 Code, admission and discharge date, hospital, reimbursement rate.

37 //

1 d. Summary of Trauma Cases by Facility: For each trauma center, a summary line of
2 number of discharges, allowed charges, trauma days charges, ancillary charges, reimbursement rate,
3 total days, points, unit ratios.

4 e. Listing of Current Confirmed Enrollees and Users by Characteristics: Based on
5 eligibility data input by COUNTY; alphabetical listing by name, case number, SSN, birth date,
6 eligibility approval dates, termination date, Medi-Cal effective date (if applicable), statistical data,
7 eligibility status for each of prior twelve (12) months. (Annually)

8 4. Utilization Monitoring Reports to be provided as requested by ADMINISTRATOR and to
9 include:

10 a. Encounters, Charges, and Payments by Service Category: For each service area and
11 hospital providers, table of unduplicated users, discharges, encounters, allowed charges, billed charges,
12 points, reimbursement rate, and ratios of charges, encounters to users, encounters to discharges, charges
13 and base rate to encounters by service categories appropriate to each service area; totals and subtotals
14 independently unduplicated for users.

15 b. Inpatient Characteristics and Charges by Length Of Stay: For hospital claims a table of
16 total inpatient days, average length of stay, specified length of stay intervals by number of unduplicated
17 users, discharges, age, sex, ethnicity, disposition and case type (trauma, surgical, other), ICD9 major
18 disease groups, ranges of allowed charges per discharge, and average dollars per discharge.

19 c. Inpatient Experience by ICD9/10 Code: For hospital inpatient claims overall a table of
20 unduplicated users, discharges, inpatient days, allowed charges, ancillary charges, per discharge ratios,
21 charges per day, case type by specific disease groupings and/or individual diseases/conditions; by
22 ICD9/10 major disease groups; by hospital by ICD9/10 major disease groups, by hospital by charges.

23 d. User Experience by CPT4: For physician claims a table of unduplicated users,
24 encounters, allowed charges, reimbursement rate, charges/reimbursement rate per encounter by CPT4
25 major procedure code groups.

26 5. Program Monitoring Reports to Include:

27 a. MSN Profile of All MSN Patients: Based on eligibility data tapes provided by
28 COUNTY, table of number of Enrollees in each twelve (12) months, total Enrollees in past twelve (12)
29 months, average monthly Enrollees for past twelve (12) months by transaction (total, additions,
30 discontinued, changes), sex, age group, ethnicity, employment status, monthly income group, household
31 configuration, IRCA alien status. (Monthly with a Bi-Annual and Annual end of Fiscal Year summary)

32 b. Encounters by ICD9/10 Codes and Services Rendered by Patient Characteristics: For
33 all service areas combined and each pool and service type combination, a table of encounters by
34 ICD9/10 major disease groups and median age of MSN Enrollees, sex, age group, ethnicity, IRCA alien
35 status. (As Requested)

36 c. Unduplicated Users by Disposition: A table of unduplicated users' dispositions
37 (follow-up, referral, death, release, continuing care, unknown) by month of service; by patient

characteristics (age, sex, ethnicity, employment status, monthly income, household configuration, IRCA alien status); by diagnosis (ICD9/10 major disease groups). (As Requested)

6. Denial Reports, as requested by ADMINISTRATOR, to Include:

a. Reason for Disallowed Charges by Service Category: By facility, show total billed charges, total disallowed charges, percentage of disallowed charges, the reasons for denial of charges: Timeliness, Eligibility, Scope of Service, Utilization Review or Other Reason for the following service categories:

1) Inpatient with subcategories: Acute, Inpatient and Step-Down

2) Emergency Room Admission

3) Emergency Room with subcategories: Minor, Minor w/ Ancillary, Surgical

4) Outpatient with subcategories: Minor, Minor w/ Ancillary, Surgical (Bi-Monthly)

b. Utilization Review Denial Reason: By facility, including remark code, description, inpatient disallowed charges, inpatient disallowed admits, SNF disallowed charges, and SNF disallowed admits.

7. Annual/Periodic Reports:

a. Alphabetic listing of all claims by patient name, including name, case number, Provider name, service dates, bill type, total billed, total allowed, denial code, reimbursement rate, share of cost, date paid, check number, total paid. (As requested)

b. Cumulative, alphabetic listing of physician Providers to include Provider name, tax I.D. number, total billed, total allowed, and total paid. (As Requested)

c. Reports of final payout results, settlements, and adjustments including listings of payments for each provider pool and Provider.

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EXHIBIT D
TO AGREEMENT FOR PROVISION OF
FISCAL INTERMEDIARY SERVICES
FOR THE
MEDICAL SAFETY NET PROGRAM
WITH
ADVANCED MEDICAL MANAGEMENT, INC.
JANUARY 14, 2014 THROUGH DECEMBER 31, 2015

BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

1. The parties agree that the terms used, but not otherwise defined below in Paragraph B, shall have the same meaning given to such terms under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), and their implementing regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations") as they may exist now or be hereafter amended.

2. The parties agree that a business associate relationship under HIPAA, the HITECH Act, and the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of COUNTY pursuant to, and as set forth in, the Agreement that are described in the definition of "Business Associate" in 45 CFR § 160.103.

3. The COUNTY wishes to disclose to CONTRACTOR certain information pursuant to the terms of the Agreement, some of which may constitute Protected Health Information ("PHI"), as defined below in Subparagraph B.10, to be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the Agreement.

4. The parties intend to protect the privacy and provide for the security of PHI that may be created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement in compliance with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act, and the HIPAA regulations as they may exist now or be hereafter amended.

5. The parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

6. The parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9. and B.14., apply to the CONTRACTOR in the same manner as they apply to a covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the terms of this Business Associate Contract and the applicable standards, implementation specifications,

1 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,
2 with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed
3 pursuant to the Agreement.

4 B. DEFINITIONS

5 1. "Administrative Safeguards" are administrative actions, and policies and procedures, to
6 manage the selection, development, implementation, and maintenance of security measures to protect
7 electronic PHI and to manage the conduct of CONTRACTOR's workforce in relation to the protection
8 of that information.

9 2. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted
10 under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

11 a. Breach excludes:

12 1) Any unintentional acquisition, access, or use of PHI by a workforce member or
13 person acting under the authority of CONTRACTOR or COUNTY, if such acquisition, access, or use
14 was made in good faith and within the scope of authority and does not result in further use or disclosure
15 in a manner not permitted under the Privacy Rule.

16 2) Any inadvertent disclosure by a person who is authorized to access PHI at
17 CONTRACTOR to another person authorized to access PHI at the CONTRACTOR, or organized health
18 care arrangement in which COUNTY participates, and the information received as a result of such
19 disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

20 3) A disclosure of PHI where CONTRACTOR or COUNTY has a good faith belief
21 that an unauthorized person to whom the disclosure was made would not reasonably have been able to
22 retain such information.

23 b. Except as provided in paragraph (a) of this definition, an acquisition, access, use, or
24 disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach
25 unless CONTRACTOR demonstrates that there is a low probability that the PHI has been compromised
26 based on a risk assessment of at least the following factors:

27 1) The nature and extent of the PHI involved, including the types of identifiers and the
28 likelihood of re-identification;

29 2) The unauthorized person who used the PHI or to whom the disclosure was made;

30 3) Whether the PHI was actually acquired or viewed; and

31 4) The extent to which the risk to the PHI has been mitigated.

32 3. "Data Aggregation" shall have the meaning given to such term under the HIPAA Privacy
33 Rule in 45 CFR § 164.501.

34 4. "Designated Record Set" shall have the meaning given to such term under the HIPAA
35 Privacy Rule in 45 CFR § 164.501.

36 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in 45
37 CFR § 160.103.

6. "Health Care Operations" shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.

7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

8. "Physical Safeguards" are physical measures, policies, and procedures to protect CONTRACTOR's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion.

9. "The HIPAA Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

10. "Protected Health Information" or "PHI" shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

11. "Required by Law" shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.103.

12. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.

13. "Security Incident" means attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. "Security incident" does not include trivial incidents that occur on a daily basis, such as scans, "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by CONTRACTOR.

14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

16. "Technical safeguards" means the technology and the policy and procedures for its use that protect electronic PHI and control access to it.

17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of Health and Human Services in the guidance issued on the HHS Web site.

18. "Use" shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.

C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to CONTRACTOR other than as permitted or required by this Business Associate Contract or as required by law.

1 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business
2 Associate Contract and the Agreement, to prevent use or disclosure of PHI COUNTY discloses to
3 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
4 other than as provided for by this Business Associate Contract.

5 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR
6 Part 164 with respect to electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
7 creates, receives, maintains, or transmits on behalf of COUNTY.

8 4. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is
9 known to CONTRACTOR of a Use or Disclosure of PHI by CONTRACTOR in violation of the
10 requirements of this Business Associate Contract.

11 5. CONTRACTOR agrees to report to COUNTY immediately any Use or Disclosure of PHI
12 not provided for by this Business Associate Contract of which CONTRACTOR becomes aware.
13 CONTRACTOR must report Breaches of Unsecured PHI in accordance with Paragraph E below and as
14 required by 45 CFR § 164.410.

15 6. CONTRACTOR agrees to ensure that any Subcontractors that create, receive, maintain, or
16 transmit PHI on behalf of CONTRACTOR agree to the same restrictions and conditions that apply
17 through this Business Associate Contract to CONTRACTOR with respect to such information.

18 7. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a
19 written request by COUNTY, to PHI in a Designated Record Set, to COUNTY or, as directed by
20 COUNTY, to an Individual in order to meet the requirements under 45 CFR § 164.524.

21 8. CONTRACTOR agrees to make any amendment(s) to PHI in a Designated Record Set that
22 COUNTY directs or agrees to pursuant to 45 CFR § 164.526 at the request of COUNTY or an
23 Individual, within thirty (30) calendar days of receipt of said request by COUNTY. CONTRACTOR
24 agrees to notify COUNTY in writing no later than ten (10) calendar days after said amendment is
25 completed.

26 9. CONTRACTOR agrees to make internal practices, books, and records, including policies
27 and procedures, relating to the use and disclosure of PHI received from, or created or received by
28 CONTRACTOR on behalf of, COUNTY available to COUNTY and the Secretary in a time and manner
29 as determined by COUNTY or as designated by the Secretary for purposes of the Secretary determining
30 COUNTY's compliance with the HIPAA Privacy Rule.

31 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
32 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
33 and to make information related to such Disclosures available as would be required for COUNTY to
34 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45
35 CFR § 164.528.

36 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in
37 a time and manner to be determined by COUNTY, that information collected in accordance with the

1 Agreement, in order to permit COUNTY to respond to a request by an Individual for an accounting of
2 Disclosures of PHI in accordance with 45 CFR § 164.528.

3 12. CONTRACTOR agrees that to the extent CONTRACTOR carries out COUNTY's
4 obligation under the HIPAA Privacy and/or Security rules CONTRACTOR will comply with the
5 requirements of 45 CFR Part 164 that apply to COUNTY in the performance of such obligation.

6 13. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to
7 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph
8 B.2.a. above.

9 D. SECURITY RULE

10 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
11 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR
12 § 164.308, § 164.310, § 164.312, and § 164.316 with respect to electronic PHI COUNTY discloses to
13 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
14 CONTRACTOR shall follow generally accepted system security principles and the requirements of the
15 HIPAA Security Rule pertaining to the security of electronic PHI.

16 2. CONTRACTOR shall ensure that any subcontractors that create, receive, maintain, or
17 transmit electronic PHI on behalf of CONTRACTOR agree through a contract with CONTRACTOR to
18 the same restrictions and requirements contained in this Paragraph D of this Business Associate
19 Contract.

20 3. CONTRACTOR shall report to COUNTY immediately any Security Incident of which it
21 becomes aware. CONTRACTOR shall report Breaches of Unsecured PHI in accordance with
22 Subparagraph E. below and as required by 45 CFR § 164.410.

23 E. BREACH DISCOVERY AND NOTIFICATION

24 1. Following the discovery of a Breach of Unsecured PHI, CONTRACTOR shall notify
25 COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a
26 law enforcement official pursuant to 45 CFR § 164.412.

27 a. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which
28 such Breach is known to CONTRACTOR or, by exercising reasonable diligence, would have been
29 known to CONTRACTOR.

30 b. CONTRACTOR shall be deemed to have knowledge of a Breach, if the Breach is
31 known, or by exercising reasonable diligence would have known, to any person who is an employee,
32 officer, or other agent of CONTRACTOR, as determined by federal common law of agency.

33 2. CONTRACTOR shall provide the notification of the Breach immediately to the County
34 Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written
35 notification within 24 hours of the oral notification.

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3. CONTRACTOR's notification shall include, to the extent possible:

- a. The identification of each Individual whose Unsecured PHI has been, or is reasonably believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach;
- b. Any other information that COUNTY is required to include in the notification to Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:
 - 1) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;
 - 2) A description of the types of Unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
 - 3) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;
 - 4) A brief description of what CONTRACTOR is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and
 - 5) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the COUNTY.

5. In the event that CONTRACTOR is responsible for a Breach of Unsecured PHI in violation of the HIPAA Privacy Rule, CONTRACTOR shall have the burden of demonstrating that CONTRACTOR made all notifications to COUNTY consistent with this Paragraph E. and as required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or disclosure of PHI did not constitute a Breach.

6. CONTRACTOR shall maintain documentation of all required notifications of a Breach or its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

7. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the Breach, including the information listed in Section E.3.b.(1)-(5) above, if not yet provided, to permit COUNTY to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as practicable, but in no event later than fifteen (15) calendar days after CONTRACTOR's initial report of the Breach to COUNTY pursuant to Subparagraph E.2. above.

8. CONTRACTOR shall continue to provide all additional pertinent information about the Breach to COUNTY as it may become available, in reporting increments of five (5) business days after the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable

1 requests for further information, or follow-up information after report to COUNTY, when such request
2 is made by COUNTY.

3 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or
4 other costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs
5 in addressing the Breach and consequences thereof, including costs of investigation, notification,
6 remediation, documentation or other costs associated with addressing the Breach.

7 F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

8 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR
9 as necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in
10 the Agreement, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done
11 by COUNTY except for the specific Uses and Disclosures set forth below.

12 a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary,
13 for the proper management and administration of CONTRACTOR.

14 b. CONTRACTOR may disclose PHI COUNTY discloses to CONTRACTOR for the
15 proper management and administration of CONTRACTOR or to carry out the legal responsibilities of
16 CONTRACTOR, if:

17 1) The Disclosure is required by law; or

18 2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI
19 is disclosed that it will be held confidentially and used or further disclosed only as required by law or for
20 the purposes for which it was disclosed to the person and the person immediately notifies
21 CONTRACTOR of any instance of which it is aware in which the confidentiality of the information has
22 been breached.

23 c. CONTRACTOR may use or further disclose PHI COUNTY discloses to
24 CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of
25 CONTRACTOR.

26 2. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, to
27 carry out legal responsibilities of CONTRACTOR.

28 3. CONTRACTOR may use and disclose PHI COUNTY discloses to CONTRACTOR
29 consistent with the minimum necessary policies and procedures of COUNTY.

30 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as
31 required by law.

32 G. OBLIGATIONS OF COUNTY

33 1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY's notice of
34 privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect
35 CONTRACTOR's Use or Disclosure of PHI.

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2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect CONTRACTOR's Use or Disclosure of PHI.

3. COUNTY shall notify CONTRACTOR of any restriction to the Use or Disclosure of PHI that COUNTY has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect CONTRACTOR's Use or Disclosure of PHI.

4. COUNTY shall not request CONTRACTOR to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by COUNTY.

H. BUSINESS ASSOCIATE TERMINATION

1. Upon COUNTY's knowledge of a material breach or violation by CONTRACTOR of the requirements of this Business Associate Contract, COUNTY shall:

a. Provide an opportunity for CONTRACTOR to cure the material breach or end the violation within thirty (30) business days; or

b. Immediately terminate the Agreement, if CONTRACTOR is unwilling or unable to cure the material breach or end the violation within (30) days, provided termination of the Agreement is feasible.

2. Upon termination of the Agreement, CONTRACTOR shall either destroy or return to COUNTY all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained, or received on behalf of COUNTY in conformity with the HIPAA Privacy Rule.

a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents of CONTRACTOR.

b. CONTRACTOR shall retain no copies of the PHI.

c. In the event that CONTRACTOR determines that returning or destroying the PHI is not feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible, CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as CONTRACTOR maintains such PHI.

3. The obligations of this Business Associate Contract shall survive the termination of the Agreement.

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