

AGREEMENT FOR PROVISION OF  
CLINIC SERVICES  
FOR THE  
MEDICAL SERVICES INITIATIVE PROGRAM  
BETWEEN  
COUNTY OF ORANGE  
AND  
{Name of Clinic}

SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011

THIS AGREEMENT (Agreement) is entered into this 25th day of August 2009, which date is enumerated for the purposes of reference only, by and between the County of Orange (COUNTY), and \_\_\_\_\_ (CLINIC). This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

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

WHEREAS, COUNTY desires to assure the availability of Clinic Services to all indigent persons for whom COUNTY is legally responsible pursuant to State of California (State) Law; and,

WHEREAS, COUNTY has received Coverage Initiative Funding to expand eligibility requirements for a limited number of additional indigent persons and to expand scope of service benefits beyond its legal responsibility pursuant to State law; and,

WHEREAS, COUNTY, as provided herein, desires to reimburse clinics which are providers of indigent care services; and,

WHEREAS, CLINIC is a licensed hospital clinic or community clinic; and,

WHEREAS, CLINIC, upon the terms and conditions set forth herein, is willing to provide Clinic Services to persons covered by this Agreement; and,

WHEREAS, COUNTY has entered into separate agreements for reimbursement of hospitals, physicians, and clinics for provision of indigent medical care services; and,

WHEREAS, the parties wish to provide for equitable reimbursement of those providing Clinic Services with a minimum of administrative costs; and,

WHEREAS, the parties desire to state the respective rights and responsibilities of the parties related to providing, claiming, and reimbursing Clinic Services.

WHEREAS, COUNTY desires to extend the period for which Clinic Services shall be provided through October 31, 2010; and

WHEREAS, COUNTY desires to extend the period for Administrative/Claiming Responsibilities through April 30, 2011; and

1 WHEREAS, COUNTY, based on the extension periods, desires to provided a corresponding  
 2 increase in funding; and  
 3 WHEREAS, Clinic is agreeable to these changes; and  
 4 WHEREAS, the parties agree to amend that certain Agreement for the provision of Clinic Services  
 5 for the Medical Services Initiative Program dated August 25, 2009 (Agreement)

6  
 7 NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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**REFERENCED CONTRACT PROVISIONS**

**Term:** Clinic Services: September 1, 2009 through ~~August-October~~ 31, 2010  
 Administrative/Claiming Responsibilities September 1, 2009 through ~~February-April~~  
~~2830~~, 2011

“Period One” means the period September 1, 2009 through June 30, 2010

“Period Two” means the period July 1, 2010 through ~~February-April~~ ~~2830~~, 2011

**Aggregate Maximum Obligation:**

	<b>Period One</b>	<b>Period Two</b>
Aggregate MSI Clinic Maximum Obligation:	\$1,916,670	\$ <del>383,330</del> 636,663
Aggregate CI Clinic Maximum Obligation:	\$ 556,094	\$ <del>111,218</del> 261,104
<b>TOTAL AGGREGATE MAXIMUM OBLIGATION</b>	<b>\$2,472,764</b>	<b>\$ <del>494,548</del>900,767</b>

**Notices to COUNTY and CLINIC:**

COUNTY: County of Orange Health Care Agency  
 MSI Program Manager  
 405 W. 5<sup>th</sup> Street, 6<sup>th</sup> Floor  
 Santa Ana, CA 92701

County of Orange Health Care Agency  
 Manager of Operations  
 Medical and Institutional Health Services  
 405 W. 5<sup>th</sup> Street, Room 718  
 Santa Ana, CA 92701

CLINIC: «NAME2»  
 «Executive\_Director»  
 «ADDRESS»  
 «CITYSTATEZIP»

**CLINIC’S Insurance Coverages:**

Workers’ Compensation	Statutory
Employer’s Liability	\$1,000,000
Professional Liability	\$3,000,000

1 Comprehensive General Liability \$5,000,000

2 **I. ALTERATION OF TERMS**

3 This Agreement, together with Exhibits A through E inclusive, attached hereto and incorporated  
4 herein by reference, fully expresses all understanding of COUNTY and CLINIC with respect to and the  
5 subject matter of this Agreement, and shall constitute the total Agreement between the parties for these  
6 purposes. No addition to, or alteration of, the terms of this Agreement whether written or verbal, shall  
7 be valid unless made in writing and formally approved and executed by both parties.

8  
9 **II. COMPLIANCE**

10 A. COUNTY'S Health Care Agency (HCA) has established a Compliance Program for the purpose  
11 of ensuring adherence to all rules and regulations related to federal and state health care programs.

12 1. CLINIC may adopt HCA's Compliance Program or establish its own. If CLINIC has  
13 established its own Compliance Program, CLINIC shall acknowledge existence of HCA's Compliance  
14 Program and shall provide certification to ADMINISTRATOR that CLINIC shall operate its own  
15 Compliance Program and shall ensure that its employees, subcontractors, interns, volunteers, and  
16 members of Board of Directors or duly authorized agent, if appropriate, ("Covered Individuals") are  
17 made aware of CLINIC'S Compliance Program policies and procedures.

18 2. If CLINIC elects to adopt HCA's Compliance Program, ADMINISTRATOR shall provide  
19 CLINIC with a copy of the relevant HCA Policies and Procedures relating to the Office of Compliance.  
20 CLINIC shall ensure that Covered Individuals relative to this Agreement are made aware of these  
21 Policies and Procedures.

22 B. CODE OF CONDUCT - Under the direction of the HCA Office of Compliance, a Code of  
23 Conduct for adherence by all HCA employees and contract providers has been developed.

24 1. Within thirty (30) calendar days of award of this Agreement, CLINIC has the option of  
25 submitting to ADMINISTRATOR a signed acknowledgement and agreement that CLINIC shall comply  
26 with the HCA Code of Conduct or CLINIC shall submit a copy of its Code of Conduct to  
27 ADMINISTRATOR for review and comparison to federal, state and COUNTY standards by the HCA  
28 Compliance Officer.

29 2. If CLINIC elects to submit a copy of its Code of Conduct, HCA's Compliance Officer shall  
30 advise CLINIC of any necessary changes to CLINIC'S Code of Conduct to meet minimum standards  
31 and CLINIC shall either take necessary action to meet said standards or shall be asked to acknowledge  
32 and agree to the HCA Code of Conduct.

33 3. Failure of CLINIC to submit the acknowledgement of the HCA Code of Conduct or its own  
34 Code of Conduct shall constitute a material breach of this Agreement, and failure to cure such breach  
35 within sixty (60) calendar days of such notice from ADMINISTRATOR shall constitute grounds for  
36 termination of this Agreement as to the non-complying party.

37 C. CLINIC shall screen all Covered Individuals employed or retained to provide services related

1 to this Agreement to ensure that they are not designated as "Ineligible Persons," as defined hereunder.  
2 Screening shall be conducted against the General Services Administration's List of Parties Excluded  
3 from Federal Programs and the Health and Human Services/Office of Inspector General List of  
4 Excluded Individuals/Entities.

5 1. Ineligible Person shall be any individual or entity who:

6 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in the  
7 federal health care programs; or

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

11 2. CLINIC shall screen prospective Covered Individuals prior to hire or engagement.  
12 CLINIC shall not hire or engage any Ineligible Person to provide services relative to this Agreement.

13 3. CLINIC shall screen all current Covered Individuals annually unless otherwise authorized  
14 in writing by ADMINISTRATOR, to ensure that they have not become Ineligible Persons.

15 4. Covered Individuals shall be required to disclose to CLINIC immediately any debarment,  
16 exclusion or other event that makes the Covered Individual an Ineligible Person. CLINIC shall notify  
17 COUNTY immediately upon such disclosure.

18 5. In addition to screening organizations and vendors under subcontract, CLINIC shall also  
19 request that its subcontractors use their best efforts to verify that they are eligible to participate in all  
20 federal and State of California health programs and have not been excluded or debarred from  
21 participation in any federal or state health care programs, and to further represent to CLINIC that they  
22 do not have any Ineligible Person in their employ or under contract.

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

29 **D. REIMBURSEMENT STANDARDS**

30 1. CLINIC shall take reasonable precaution to ensure that the coding of health care claims  
31 and billing for same are prepared and submitted in an accurate and timely manner and are consistent  
32 with federal, state and COUNTY laws and regulations. This includes compliance with federal and state  
33 health care program regulations and procedures or instructions otherwise communicated by regulatory  
34 agencies including the Centers for Medicare and Medicaid Services or their agents.

35 2. CLINIC shall not submit false, fraudulent, inaccurate or fictitious claims for payment or  
36 reimbursement of any kind.

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2 3. CLINIC shall bill only for those eligible services actually rendered which are also fully  
3 documented. When such services are coded, CLINIC shall use only correct billing codes that accurately  
4 describe the services provided.

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

7 E. COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance Training  
8 and Provider Compliance Training, where appropriate, available to Covered Individuals.

9 1. CLINIC shall use its best efforts to encourage attendance at Compliance Training by  
10 Covered Individuals.

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

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

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

17  
18 **III. CONFIDENTIALITY**

19 A. CLINIC shall maintain the confidentiality of all records, including billings and any audio and/or  
20 video recordings, in accordance with all applicable federal and state codes and regulations, as they now  
21 exist or may hereafter be amended or changed including, but not limited to, the Health Insurance  
22 Portability and Accountability Act.

23 B. Prior to providing any services pursuant to this Agreement, all members of the Board of  
24 Directors, or its designee or authorized agent, CLINIC'S employees, subcontractors, and volunteer staff  
25 or interns of CLINIC shall agree, in writing, to maintain the confidentiality of any and all information  
26 and records which may be obtained in the course of providing such services. The agreement shall  
27 specify that it is effective irrespective of all subsequent resignations or terminations of CLINIC'S  
28 members of the Board of Directors, employees, subcontractors, and volunteers or interns.

29 C. If CLINIC is a public institution, COUNTY understands and agrees that CLINIC is subject to  
30 the provisions of the California Public Records Act. In the event CLINIC receives a request to produce  
31 this Agreement, or identify any term, condition, or aspect of this Agreement, CLINIC shall contact  
32 COUNTY to advise of such request to release information.

33  
34 **IV. DELEGATION AND ASSIGNMENT**

35 A. CLINIC may not delegate the obligations hereunder, either in whole or in part, without prior  
36 written consent of COUNTY, which consent shall not be unreasonably conditioned withheld or delayed;  
37 provided, however, obligations undertaken by CLINIC pursuant to this Agreement may be carried out



1 by means of subcontracts, provided such subcontracts are approved in writing by ADMINISTRATOR,  
2 meet the requirements of this Agreement as they relate to the service or activity under subcontract, and  
3 include any provisions that ADMINISTRATOR may reasonably require. This provision shall not be  
4 applicable to service agreements usually and customarily entered into by CLINIC to obtain or arrange  
5 for supplies, technical support, or professional services. No subcontract shall terminate or alter the  
6 responsibilities of CLINIC to COUNTY pursuant to this Agreement.

7 B. CLINIC may not assign the rights hereunder, either in whole or in part, without the prior written  
8 consent of COUNTY, which consent shall not be unreasonably conditioned, withheld, or delayed. Any  
9 change in the control structure, including but not limited to, the sale or transfer of more than ten percent  
10 (10%) of the assets or stocks of CLINIC, change to another corporate structure, including a change to a  
11 sole proprietorship, or a change in fifty percent (50%) or more of CLINIC'S directors within a two (2)  
12 month period of time, shall be deemed an assignment pursuant to this paragraph. Any attempted  
13 assignment or delegation in derogation of this paragraph shall be void.

14  
15 **V. FACILITIES, PAYMENTS AND SERVICES**

16 COUNTY shall compensate CLINIC, and CLINIC agrees to provide the services, staffing, facilities,  
17 any equipment and supplies, and reports in accordance with Exhibits A, B, C, D and E to this  
18 Agreement. CLINIC shall operate continuously throughout the term of this Agreement with at least the  
19 minimum number and type of staff which meet applicable state and federal requirements, and which are  
20 necessary for the provision of services hereunder.

21 **III. INDEMNIFICATION AND INSURANCE**

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

31 B. COUNTY agrees to indemnify, defend and hold CLINIC, its officers, employees, agents,  
32 directors, members, shareholders and/or affiliates harmless from any claims, demands, including  
33 defense costs, or liability of any kind or nature, including but not limited to personal injury or property  
34 damage, arising from or related to the services, products or other performance provided by COUNTY  
35 pursuant to this Agreement. If judgment is entered against COUNTY and CLINIC by a court of  
36 competent jurisdiction because of the concurrent active negligence of CLINIC, COUNTY and CLINIC  
37 agree that liability will be apportioned as determined by the court. Neither party shall request a jury

1 | apportionment.

2 | C. Each party agrees to provide the indemnifying party with written notification of any claim  
3 | related to services provided by either party pursuant to this Agreement within thirty (30) calendar days  
4 | of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation,  
5 | each party shall cooperate with the indemnifying party in its defense.

6 | D. Without limiting CLINIC'S indemnification, CLINIC warrants that it is self-insured or shall  
7 | maintain in force at all times during the term of this Agreement, the policy or policies of insurance  
8 | covering its operations placed with reputable insurance companies in amounts as specified on Page 4 of  
9 | this Agreement. Upon request by ADMINISTRATOR, CLINIC shall provide evidence of such  
10 | insurance.

11 | E. COUNTY warrants that it is self-insured or maintains policies of insurance placed with  
12 | reputable insurance companies licensed to do business in the State of California which insures the perils  
13 | of bodily injury, medical, professional liability, and property damage. Upon request by CLINIC,  
14 | COUNTY shall provide evidence of such insurance.

15 | F. All insurance policies, except Workers' Compensation and Employer's Liability, shall contain  
16 | the following clauses:

17 | 1. "The County of Orange is included as an additional insured with respect to the operations  
18 | of the named insured performed under contract with the County of Orange."

19 | 2. "It is agreed that any insurance maintained by the County of Orange shall apply in excess  
20 | of, and not contribute with, insurance provided by this policy."

21 | 3. "This insurance shall not be canceled, limited or non-renewed until after thirty (30) days  
22 | written notice has been given to Orange County HCA/Manager of Operations, Medical and Institutional  
23 | Health Services, 405 West 5th Street, Room 718, Santa Ana, CA 92701-4637."

24 | G. Certificates of Insurance and endorsements evidencing the above coverages and clauses, if  
25 | applicable, shall be mailed to COUNTY as referenced on Page 4 of this Agreement.

26 |  
27 | **VII. INSPECTIONS AND AUDITS**

28 | A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative  
29 | of the State of California, the Secretary of the United States Department of Health and Human Services,  
30 | the Comptroller General of the United States, or any of their authorized representatives, shall have  
31 | access to any books, documents, and records, including, but not limited to, medical and patient records,  
32 | of CLINIC that such persons deem reasonably pertinent to this Agreement, for the purpose of  
33 | responding to a patient complaint or, conducting an audit, review, evaluation, or examination, or making  
34 | transcripts during the periods of retention set forth in the Records Paragraph of Exhibit B to this  
35 | Agreement. Such persons may at all reasonable times, inspect or otherwise evaluate the services  
36 | provided pursuant to this Agreement, and the premises in which they are provided; provided, however,  
37 | such inspections or evaluations shall not interfere with patient care.

1 //

2 1. These audits, reviews, evaluations, or examinations may include, but are not limited to, the  
3 following:

4 a. Level and quality of care, including the necessity and appropriateness of the services  
5 provided.

6 b. Financial records when determined necessary to protect public funds.

7 c. Internal procedures for assuring efficiency, economy, and quality of care.

8 d. Grievances relating to medical care, and their disposition, or other types of complaints  
9 or problems.

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

17 3. CLINIC agrees, until three (3) years after the termination of the contract between COUNTY  
18 and the California Department of Health Care Services for Coverage Initiative Funding, to permit the  
19 California Department of Health Care Services, or any duly authorized representative, to have access to,  
20 examine, or audit any pertinent books, documents, papers and records (collectively referred to as  
21 "records") related to this Agreement and to allow interviews of any employees who might reasonably  
22 have information related to such records.

23 a. If this Agreement is terminated prior to the termination of the contract between COUNTY  
24 and the California Department of Health Care Services, CLINIC shall ensure records are made available  
25 for a period of three (3) years from the date the last service was rendered under this Agreement.

26 b. If any litigation, claim, negotiation, audit or other action involving records has been started  
27 before the expiration of the three (3) year period, the related records shall be retained until completion  
28 and resolution of all issues arising thereto or until the end of the three (3) year period, whichever is later.

29 B. CLINIC shall actively participate and cooperate with any person specified in subparagraph A.  
30 above in any evaluation of the services provided pursuant to this Agreement, and shall provide the  
31 above-mentioned persons adequate office space to conduct such evaluation or monitoring. Such space  
32 must be capable of being locked and secured to protect the work of said persons during the period of  
33 their evaluation.

34 C. AUDIT RESPONSE

35 1. Following an audit report, in the event of non-compliance with applicable laws and  
36 regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement  
37 as provided for in the Termination Paragraph of this Agreement or may direct CLINIC to immediately

1 implement appropriate corrective action. A plan of corrective action shall be submitted to  
2 ADMINISTRATOR in writing within thirty (30) calendar days after receiving notice from  
3 ADMINISTRATOR.

4 2. If the audit reveals that money is payable from one party to the other, that is,  
5 reimbursement by CLINIC to COUNTY, or payment of sums due from COUNTY to CLINIC, said  
6 funds shall be due and payable from one party to the other within sixty (60) calendar days of receipt of  
7 the audit results. Payment from COUNTY to CLINIC shall not cause COUNTY to exceed the  
8 Aggregate Maximum Obligation as specified on Page 4 of this Agreement. If reimbursement is due  
9 from CLINIC to COUNTY, and such reimbursement is not received within said sixty (60) calendar  
10 days, COUNTY may, in addition to any other remedies, reduce any amount owed CLINIC by an  
11 amount not to exceed the reimbursement due COUNTY.

12  
13 **VIII. LICENSES AND LAW**

14 A. CLINIC, its officers, agents, employees, affiliates, and subcontractors, shall throughout the term  
15 of this Agreement maintain all necessary licenses, permits, approvals, certificates, accreditations,  
16 waivers and exemptions necessary for the provision of the services hereunder and required by the laws  
17 and regulations of the United States, the State of California, COUNTY, and any other applicable  
18 governmental agencies. CLINIC shall notify ADMINISTRATOR immediately and in writing of its  
19 inability to obtain or maintain, irrespective of the pendency of an appeal, such permits, licenses,  
20 approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for  
21 termination of this Agreement.

22 B. CLINIC shall comply with all laws, rules, or regulations applicable to the services provided  
23 hereunder, as they may now exist or be hereafter amended or changed.

24 1. CLINIC shall comply with the applicable terms and conditions of the contract between  
25 COUNTY and the California Department of Health Care Services relating to the provision of services  
26 reimbursed with Coverage Initiative Funding.

27 2. CLINIC shall comply with all requirements of Section 114 of the Clean Air Act, as  
28 amended, and Section 308 of the Federal Water Pollution Control Act respectively relating to  
29 inspection, monitoring, entry, reports, and information, as well as other requirements specified in  
30 Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all  
31 regulations and guidelines issued there under.

32 3. CLINIC shall not perform services required by this Agreement in a facility listed on the  
33 Environmental Protection Agency (EPA) List of Violating Facilities unless and until the EPA eliminates  
34 the name of such facility from such listing.

35 4. CLINIC shall use its best efforts to comply with clean air standards and clean water  
36 standards at the facility in which services required by this Agreement are being performed.

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2 C. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

5 a. In the case of an individual CLINIC, his/her name, date of birth, Social Security  
6 number, and residence address;

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

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

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

14 2. Failure of CLINIC to timely submit the data and/or certifications required by subparagraphs  
15 1.a., 1.b., 1.c., or 1.d. above, or to comply with all federal and state employee reporting requirements for  
16 child support enforcement, or to comply with all lawfully served Wage and Earnings Assignment Orders  
17 and Notices of Assignment, shall constitute a material breach of this Agreement, and failure to cure such  
18 breach within sixty (60) calendar days of notice from COUNTY shall constitute grounds for termination  
19 of this Agreement as to the non-complying party.

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

23 D. CLINIC warrants that it shall make its best effort to fully comply with all federal and state  
24 statutes and regulations regarding the employment of aliens and others and that employees performing  
25 work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes  
26 and regulations. CLINIC shall obtain, from all employees performing work hereunder, all verification  
27 and other documentation of employment eligibility status required by federal or state statutes and  
28 regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §  
29 1324 et seq., as they currently exist and as they may be hereafter amended. CLINIC shall retain all such  
30 documentation for all covered employees for the period prescribed by the law.

31 E. The parties acknowledge that each is a Covered Entity, as defined by the Health Insurance  
32 Portability and Accountability Act (HIPAA) and is responsible for complying with said regulations for  
33 purposes of safeguarding any Protected Health Information (PHI) generated by each party for its own  
34 purposes. Except as otherwise limited by said regulations or law, CLINIC shall provide to COUNTY,  
35 and COUNTY may use or disclose PHI to perform functions, activities, or services for, or on behalf of,  
36 CLINIC as specified in this Agreement, provided that such use or disclosure would not violate the  
37 Privacy Rule if done by CLINIC or the Minimum Necessary policies and procedures of CLINIC as

1 required and/or defined by HIPAA.

2 **IX. MAXIMUM OBLIGATION**

3 The Aggregate Maximum Obligations of COUNTY for services provided in accordance with this  
4 Agreement for Clinic Services for the Medical Services Initiative Program is as specified on Page 4 of  
5 this Agreement. COUNTY may make available additional funding for Clinic Services for the Medical  
6 Services Initiative Program as specified in its Agreement with Advanced Medical Management, Inc.,  
7 dated August 19, 2008, including any amendments thereto. This specific Agreement with CLINIC is  
8 only one of several agreements to which this Aggregate Maximum Obligation and any additional  
9 funding apply. It is understood by the parties that reimbursement to CLINIC will only be a fraction of  
10 this Aggregate Maximum Obligation and only a fraction of any additional funding as may be added by  
11 COUNTY.

12  
13 **X. NONDISCRIMINATION**

14 **A. EMPLOYMENT**

15 1. During the performance of this Agreement, CLINIC shall not unlawfully discriminate  
16 against any employee or applicant for employment because of their ethnic group identification, race,  
17 religion, ancestry, color, creed, sex, marital status, national origin, age (40 and over), sexual preference,  
18 medical condition, or physical or mental disability. CLINIC shall warrant that the evaluation and  
19 treatment of employees and applicants for employment is free from discrimination in the areas of:  
20 employment, upgrade, demotion or transfer; recruitment or recruitment advertising; layoff or  
21 termination; rate of pay or other forms of compensation; and selection for training, including  
22 apprenticeship. There shall be posted in conspicuous places, available to employees and applicants for  
23 employment, notices from CLINIC and/or the United States Equal Employment Opportunity  
24 Commission setting forth the provisions of the Equal Opportunity Clause.

25 2. All solicitations or advertisements for employees placed by or on behalf of CLINIC and its  
26 subcontractors shall state that all qualified applicants will receive consideration for employment without  
27 regard to their ethnic group identification, race, religion, ancestry, color, creed, sex, marital status,  
28 national origin, age (40 and over), sexual preference, medical condition, or physical or mental disability.  
29 Such requirement shall be deemed fulfilled by use of the phrase "an equal opportunity employer" or  
30 "EOE".

31 3. CLINIC shall give written notice of its obligations under this Equal Opportunity Clause to  
32 each labor union with which CLINIC has a collective bargaining agreement.

33 4. Upon a finding of discrimination by the Equal Opportunity Commission, Department of  
34 Fair Employment and Housing, or a court of competent jurisdiction, and after exhaustion of any and all  
35 appeals, this Agreement may be canceled, terminated, or suspended, in whole or in part, and CLINIC  
36 may be declared ineligible for future contracts.

37 **B. SERVICES, BENEFITS, AND FACILITIES - CLINIC shall not discriminate in the provision**

1 of services, the allocation of benefits, or in the accommodation in facilities on the basis of ethnic group  
2 identification, race, religion, ancestry, creed, color, sex, marital status, national origin, age (40 and  
3 over), sexual preference, medical condition, or physical or mental disability in accordance with Title VI  
4 of the Civil Rights Act of 1964, 42 U.S.C.A. §2000d and all other pertinent rules and regulations  
5 promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all may now  
6 exist or be hereafter amended or changed.

7 C. PERSONS WITH DISABILITIES - CLINIC agrees to comply with the provisions of Section  
8 504 of the Rehabilitation Act of 1973 (29 U.S.C.A. 794 et seq., as implemented in 45 CFR 84.1 et seq.),  
9 and the Americans with Disabilities Act of 1990 (42 U.S.C.A. 12101, et seq.), pertaining to the  
10 prohibition of discrimination against qualified persons with disabilities in all programs or activities, as  
11 they exist now or may be hereafter amended together with succeeding legislation.

12 D. RETALIATION - Neither CLINIC, nor its employees or agents, shall intimidate, coerce, or  
13 take adverse action against any person for the purpose of interfering with rights secured by federal or  
14 state laws, or because such person has filed a complaint, certified, assisted or otherwise participated in  
15 an investigation, proceeding, hearing or any other activity undertaken to enforce rights secured by  
16 federal or state law.

17  
18 **XI. NOTICES**

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

- 21 1. When delivered personally; or
- 22 2. Three (3) calendar days from the date sent by certified or registered mail in the United  
23 States Postal Service, return receipt requested, postage prepaid, or first class postage prepaid, and  
24 addressed as specified on Page 4 of this Agreement; or
- 25 3. When FAXed, transmission confirmed; or
- 26 4. When sent by electronic mail; or
- 27 5. When delivered by U.S. Postal Service Express Mail, Federal Express, United Parcel  
28 Service or other expedited delivery service.

29 B. Termination Notices shall be addressed as specified on Page 4 of this Agreement or as  
30 otherwise directed by ADMINISTRATOR and shall be effective when FAXed, transmission confirmed,  
31 or when delivered by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other  
32 expedited delivery service.

33 C. Any party to this Agreement may change the address at which it wishes to receive notice by  
34 giving notice to the other party in the manner set forth above.

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

37 //

1 //  
2 E. For purposes of this Agreement, CLINIC agrees that the Coalition of Orange County  
3 Community Clinics (COCCC) shall act as a representative of all Contracting Clinics for the purpose of  
4 distributing and/or coordinating any notices which shall be provided by ADMINISTRATOR and which  
5 shall be applicable to all Contracting Clinics. In such instances, notification to COCCC shall be deemed  
6 as notification to CLINIC.

7  
8 **XII. SEVERABILITY**

9 If a court of competent jurisdiction declares any provision of this Agreement or application thereof  
10 to any party, person or circumstances to be invalid or if any provision of this Agreement contravenes  
11 any federal, state, or COUNTY statute, ordinance, or regulation, the remaining provisions of this  
12 Agreement or the application thereof shall remain valid, and the remaining provisions of this Agreement  
13 shall remain in full force and effect, and to that extent the provisions of the Agreement are severable,  
14 unless to do so would defeat an essential business purpose of this Agreement.

15  
16 **XIII. STATUS OF PARTIES**

17 Each party is, and shall at all times be deemed to be independent from the other party and shall be  
18 wholly responsible for the manner in which it performs the services required of it by the terms of this  
19 Agreement. Each party is entirely responsible for compensating staff and consultants employed by that  
20 party. This Agreement shall not be construed, as creating the relationship of employer or employee, or  
21 principal and agent, between COUNTY and CLINIC or of either party's employees, agents, consultants  
22 or subcontractors. Each party assumes exclusively the responsibility for the acts of its employees,  
23 agents, consultants, or subcontractors as they relate to the services to be provided during the course and  
24 scope of their employment.

25  
26 **XIV. TERM**

27 A. The term of this Agreement shall commence and terminate as specified on Page 4 of this  
28 Agreement; provided, however, the parties shall continue to be obligated to comply with the  
29 requirements and perform the duties specified in this Agreement. Such duties include, but are not  
30 limited to, obligations with respect to confidentiality, claims processing, reimbursement, reporting,  
31 indemnification, audits, and accounting.

32 B. Any duties pursuant to this Agreement to deposit monies or make any payment shall not be due  
33 until ten (10) calendar days after execution of this Agreement by the parties.

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

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2 **XV. TERMINATION**

3 A. Either party may terminate this Agreement without cause, upon thirty (30) calendar days notice  
4 given the other party.

5 B. Either party may terminate, without cause, any specific service specified in Exhibit A to this  
6 Agreement, for which there is a clear and distinct budget allocated upon thirty (30) calendar days  
7 written notice given the other party. ADMINISTRATOR may, at its sole discretion, reduce the  
8 Maximum Obligation of this Agreement in an amount consistent with the reduced services. C. Unless  
9 otherwise specified in this Agreement, either party may terminate this Agreement upon fifteen (15)  
10 calendar days prior written notice given the other for material breach of the Agreement; provided,  
11 however, the allegedly breaching party has been given prior written notice setting forth the facts  
12 underlying the claim that breach of this Agreement has occurred, and has failed to cure the alleged  
13 breach within thirty (30) calendar days.

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

21 E. If a court of competent jurisdiction determines that Eligible Persons are fully covered by the  
22 State of California Medi-Cal Program, or any other state program, all obligations and rights related to  
23 such persons under this Agreement shall be suspended while such court order is effective, or CLINIC  
24 and COUNTY shall have the right to terminate this Agreement upon ten (10) calendar days prior written  
25 notice given the other parties and without any cure period, notwithstanding any other prior or  
26 subsequent provisions of this Agreement. In the event of any suspension or termination pursuant to this  
27 Agreement, deposits of funding and reimbursement to any party shall be adjusted to reflect the  
28 obligations and duties thereby reduced.

29 **F. CONTINGENT FUNDING**

30 1. Any obligation of COUNTY under this Agreement shall be contingent upon the following:

31 a. The continued availability of sufficient state and COUNTY funds for reimbursement of  
32 COUNTY'S expenditures, and

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

35 2. In the event such funding is subsequently reduced or terminated:

36 a. COUNTY may reduce the MSI Maximum Obligation and its obligations to make  
37 payments under this Agreement, or terminate this Agreement, upon thirty (30) calendar days written

1 notice to CLINIC.

2           b. COUNTY may reduce Coverage Initiative (“CI”) Funding and its obligations to make  
3 payments for services funded through the Coverage Initiative Program under this Agreement upon thirty  
4 (30) calendar days written notice to CLINIC. The parties agree that such reduction may necessitate that  
5 CLINIC substantially reduce or terminate its provisions of services funded through Coverage Initiative  
6 Funding. CLINIC shall give thirty (30) calendar days prior written notice to COUNTY of any reduction  
7 or termination of Coverage Initiative services, which notice shall be given no later than thirty (30)  
8 calendar days after notice by COUNTY of its intent to reduce Coverage Initiative Funding.

9           G. In the event that this Agreement is terminated prior to the completion of the term as specified  
10 on Page 4 of this Agreement, ADMINISTRATOR may, at its sole discretion, reduce the Aggregate  
11 Maximum Obligation of this Agreement in an amount consistent with the reduced term of the  
12 Agreement.

13           H. After receiving or providing a Notice of Termination, CLINIC shall do the following:

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

16           2. Until the date of termination, continue to provide the same level of service required by this  
17 Agreement.

18           3. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of  
19 contract performance during the remaining contract term.

20           4. To the extent services are terminated, cancel outstanding commitments covering  
21 procurement of services materials, supplies, equipment, and miscellaneous items. With respect to these  
22 canceled commitments CLINIC shall submit a written plan for settlement of all outstanding liabilities  
23 and all claims arising out of such cancellation of commitment which shall be subject to written approval  
24 of ADMINISTRATOR.

25           5. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR,  
26 upon request, all client information and records deemed necessary by ADMINISTRATOR to effect an  
27 orderly transfer.

28           6. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with  
29 their best interests.

30           7. If records are to be transferred to COUNTY, pack and label such records in accordance  
31 with directions provided by ADMINISTRATOR.

32           I. The rights and remedies of COUNTY with respect to termination of this Agreement due to a  
33 violation of the Health Insurance Portability and Accountability Act are as set forth in Exhibit A to this  
34 Agreement and are in addition to the rights and remedies of COUNTY provided in this Termination  
35 Paragraph.

36           J. The rights and remedies of COUNTY and CLINIC provided in this Termination Paragraph  
37 shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this

1 Agreement.

2 **XVI. THIRD PARTY BENEFICIARY**

3 No party hereto intends that this Agreement shall create rights hereunder in third parties including,  
4 but not limited to, any subcontractors or any patients provided services hereunder.

5  
6 **XVII. WAIVER OF DEFAULT OR BREACH**

7 Waiver by either party of any default by any other party shall not be considered a waiver of any  
8 other or subsequent default. Waiver by either party of any breach by any other party of any provision of  
9 this Agreement shall not be considered a waiver of any other or subsequent breach. Waiver by any  
10 party of any default or any breach by any other party shall not be considered a modification of the terms  
11 of this Agreement.

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

COUNTY OF ORANGE

BY: \_\_\_\_\_  
DIRECTOR HEALTH CARE AGENCY

DATED: \_\_\_\_\_

CLINIC

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

If Contractor is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the Agreement is signed by one (1) authorized individual only, a copy of the corporate resolution 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.

APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

BY: \_\_\_\_\_  
DEPUTY

DATED: \_\_\_\_\_

1 EXHIBIT A  
2 TO AGREEMENT FOR PROVISION OF  
3 CLINIC SERVICES  
4 FOR THE  
5 MEDICAL SERVICES INITIATIVE PROGRAM

6  
7 BUSINESS ASSOCIATE TERMS AND CONDITIONS  
8 SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011  
9

10 **I. GENERAL PROVISIONS**

11 A. The parties agree that the terms used, but not otherwise defined, in this Exhibit A to the  
12 Agreement shall have the same meaning as those terms in the Standards for Privacy of Individually  
13 Identifiable Health Information, 45 Code of Federal Regulations (CFR), Parts 160 and 164, otherwise  
14 known as the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, as it may  
15 exist now or be hereafter amended.

16 B. It is agreed by both parties that CLINIC is a Business Associate of COUNTY for the purposes  
17 of this Agreement.

18 C. It is understood by both parties that CLINIC is a Covered Entity, as defined by HIPAA, and is  
19 responsible for complying with said regulations for purposes of safeguarding any Protected Health  
20 Information (PHI) generated by CLINIC for its own purposes.

21 D. It is understood by both parties that the Privacy Rule does not pre-empt any state and/or federal  
22 laws, rules or regulations that impose more stringent requirements with respect to confidentiality of  
23 client information.  
24

25 **II. OBLIGATIONS AND ACTIVITIES OF CLINIC AS BUSINESS ASSOCIATE**

26 A. CLINIC agrees not to use or disclose Protected Health Information (PHI) other than as  
27 permitted or required by this Agreement or as required by law.

28 B. CLINIC agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as  
29 provided for by this Agreement.

30 C. CLINIC agrees to mitigate, to the extent practicable, any harmful effect that is known to  
31 CLINIC of a use or disclosure of PHI by CLINIC in violation of the requirements of this Agreement.

32 D. CLINIC agrees to report to COUNTY within ten (10) calendar days any use or disclosure of  
33 PHI not provided for by this Agreement of which CLINIC becomes aware.

34 E. CLINIC agrees to ensure that any agent, including a subcontractor, to whom it provides PHI  
35 received from COUNTY, or PHI created or received by CLINIC on behalf of COUNTY, shall agree to  
36 the same restrictions and conditions that apply through this Agreement to CLINIC with respect to such  
37 information.

1 F. CLINIC agrees to provide access, within fifteen (15) calendar days of receipt of a written  
2 request by COUNTY, to PHI in a Designated Record Set, to COUNTY or, as directed by COUNTY, to  
3 an individual client in order to meet the requirements under 45 CFR Section 164.524.

4 G. CLINIC agrees to make any amendment(s) to PHI in a Designated Record Set that COUNTY  
5 directs or agrees to pursuant to 45 CFR Section 164.526 at the request of COUNTY or an individual  
6 client, within thirty (30) calendar days of receipt of said request by COUNTY. CLINIC agrees to notify  
7 COUNTY in writing no later than ten (10) calendar days after said amendment is completed.

8 H. CLINIC agrees to make internal practices, books, and records, including policies and  
9 procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by  
10 CLINIC on behalf of, COUNTY available to COUNTY and the Secretary of the Department of Health  
11 and Human Services, in a time and manner as determined by COUNTY, or as designated by the  
12 Secretary, for purposes of the Secretary determining COUNTY'S compliance with the Privacy Rule.

13 I. CLINIC agrees to document any disclosures of PHI and information related to such disclosures  
14 as would be required for COUNTY to respond to a request by an individual client for an accounting of  
15 disclosures of PHI in accordance with 45 CFR Section 164.528.

16 J. CLINIC agrees to provide COUNTY or an individual client, as directed by COUNTY, in a time  
17 and manner to be determined by COUNTY, that information collected in accordance with subparagraph  
18 II.I. of this Exhibit A to the Agreement, in order to permit COUNTY to respond to a request by an  
19 individual client for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

20  
21 **III. SECURITY RULE**

22 A. Security. CLINIC shall establish and maintain appropriate administrative, physical and  
23 technical safeguards that reasonably and appropriately protected the confidentiality, integrity and  
24 availability of electronic protected health information. CLINIC shall follow generally accepted system  
25 security principles and the requirements of the final HIPAA rule pertaining to the security of health  
26 information.

27 B. Agents and Subcontractor. CLINIC shall ensure that any agent, including a subcontractor, to  
28 whom it provides electronic protected health information agrees to implement reasonable and  
29 appropriate safeguards to protect that information.

30 C. Security Incidents. CLINIC shall report any security incident of which it becomes aware to  
31 Client. For purposes of this agreement, a "security incident" means the attempted or successful  
32 unauthorized access, use, disclosure, modification, or destruction of information or interference with  
33 system operations. This does not include trivial incidents that occur on a daily basis, such as scans,  
34 "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by CLINIC.

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1 **IV. PERMITTED USES AND DISCLOSURES BY CLINIC**

2 Except as otherwise limited in this Agreement, CLINIC may use or disclose PHI to perform  
3 functions, activities, or services for, or on behalf of, COUNTY as specified in this Agreement, provided  
4 that such use or disclosure would not violate the Privacy Rule if done by COUNTY or the Minimum  
5 Necessary policies and procedures of COUNTY.

6  
7 **V. OBLIGATIONS OF COUNTY**

8 A. COUNTY shall notify CLINIC of any limitation(s) in COUNTY'S notice of privacy practices  
9 in accordance with 45 CFR Section 164.520, to the extent that such limitation may affect CLINIC'S use  
10 or disclosure of PHI.

11 B. COUNTY shall notify CLINIC of any changes in, or revocation of, permission by an individual  
12 client to use or disclose PHI, to the extent that such changes may affect CLINIC'S use or disclosure of  
13 PHI.

14 C. COUNTY shall notify CLINIC of any restriction to the use or disclosure of PHI that COUNTY  
15 has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect  
16 CLINIC'S use or disclosure of PHI.

17 D. COUNTY shall not request CLINIC to use or disclose PHI in any manner that would not be  
18 permissible under the Privacy Rule if done by COUNTY.

19  
20 **VI. BUSINESS ASSOCIATE TERMINATION**

21 A. In addition to the rights and remedies provided in the Termination paragraph of this Agreement,  
22 upon COUNTY'S knowledge of a material breach by CLINIC of the requirements of this Exhibit A to  
23 the Agreement, COUNTY shall:

24 1. Provide an opportunity for CLINIC to cure the breach or end the violation and terminate  
25 this Agreement if CLINIC does not cure the breach or end the violation within thirty (30) calendar days;  
26 or

27 2. Immediately terminate this Agreement if CLINIC has breached a material term of this  
28 Exhibit B to the Agreement and cure is not possible; or

29 3. If neither termination nor cure is feasible, COUNTY shall report the violation to the  
30 Secretary of the Department of Health and Human Services.

31 B. Upon termination of this Agreement, all PHI provided by COUNTY to CLINIC, or created or  
32 received by CLINIC on behalf of COUNTY, shall either be returned to COUNTY or destroyed as  
33 provided in the Termination paragraph of this Agreement, and in conformity with the Privacy Rule.  
34 This provision shall apply to PHI that is in the possession of subcontractors or agents of CLINIC. If it is  
35 infeasible to return or destroy PHI, CLINIC shall extend the protections of this Agreement to such PHI  
36 and limit further uses and disclosures of such PHI to those purposes that make the return or destruction  
37 infeasible, for so long as CLINIC maintains such PHI.

1 EXHIBIT B  
2 TO AGREEMENT FOR PROVISION OF  
3 CLINIC SERVICES  
4 FOR THE  
5 MEDICAL SERVICES INITIATIVE PROGRAM

6  
7 SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011

8  
9 **I. DEFINITIONS**

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

12 A. "All Providers" or "Providers" means Contracting Hospitals, Contracting Clinics, Receiving  
13 Hospitals and Other Providers of Medical Services for the MSI Program.

14 B. "Allowable Charges" or "Allowable Costs" means a maximum of one hundred thirty percent  
15 (130%) of the national Medicare Resource Based Relative Value Scale (RBRVS), less the required co-  
16 payment as specified herein, for charges that are determined by the Intermediary to be attributable to  
17 reimbursable services to Eligible Persons in accordance with all Agreements for the MSI Program.

18 C. "Case Management Clinic" means a Contracting Clinic that has entered into a separate  
19 agreement with ADMINISTRATOR for the purpose of accepting MSI Patients transferred or diverted  
20 from Orange County hospital emergency departments in accordance with Paragraph II.D. of this Exhibit  
21 B to the Agreement.

22 D. "CI Claimable Services" means Clinic Services provided to all persons meeting CI Eligibility as  
23 specified in Paragraph II.B of Exhibit D to this Agreement and COUNTY'S contract with Department.  
24 CI Claimable Services may also include Clinic Services provided on or after September 1, 2009 to MSI  
25 Eligible Persons who also meet all CI Eligibility requirements set forth in Paragraph II.B of Exhibit C to  
26 this Agreement and COUNTY'S contract with Department.

27 E. "Clinic," for purposes of this Agreement, means a health care facility designated as a  
28 Community Clinic by the State of California that is located in the County of Orange.

29 F. "Clinic Claims" means a claim submitted by a Contracting Clinic for reimbursement of Clinic  
30 Services.

31 G. "Clinic Funding" means the amount of MSI Base Funding identified by COUNTY for  
32 reimbursement of Clinic Services.

33 H. "Clinic Services" means any medical service provided by a Contracting Clinic that may be a  
34 reimbursable or a non-reimbursable medical service or reimbursable Enhanced Primary Care Service.  
35 As a result of CI Funding, Clinic Services may also include preventative services and early intervention  
36 as set forth in Exhibit C to this Agreement.

37 //



1 I. "Contracting Clinic" means a clinic that has executed a Clinic Services for the Medical Services  
2 Initiative Program Agreement with COUNTY that is the same as this Agreement.

3 J. "Coverage Initiative" or "CI" means funding provided through COUNTY'S contract with  
4 Department for expanded health care coverage including increasing the number of MSI Eligibles who  
5 are provided Clinic Services and providing preventative services and early intervention.

6 K. "Coverage Initiative Agreement" or "CI Agreement" means the agreement for California  
7 Department of Health Care Services for participation in the California Health Care Coverage Initiative  
8 program as amended.

9 L. "Dental Funding" means the amount of CI Funding identified by COUNTY specifically for  
10 reimbursement of all dental services as set forth in Exhibit C to this Agreement.

11 M. "Dental Services" means Clinic Services relating to or used on the teeth to prevent serious  
12 deterioration of health, as well as preventative and early intervention services funded through Covered  
13 Initiative Funding which as set forth in Exhibit C to this Agreement.

14 N. "Department" means the California Department of Health Care Services.

15 O. "Enhanced Primary Care Services" means those specific medical services that are reimbursable  
16 to Contracting Clinics only as set forth in Exhibit C to this Agreement.

17 P. "Final Settlement" means the final reimbursement to CLINIC and Other Providers, as specified  
18 in Paragraph XI. of Exhibit E to this Agreement.

19 Q. "Funds" means any payments, transfers, or deposits made by COUNTY, and any refunds,  
20 repayments, adjustments, earned interest or other payments made by, or recovered from, CLINIC or  
21 Other Provider, patient, third-party, or other entity as the result of any duty arising from this Agreement.

22 R. "General Relief" means the cash assistance program approved by COUNTY'S Board of  
23 Supervisors for needy persons who do not qualify for other cash assistance programs.

24 S. "Intermediary" means the organization, under a separate agreement dated August, 19<sup>th</sup>, 2008,  
25 and any amendments thereto, with COUNTY, contracted to act as a fiscal intermediary for a forty-two  
26 (42) month period for the purpose of reimbursing All Providers in accordance with this Agreement and  
27 other specified Agreements for the MSI Program.

28 T. "Maintenance of Effort" or "MOE" means the minimum amount of non-federal MSI funding  
29 required during each Program Year, in accordance with COUNTY'S contract with Department, to  
30 maintain the same level of MSI Funding that was actually expended for the MSI Program during FY  
31 2006-07.

32 U. "Medical Fee Schedule" means the national Medicare Resource-Based Relative Value Scale  
33 (RBRVS) version in effect at time of execution of this Agreement.

34 V. "MSI" means Medical Services Initiative Program.

35 W. "MSI Base Funding" means the amount of funds identified by COUNTY for reimbursement of  
36 all MSI Program Services, including those specified in this Agreement.

37 //

1 X. "MSI Eligible," or "Eligible Person" means an adult legal resident between and including the  
2 ages of twenty-one (21) and sixty-four (64) years who lacks sufficient financial resources to pay for  
3 Medical Services, who does not meet federal linkage requirements for Medi-Cal eligibility, and who  
4 completes the MSI Eligibility process and meets eligibility standards set forth in Title 22 of the  
5 California Code of Regulations (Title 22) and as established by COUNTY and described in this  
6 Agreement.

7 Y. "MSI Hospital Agreement" means the Agreement between COUNTY and Contracting  
8 Hospitals for Hospital Services for the Medical Services Initiative Program dated August 19, 2009 and  
9 as it may be amended.

10 Z. "MSI Patient(s)" means a person who is either MSI Eligible or MSI Pending.

11 AA. "MSI Pending" means an adult legal resident between and including the ages of twenty-one  
12 (21) and sixty-four (64) years who lacks sufficient financial resources to pay for Medical Services, who  
13 does not meet federal linkage requirements for Medi-Cal eligibility, and who has completed an MSI  
14 Eligibility application which has been submitted for approval.

15 AB. "MSI Program" means all hospital services, physician services, clinic services, administrative  
16 services, and other non-hospital services for which reimbursement is authorized by this Agreement and  
17 all other agreements for the MSI Program.

18 AC. "Other Provider" means a hospital, physician, osteopath, podiatrist, dentist, ambulance  
19 operator, home health services provider, pharmacy or supplier of durable medical equipment.

20 AD. "Prior Agreement" means the Agreement between COUNTY and CLINIC dated July 1, 2006  
21 for the Provision of Clinic Services for the Medical Services for Indigents Program.

22 AE. "Program Year" means the period commencing September 1, 2009 and ending ~~August-October~~  
23 31, 2010.

24 AF. "Qualified Clinic" means a fully licensed community clinic or federally qualified health center  
25 that has been licensed by the State of California or the Federal Government, has provided services to  
26 MSI eligible patients for twelve consecutive months, and has received eligibility identification training  
27 by the Hospital Association of Southern California (HASC), Orange County office or by any other  
28 means approved, in writing, by ADMINISTRATOR.

29 AG. "Utilization Management Department" or "UMD" means appropriately licensed COUNTY staff  
30 and/or COUNTY contracted staff responsible for the coordination of services as well as the concurrent  
31 and retrospective utilization review of the medical appropriateness, level of care, and utilization of all  
32 services provided to MSI Patients by All Providers.

## 33 34 **II. CLINIC OBLIGATIONS**

35 A. CLINIC, billing for Medical Services for which reimbursement is provided through this  
36 Agreement, shall provide Medical Services to all indigent persons covered by this Agreement presenting  
37 for treatment. As a condition of reimbursement for Medical Services provided by CLINIC to MSI

1 Eligibles, CLINIC shall comply with this Agreement, including Exhibit E hereto. Claims for such  
2 services shall be processed and reimbursed by Intermediary from the appropriate funding category in  
3 accordance with Paragraph III. of this Exhibit B to this Agreement. ADMINISTRATOR may direct  
4 Intermediary to withhold or delay payment due any CLINIC for failure to comply with the terms of this  
5 Agreement.

6 1. Reimbursement provided through this Agreement shall be payment of last resort. CLINIC  
7 shall bill and attempt collection of third-party or primary other insurance (POI) covered claims to the  
8 full extent of such coverage and, upon submission of any claim, shall submit to Intermediary, proper  
9 documentation demonstrating compliance with this requirement.

10 2. Acceptance by CLINIC of reimbursement made by Intermediary for services provided in  
11 accordance with this Agreement shall be deemed satisfaction in full, with respect to the services for  
12 which payment was made, except as follows:

13 a. Claims covered by any third-party, primary, or other insurance or a third-party  
14 settlement, include those received by or on behalf of an MSI Patient. CLINIC shall attempt to bill and  
15 collect to the full extent of coverage those claims covered by all known third-party, primary, or other  
16 insurance or third-party payors. If CLINIC becomes aware of any third-party, primary, or other  
17 insurance or a third-party settlement, including those received by or on behalf of an MSI Patient after  
18 reimbursement is made by Intermediary, nothing herein shall prevent CLINIC from pursuing  
19 reimbursement from these sources; provided, however, that CLINIC shall comply with Paragraph  
20 VII.G. of Exhibit D to this Agreement. Nothing in this paragraph shall prohibit CLINIC from applying  
21 any unreimbursed portion of CLINIC'S charges toward CLINIC'S charity and write-off policy.

22 b. CLINIC shall collect, from MSI Patients, a five-dollar (\$5.00) co-payment for any or  
23 all Medical Services provided by CLINIC. Inability of CLINIC to collect said co-payment shall not be  
24 a barrier to care for MSI Patients presenting for Medical Services; however, CLINIC may pursue such  
25 payment from the MSI Patient after care is provided. Said co-payments, whether or not they are  
26 collected from the MSI Patient by CLINIC, shall be deducted from payments otherwise provided in  
27 accordance with this Agreement.

28 3. CLINIC shall have submitted this signed and executed Agreement to ADMINISTRATOR  
29 no later than sixty (60) days after ADMINISTRATOR'S delivery to COCCC of this Agreement to be  
30 executed by Contracting Clinics. Submission of said Agreement to COCCC by the required deadline  
31 shall be deemed submitted to ADMINISTRATOR.

32 4. CLINIC shall assist in the appropriate diversion of persons requiring non-emergency  
33 medical care from hospital emergency departments to Contracting Clinics. CLINIC shall cooperate  
34 with COUNTY'S Utilization Management Department to develop and strengthen working and referral  
35 relationships with MSI Contracting Hospitals in order to facilitate and expand appropriate diversion of  
36 such patients.

37 //

1 //

2 5. In support of efforts specified in subparagraph II.A.4 of this Exhibit B above, provide  
3 Clinic Services for MSI Eligibles, and specifically Enhanced Primary Care Services, as specified in  
4 Exhibit C to this Agreement.

5 6. CLINIC agrees to participate in discussions with ADMINISTRATOR on the role of  
6 community clinics as designated primary care providers. Upon mutual written agreement resulting from  
7 these discussions, CLINIC may agree to become the selected primary care provider for MSI Eligibles  
8 who choose CLINIC as their primary care provider..

9 7. As a condition of reimbursement of claims to CLINIC for the provision of services  
10 specified in this Agreement, CLINIC shall comply with the requirements specified in Exhibit E.

11 B. COCCC shall provide administrative support services that directly support the purposes of this  
12 Agreement. Such services shall include, but not be limited to, assistance for all clinics in Orange  
13 County participating in the MSI Program, provider training/education, and activities that facilitate  
14 communication between patients, providers, and the parties to this Agreement.

15 C. CLINIC shall assist COUNTY and its Intermediary in the conduct of any appeal hearings  
16 conducted by COUNTY or the Intermediary in accordance with this Agreement or any other MSI  
17 Agreement for which CLINIC receives reimbursement for Medical and/or Enhanced Primary Care  
18 Services.

19 D. CLINIC shall make its best efforts to provide services pursuant to this Agreement in a manner  
20 that is culturally and linguistically appropriate for the population(s) served. CLINIC shall maintain  
21 documentation of such efforts which may include, but not be limited to: records of participation in  
22 COUNTY-sponsored or other applicable training; recruitment and hiring policies and procedures;  
23 copies of literature in multiple languages and formats, as appropriate; and descriptions of measures  
24 taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

25 E. CLINIC shall not conduct any proselytizing activities, regardless of funding sources, with  
26 respect to any person who has received services under the terms of this Agreement. Further, CLINIC  
27 agrees that the funds provided hereunder shall not be used to promote, directly or indirectly, any  
28 religion, religious creed or cult, denomination or sectarian institution, or religious belief.

29 F. The Coalition of Orange County Community Clinics (COCCC) shall provide administrative  
30 support services that directly support the purposes of this Agreement. Such services shall include, but  
31 not be limited to referral services and assistance for all Clinics practicing in Orange County, irrespective  
32 of whether or not CLINIC is a Contracting Clinic; provider training/education; and activities that  
33 facilitate communication between patients, providers, and the parties to this Agreement

34 G. CLINIC shall assist ADMINISTRATOR and Intermediary in the conduct of any appeal  
35 hearings conducted by ADMINISTRATOR or Intermediary in accordance with this Agreement.

36 H. As a condition of receiving reimbursement, CLINIC shall be required to register with  
37 Intermediary for the MSI Program and provide all requested information by logging on to

1 <http://ochealthinfo.com/medical/msi/providers/registration.htm> .

2 I. CASE MANAGEMENT CLINIC

3 1. CLINIC may notify ADMINISTRATOR, in writing, of its desire to become a Case  
4 Management Clinic. ADMINISTRATOR shall have sole discretion regarding CLINIC'S designation as  
5 a Case Management Clinic.

6 2. Upon designation as a Case Management Clinic, CLINIC shall enter into a separate  
7 agreement with ADMINISTRATOR, which shall include, but not be limited to, CLINIC'S consent and  
8 cooperation with the MSI Program's ClinicConnect database provider to facilitate connection to the  
9 ClinicConnect database.

10 3. Case Management Clinic services shall include, but not be limited to:

- 11 a. Assisting patients with the MSI application process.
- 12 b. Offering CLINIC'S facility as a medical home to all persons completing an MSI  
13 Application.
- 14 c. Educating persons applying for the MSI Program on services available
- 15 d. Facilitating care as necessary, including same day or next day appointments as may be  
16 medically necessary.
- 17 e. Facilitating referrals to specialists and coordination of patient information with  
18 specialists.

19  
20 **III. FUNDING AND PAYMENTS**

21 A. MSI Trust Fund

22 1. From the MSI Base Funding COUNTY shall establish an interest-bearing trust fund (MSI  
23 Trust Fund) into which it shall transfer, monthly, one- twelfth (1/12<sup>th</sup>) of \$2,300,000 of Clinic Funding  
24 to the "Clinic Trust Fund Account." In addition, the following amounts shall be made available for  
25 Clinic Funding:

26 a. An estimated \$55,610 per month, not to exceed \$667,312 for the Program Year, of CI  
27 Funding, which amount shall not be greater than the actual allocation received by COUNTY from  
28 Department. Said amount shall not be available until CI Funding is received by COUNTY. At  
29 ADMINISTRATOR'S sole discretion, CI Funding provided through this and any other agreements for  
30 the MSI Program may be modified to ensure full expenditure of all CI Funding allocated to COUNTY  
31 for each Program Year.

32 b. During Preliminary Final Settlement as specified in Paragraph X of Exhibit E to this  
33 Agreement, additional funding may be added to Clinic Funding to ensure full expenditure of CI Funding  
34 allocated to COUNTY each Program Year and ability of COUNTY to meet its MOE requirement.

35 c. An additional one-time deposit of \$253,333 of MSI Clinic Funding into the Clinic  
36 Trust Fund Account.

37 d. An additional one-time amount of an estimated \$152,885 of CI Funding, which amount

1 shall not be greater than the actual allocation received by COUNTY from Department. Said amount  
2 may not be available until CI Funding is received by COUNTY. At ADMINISTRATOR'S sole  
3 discretion, CI Funding provided through this and any other agreements for the MSI Program may be  
4 modified to ensure full expenditure of all CI Funding allocated to COUNTY for the Program Year.

5 2. Monthly Trust Fund Deposits shall commence by September 10, 2009, and continue  
6 thereafter by the tenth (10th) day of each month through and including August 10, 2010.

7 3. Monies in the MSI Trust Fund shall be treated in the same fashion as all other monies held  
8 by COUNTY in trust funds, and COUNTY may commingle said monies with other monies for purposes  
9 of investment. Any interest earned on MSI Trust Fund monies shall not be apportioned to the Clinic  
10 Trust Fund Account.

11 B. Clinic Funding Disbursements

12 1. In accordance with Exhibit E to this Agreement, COUNTY shall pay amounts from  
13 COUNTY'S available Clinic Funding to the Intermediary, which funds shall be used by the  
14 Intermediary to reimburse Clinic Claims for MSI Eligibles.

15 2. In accordance with COUNTY'S agreement with Intermediary, COUNTY shall pay  
16 amounts from COUNTY'S available Dental Funding to the Intermediary, which funds shall be used by  
17 the Intermediary to reimburse Clinic Claims for dental services provided to MSI Eligibles.

18 a. At sole discretion of ADMINISTRATOR, the Intermediary may be directed to  
19 reimburse other community providers of Dental Services. Said direction may be provided at any time  
20 during term of this Agreement.

21 b. In the event that the total of all claims for Dental Services exceeds the amount of  
22 Dental Funding available for the Program Year, any additional payments for Dental Services shall be  
23 made from available Clinic Funding; provided, however, at ADMINISTRATOR'S sole discretion, the  
24 scope of allowable Dental Services may be reduced to ensure adequate funds are available to satisfy the  
25 obligations of the Clinic Funding.

26 c. In the event that the total of all payments for Dental Services is less than the amount of  
27 Dental Funding available, at ADMINISTRATOR'S sole discretion, the balance may be added to the  
28 Clinic Funding.

29 3. Reserve – Until Final Settlement, COUNTY shall not pay any monies to the Intermediary  
30 for reimbursement of Clinic Claims, if such payment would reduce the Clinic Trust Fund Account  
31 balance to less than \$230,000. This reserve is intended to ensure adequate funds are available to satisfy  
32 any obligation of the Clinic Trust Fund Account.

33 4. Following Final Settlement in accordance with Paragraph X of Exhibit E to this Agreement,  
34 in the event that the total of all payments to Contracting Clinics is less than the amount available in  
35 COUNTY'S Clinic Trust Fund Account, at ADMINISTRATOR'S sole discretion, ADMINISTRATOR  
36 may authorize not more than the actual amount remaining at Final Settlement for the Prior Agreement  
37 and Prior Clinic Agreement to be retained in the Clinic Trust Fund provided such action is determined

1 to be consistent with actual MOE reported for FY 2006-07. Any remaining balance, after deduction of  
2 any amount allowed to be retained, shall be deposited into the Holding Account established in  
3 accordance with Paragraph X of Exhibit E to this Agreement.

4 C. Final Settlement - COUNTY shall pay the balance of the MSI Trust Fund, including the  
5 necessary amount of Clinic Funding and Dental Funding, to the Intermediary. The Intermediary shall  
6 use these Funds to make Final Settlement of claims as provided herein, including Exhibit E.

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9 **IV. COUNTY OBLIGATIONS**

10 A. COUNTY shall provide oversight of the MSI Program, including appropriate program  
11 administration, coordination, planning, evaluation, financial and contract monitoring, public information  
12 and referral, standards assurance, and review and analysis of data gathered and reported.

13 B. ADMINISTRATOR shall provide, upon request of COCCC, training, hereafter referred to as an  
14 "MSI In-Service," to any Orange County community clinic, and specifically Contracting Clinics, which  
15 shall include, but not be limited to, the following topics:

- 16 1. Claims submissions – policies and procedures
- 17 2. MSI Eligibility Process including MSI Pendings and 12 month eligibility
- 18 3. MSI Scope of Services
- 19 4. Enhanced Primary Care Scope of Services

20 C. COUNTY shall establish, either directly and/or through subcontract(s), a Utilization  
21 Management Department (UMD) which shall:

22 1. Coordinate and make arrangements for the medical needs and care of MSI Eligibles. The  
23 Utilization Management Department shall not be responsible for the coordination of the social services  
24 needs of such patients.

25 2. Perform concurrent and retrospective utilization review of the medical appropriateness,  
26 level of care, and utilization of all services provided to MSI Patients by All Providers.

27 3. Assist in coordinating the transitions of MSI Eligibles to appropriate outpatient care, lower  
28 levels of care or needed services through COUNTY contracted providers for durable medical equipment  
29 and pharmacy services and through community-based providers for home health care.

30 4. Conduct patient and health care provider education which shall include, but not be limited  
31 to:

- 32 a. Availability of MSI Program services at locations other than UCI Medical Center.
- 33 b. MSI Program services available at Contracting Clinics.
- 34 c. Services for which pre-authorization is recommended through COUNTY'S Utilization

35 Management Department.

36  
37 **V. COMMITTEES/GROUPS**

1 A. Medical Review Committee

2 1. Medical Review Committee (MRC) shall be formed by the parties, and shall perform the  
3 duties specified in this Agreement through ~~February-April 28~~30, 2011.

4 2. The MRC shall consist of the following members:

5 a. One physician appointed by ADMINISTRATOR, who shall be chairperson of the  
6 committee.

7 b. One physician appointed by the Orange County Medical Association (OCMA), and  
8 approved by ADMINISTRATOR.

9 c. One physician representative of a Contracting Hospital appointed by HASC, and  
10 approved by ADMINISTRATOR.

11 3. The MRC shall adopt and follow rules as it deems necessary to carry out its responsibilities.

12 4. CLINIC, Other Providers, and patients may request MRC review of only claims that were  
13 denied based upon scope of services.

14 5. The MRC shall decide upon appeals no later than thirty (30) calendar days after receipt of  
15 the appeal by the MRC.

16 6. The MRC shall have final authority to determine whether any medical service for which a  
17 claim is submitted is a reimbursable Medical Service under this Agreement.

18 7. The MRC shall approve and make modifications, deletions, and additions to, the list of  
19 services for which All Providers will be recommended to seek pre-authorization from COUNTY'S  
20 Utilization Management Department.

21 8. The MRC shall review all claims for home health, home IV infusion, and podiatrist services  
22 provided to Eligible Persons, and determine whether they are Reimbursable Medical Services, as set  
23 forth in Exhibit B to this Agreement, unless otherwise approved by COUNTY'S Utilization  
24 Management Department.

25 9. The MRC shall complete its review and determination of home health, home IV infusion,  
26 and podiatrist claims no later than thirty (30) calendar days after their receipt by the Intermediary.

27 10. The MRC shall review all diversions, transfers and lengths of stay of Skilled Nursing  
28 Facilities and determine whether services were appropriately provided in lieu of acute inpatient  
29 hospitalization.

30 11. Decisions of the MRC shall be binding and final.

31 12. At ADMINISTRATOR'S request, MRC may be asked to investigate allegations of  
32 Inappropriate Patient Referrals.

33  
34 **VI. RECORDS**

35 A. CLINIC shall prepare and maintain records that are adequate to substantiate the services for  
36 which claims are submitted and the charges thereto. Such records shall include, but not be limited to,  
37 individual patient charts and utilization review records.



1 1. CLINIC shall keep and maintain records of each service rendered, the MSI Patient to whom  
2 the service was rendered, the date the service was rendered, and such additional information as  
3 COUNTY or Department may require.

4 2. CLINIC shall maintain books, records, documents, and other evidence, accounting  
5 procedures, and practices sufficient to reflect properly all direct and indirect cost of whatever nature  
6 claimed to have been incurred in the performance of this Agreement and in accordance with Medicare  
7 principles of reimbursement and generally accepted accounting principles.

8 //

9 3. CLINIC shall ensure the maintenance of medical records required by Sections 70747  
10 through and including 70751 of the California Code of Regulations, as they exist now or may hereafter  
11 be amended, and other records related to a MSI Patient's eligibility for services, the service rendered,  
12 the medical necessity of the service, and the quality of the care provided. Records shall be maintained  
13 in accordance with Section 51476 of Title 22 of the California Code of Regulations, as it exists now or  
14 may hereafter be amended.

15 B. RECORDS RETENTION

16 1. All financial records connected with the performance of this Agreement shall be retained by  
17 the parties for a period of seven (7) years after termination of this Agreement.

18 2. All patient records connected with the performance of this Agreement shall be retained by  
19 the parties for a period of seven (7) years after termination of this Agreement.

20 3. Records which relate to litigation or settlement of claims arising out of the performance of  
21 this Agreement, or costs and expenses of this Agreement as to which exception has been taken by  
22 COUNTY or state or federal governments, shall be retained by CLINIC until disposition of such  
23 appeals, litigation, claims or exceptions is completed.

24 4. RECORDS LOCATION - All CLINIC'S books of accounts and records related to services  
25 provided, costs, patient fees, if any, charges, billings, and revenues received shall be made available at  
26 one (1) location within the limits of the County of Orange, unless otherwise agreed to, in writing, by  
27 ADMINISTRATOR.

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1 EXHIBIT C  
2 TO AGREEMENT FOR PROVISION OF  
3 CLINIC SERVICES  
4 FOR THE  
5 MEDICAL SERVICES INITIATIVE PROGRAM

6  
7 GUIDELINES FOR REIMBURSABLE MEDICAL SERVICES  
8 SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011  
9

10 **I. REIMBURSABLE MEDICAL SERVICES – STANDARD MSI PROGRAM**

11 Medical Services reimbursable through the MSI Program means those services that are medically  
12 necessary to protect life, prevent significant disability, or prevent serious deterioration of health.  
13 Reimbursable and non-reimbursable services include those covered in the MSI Provider Manual as  
14 approved by the Medical Review Committee (MRC). The scope of Medical Services to be provided by  
15 CLINIC may include, but are not limited to, the following:

- 16 A. Outpatient services, including physician services, clinic services, diagnostic and therapeutic  
17 services, and physical and occupational therapy services.  
18 B. Acute dental services.

19  
20 **II. REIMBURSABLE ENHANCED PRIMARY CARE**  
21 **SERVICES & EXPANDED CI SERVICES**

22 Enhanced Primary Care Services reimbursable by the MSI Program through this Agreement means  
23 those services that are outside of the scope of Medical Services to be provided by CLINIC, but are  
24 acknowledged by CLINIC and ADMINISTRATOR to aid in the reduction of more costly and less  
25 appropriate hospital emergency room visits. The Intermediary, acting on behalf of COUNTY, may add  
26 to this list of Reimbursable Enhanced Primary Care Services and Expanded CI Services with MRC  
27 approval. The scope of Enhanced Primary Care Services and Expanded CI Services to be provided by  
28 CLINIC may include, but are not limited to, the following:

- 29 A. Commercially available urine “dip-stick” pregnancy testing.  
30 B. Routine physical examinations.  
31 C. Emergency dental services as provided for in the MSI Provider Manual as it now exists or  
32 hereafter may be amended.  
33 D. Routine eye examinations.  
34 E. General Primary Care visits including, but not limited to, treatment of colds, flu, sore throats,  
35 and back aches.  
36 F. Clinic visits which are beyond the maximum allowed under the scope of Medical Services, but  
37 aid in the management of certain chronic diseases such as diabetes.

**III. NON-REIMBURSABLE SERVICES**

The following services are not reimbursable through this or other Agreements for the MSI Program, but may be provided by CLINIC. The Intermediary, acting on behalf of COUNTY, may add to this list of Non-Reimbursable Services with MRC approval. This list is not exhaustive and may be reviewed on a case by case basis by the Intermediary on behalf of COUNTY.

A. All diagnostic, therapeutic and rehabilitative procedures and services which are considered experimental or of unproved medical efficacy under the state Medi-Cal program.

B. Organ transplants.

C. Pregnancy related services, excepting commercially available urine “dip-stick” pregnancy testing, including complications of pregnancy.

D. Extended or long-term care facility services.

E. Adult day care health services.

F. Orthodontia and fixed prostheses.

G. Eyeglasses for refraction and eye appliances, hearing aids and radial keratotomy.

H. Acupuncture, chiropractic, optometry, podiatry.

I. Diagnostic and therapeutic services for male and female infertility, voluntary sterilization and birth control.

J. Routine injections of antigen to ameliorate allergic conditions.

K. All medications available over the counter and medications not on the MSI Program formulary.

L. All cosmetic procedures.

M. Ultrasound, massage and therapeutic thermal packs.

N. Personal convenience items for inpatient stay.

O. Inpatient and outpatient mental health services.

P. Non-emergency medical transportation.

Q. Routine dental prophylactic and radiological studies, orthodontia, and fixed prostheses.

R. Any services not reimbursable by the state Medi-Cal Program.

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1 EXHIBIT D  
2 CLINIC SERVICES  
3 FOR THE  
4 MEDICAL SERVICES INITIATIVE PROGRAM  
5 SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011  
6  
7 ELIGIBILITY

8  
9 **I. REIMBURSEMENT**

10 Reimbursement provided through this Agreement is only intended to cover those indigent patients  
11 who would not be eligible for medical benefits from the state Medi-Cal Program, or whose medically  
12 necessary services would not be covered by other non-COUNTY third-party payors.  
13

14 **II. ELIGIBLE PERSON**

15 A. “Eligible Person” or “MSI Eligible” means a person who meets all of the following criteria:

16 1. Is an adult legal resident between and including the ages of twenty-one (21) and sixty-four  
17 (64) years.

18 a. Applicants shall meet United States citizenship requirements in accordance with  
19 Section 6036 of the Deficit Reduction Act of 2005, entitled “Improved Enforcement of Documentation  
20 Requirements.”

21 b. ADMINISTRATOR may waive the provision for residency to be equal to or greater  
22 than five (5) years if subparagraph A.7 below applies;

23 2. Is a legal resident of Orange County;

24 3. Is not otherwise eligible for medical benefits under a Medi-Cal program, unless eligible as  
25 medically indigent, long term care, TB outpatient or as special treatment program - supplement;

26 4. Has income at or below two hundred percent (200%) of the Federal Poverty Level as  
27 updated April of each year, and who lacks sufficient financial resources to pay for Medical Services;

28 5. Is otherwise eligible based on the application and eligibility determination process as set  
29 forth in this Exhibit D and in those sections of the California Code of Regulations, Title 22, applicable  
30 to Indigent Adults.

31 6. Unless otherwise waived by ADMINISTRATOR, must not have had insurance in the three  
32 (3) months prior to enrollment except as may otherwise be allowed in the contract between COUNTY  
33 and Department;

34 7. Has an urgent, emergent, or eligible chronic medical condition;

35 B. CI Eligibility - As a result of CI Funding, COUNTY shall allow a limited number of persons to  
36 qualify as an MSI Eligible by meeting all the following criteria:  
37 //

1 1. Is an adult legal resident between and including the ages of twenty-one (21) and sixty-four  
2 (64) years.

3 a. Applicants shall meet United States citizenship requirements in accordance with  
4 Section 6036 of the Deficit Reduction Act of 2005, entitled "Improved Enforcement of Documentation  
5 Requirements."

6 b. Applicants must have been a resident in the United States for a minimum of five (5)  
7 years.

8 2. Is a legal resident of Orange County;

9 3. Is not otherwise eligible for medical benefits under a Medi-Cal program, unless eligible as  
10 medically indigent, long term care, TB outpatient or as special treatment program - supplement;

11 4. Has income at or below two hundred percent (200%) of the Federal Poverty Level as  
12 updated April of each year, and who lacks sufficient financial resources to pay for Medical Services;

13 5. Is otherwise eligible based on the application and eligibility determination process as set  
14 forth in those sections of the California Code of Regulations, Title 22, applicable to Indigent Adults.

15 6. Must not have had insurance in the three (3) months prior to enrollment except as may  
16 otherwise be allowed in the contract between COUNTY and Department.

17 C. Medi-Cal Eligibility

18 1. Persons who appear to be eligible for Medi-Cal and who refuse or fail to cooperate in  
19 completing the Medi-Cal eligibility determination process shall be ineligible for benefits from MSI.

20 2. Persons who are eligible for Medi-Cal who refuse or fail to pay a premium, if applicable  
21 and said requirement is implemented by the State of California, to maintain eligibility shall be ineligible  
22 for benefits from MSI.

23 3. MSI Patients found to have been terminated from Medi-Cal for non-payment of premiums,  
24 if applicable and said requirement is implemented by the State, will be immediately terminated from  
25 MSI and COUNTY shall make reasonable efforts to inform CLINIC of such patients.

26 D. A person approved for General Relief shall be an "Eligible Person" or "MSI Eligible."  
27

28 **III. INITIAL SCREENING**

29 A. As part of its usual registration or financial screening process, CLINIC submitting claims for  
30 payment of Clinic Services through this Agreement shall use its reasonable best efforts to screen  
31 whether a patient:

32 1. Lacks financial resources to pay for services, and

33 2. Is currently Medi-Cal or MSI Eligible.

34 B. If the patient is unable to provide the information necessary to make the above determination,  
35 CLINIC shall use its reasonable best efforts to obtain this information from any other person with  
36 knowledge of the patient.

37 //

**IV. FINAL SCREENING OF PATIENTS REFERRED  
TO CONTRACTING CLINIC**

A. Staff designated by Qualified Clinics shall review the status of patients referred to them for screening, to conclude whether or not a patient is already eligible for Medi-Cal or is an MSI Eligible, lacks sufficient financial resources to pay for services, and is a legal resident. As appropriate, Qualified Clinic shall:

1. Complete an MSI Program screening form, and refer patients who appear to be Medi-Cal eligible to Orange County Social Services Agency (SSA) Eligibility Technicians.

2. Complete an MSI application for patients who appear to be MSI Eligible. Said applications shall be submitted, in a manner specified by ADMINISTRATOR, to the "Application Processor," which at the execution of this Agreement shall be NetChemistry, Inc., but may be changed upon thirty (30) calendar days written notice by ADMINISTRATOR.

B. MSI applications shall include:

1. The patient's attestation and signature that under penalty of perjury all information contained in the MSI application is true and correct.

2. Receive and scan the social security number when available.

3. Documentation of legal resident alien status for patients who are not citizens.

4. The patient's attestation and signature on the application forms that requirements for spend down of excess resources must be completed by the last day of the month as a condition of eligibility.

5. Any additional information that may be reasonably required in determining eligibility, including a statement of medical need if deemed necessary.

C. Qualified Clinic shall maintain sufficient staff to expeditiously obtain and screen information, and complete MSI applications as required by this Exhibit D to the Agreement.

D. Qualified Clinic shall provide adequate messenger service to ensure timely delivery of applications, referrals and eligibility information to and from COUNTY.

**V. ELIGIBILITY PROCESSING**

A. Qualified Clinic shall deliver MSI applications and refer MSI Pending(s) to the Application Processor in a timely manner.

B. Qualified Clinic shall refer patients who are potentially Medi-Cal eligible to SSA in a timely manner.

C. As a condition of eligibility processing by the Application Processor, MSI applications, and any other required documentation, shall be received by the Application Processor no later than the end of the third month following the month during which services were provided. Applications received after this deadline shall be denied.

D. The Application Processor shall be solely responsible for determining whether a person meets the eligibility criteria as set forth in this Agreement.

1 E. Patients determined to be Eligible Persons by the Application Processor shall be eligible for a  
2 twelve-month period, or as may be modified by the ADMINISTRATOR and updated in the MSI  
3 Provider Manual; commencing the first day of the month in which MSI Program Services were first  
4 rendered.

5 F. Qualified Clinic shall use its best efforts to inform physicians, osteopaths, podiatrists, and  
6 dentists on its medical staff that an applicant for MSI eligibility is or is not eligible.

7 G. Dual Payments - If CLINIC subsequently receives any Medi-Cal reimbursement for a patient,  
8 all MSI payments received under this Agreement shall be repaid to the Intermediary within thirty (30)  
9 calendar days after receipt of Medi-Cal payment.

10 H. COUNTY shall contract with the Intermediary to:

11 1. Collect all MSI eligibility data by direct on-line input provided by the Application  
12 Processor.

13 2. Print and distribute, daily, the "Notice of Action" forms as to the disposition of claims to  
14 both patient and provider.

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1 EXHIBIT E  
2 TO AGREEMENT FOR PROVISION OF  
3 CLINIC SERVICES  
4 FOR THE  
5 MEDICAL SERVICES INITIATIVE PROGRAM

6  
7 CLAIMS AND DISBURSEMENTS  
8 SEPTEMBER 1, 2009 THROUGH FEBRUARY 28, 2011  
9

10 **I. CONTRACTING CLINICS**

11 A. For the purposes of this Agreement, Contracting Clinics may include any or all of the following  
12 licensed community clinics.

- 13 1. AltaMed Health Services - Community Care Health Center
- 14 2. Gary Center
- 15 3. La Amistad Family Health Center
- 16 4. Laguna Beach Community Clinic
- 17 5. Mission Hospital's Camino Health Center
- 18 6. Nhan Hoa Comprehensive Health Care Clinic
- 19 7. Orange County Rescue Mission (Hurtt Family Medical Clinic)
- 20 8. Puente a la Salud
- 21 9. Share Our Selves (S.O.S.) Free Medical & Dental Centers
- 22 10. Sierra Health Center
- 23 11. St. Jude Hospital, Inc. (St. Jude Medical Center – Neighborhood Health Center)
- 24 12. UCI Family Health Center - Anaheim
- 25 13. UCI Family Health Center - Santa Ana
- 26 14. VNCOC Asian Health Center

27 B. ADMINISTRATOR may add or delete any Contracting Clinics upon written notification to  
28 COCCC.

29  
30 **II SATISFACTION OF COUNTY OBLIGATIONS**

31 A. Reimbursement provided through this Agreement is only intended to cover those indigent  
32 patients who would not be eligible for medical benefits from the state Medi-Cal Program, or whose  
33 medically necessary services would not be covered by other non-COUNTY third party payors.

34 B. In consideration of payments made by COUNTY through its Intermediary for Clinic Services to  
35 indigents pursuant to this Agreement, COUNTY'S obligation to CLINIC and indigent persons for  
36 whom it may have any legal obligation to provide Clinic Services, shall be satisfied.

37 //



**III IMPREST ACCOUNT**

A. COUNTY shall require the Intermediary to maintain an account, herein referred to as the Imprest Account, for the purpose of depositing and disbursing Funds to CLINIC, as specified in COUNTY'S Agreement with Intermediary.

B. Commencing September 10, 2009, and thereafter on the tenth (10<sup>th</sup>) day of each month through and including ~~August~~ **October** 10, 2010, as determined by ADMINISTRATOR based on demonstrated need by Intermediary, COUNTY shall pay Intermediary an amount equal to one-twelfth (1/12<sup>th</sup>) of eighty percent (80%) of the monthly Clinic Trust Fund Account made by COUNTY, pursuant to Paragraph III.B. of Exhibit B to this Agreement; provided, however that ADMINISTRATOR may modify the amount paid to the Intermediary based on actual claims experience during the term of this Agreement. Such Funds shall be used by the Intermediary to reimburse approved claims for all Clinic Services and Enhanced Primary Care Services provided by CLINIC.

**IV REVIEW OF CLAIMS**

COUNTY shall require Intermediary to:

A. Review all claims to determine whether the services for which reimbursement is sought are Clinic Services, reimbursable pursuant to Exhibit C to this Agreement, and whether such services were rendered to an Eligible Person.

B. Review claims, and provide a medical utilization review, in accordance with its Operations Manual, as approved by the MRC.

C. Deny all claims that do not meet the conditions and requirements of this Agreement for claim submission, processing, and reimbursement, including, but not limited to obligations pursuant to pursuing third party, primary or other insurance Claims.

D. Be responsible for monies paid, in any form, for non-reimbursable services, for services to persons who are not Eligible Persons, or for payment to any provider or other entity not entitled under this Agreement to such payment. The Intermediary shall reimburse the appropriate Hospital, Physician or Clinic Accounts for any such payments.

**V. CONDITIONS OF REIMBURSEMENT**

A. As a condition of reimbursement through this Agreement, all claims for reimbursement of Clinic Services provided to Eligible Persons shall be:

1. Claims for Clinic Services provided during the term of this Agreement, except for:

a. Claims for Clinic Services covered by a court order.

b. Claims for Clinic Services if eligibility for a person is established by Social Services Agency (SSA) after the claims submission deadline for the applicable contract period.

2. Submitted on a CMS 1500, formerly HCFA 1500, claim form electronically or in paper format.

1 3. Initially received by the Intermediary no later than ninety (90) calendar days following the  
2 date of service or ~~established the date of the Notice of Action that establishes~~ MSI eligibility, whichever  
3 is later; provided, however, that claims shall be received no later than ~~November~~ ~~January 30~~, 2010.

4 B. The Intermediary shall initially approve or deny all claims no later than ~~December~~ ~~February~~  
5 ~~31~~, 2010.

6 C. Upon approval, by either the Intermediary or the MRC, the Intermediary shall reimburse all  
7 approved claims as soon as possible, and in no event later than thirty (30) calendar days following the  
8 end of the month in which the claim was approved.

9 D. Any unapproved claims for Clinic Services or Enhanced Primary Care Services provided during  
10 the term of this Agreement shall be null and void after ~~January~~ ~~March~~ 31, 2011.

11 E. Unless otherwise directed by ADMINISTRATOR, all Clinic claims shall be submitted to:  
12 Advanced Medical Management, Inc.  
13 P.O. Box 30248  
14 Long Beach, California 90853

15  
16 **VI CLAIM DENIAL/APPEAL**

17 A. CLINIC and its respective patients shall be notified, in writing, of the reason for any denial of a  
18 Clinic Claim(s).

19 B. Notice shall be deemed effective:

- 20 1. Three (3) calendar days from the date written notice is deposited in the United States mail,  
21 first class postage prepaid; or  
22 2. When FAXed, transmission confirmed; or  
23 3. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel  
24 Service, or other expedited delivery service.

25 C. CLINIC may resubmit denied claims to the Intermediary; provided, however, CLINIC shall  
26 complete any necessary corrective action, and resubmit the claim no later than thirty (30) calendar days  
27 after notification of the rejection.

28 D. CLINIC or its respective patients may appeal to the MRC only those claims denied by the  
29 Intermediary for which the service claimed was determined to be outside the scope of reimbursable  
30 Medical Services or Enhanced Primary Care Services. Such appeal shall be made, in writing, to the  
31 MRC, no later than thirty (30) calendar days after notification of denial. The MRC shall decide upon  
32 the appeal no later than thirty (30) calendar days after receipt of the appeal.

33 E. If a denied claim is not resubmitted and/or appealed in writing to the MRC, within thirty (30)  
34 calendar days after notification of denial, the Intermediary's determination shall be final, and CLINIC or  
35 its patient shall have no right to review of the claim.

36 //

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1 //

2 **VII THIRD PARTY, PRIMARY OR OTHER INSURANCE CLAIMS**

3 A. Reimbursement provided through this Agreement shall be payment of last resort. Prior to  
4 submitting any claim to the Intermediary for reimbursement of Clinic Services provided to an Eligible  
5 Person, CLINIC shall:

6 1. Use its reasonable best efforts to determine whether the claim is a third party, primary or  
7 other insurance covered claim.

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

10 B. Acceptance by CLINIC of reimbursement made by Intermediary for services provided in  
11 accordance with this Agreement shall be deemed satisfaction in full, with respect to the services for  
12 which payment was made, except for claims covered by any third party, primary, or other insurance or a  
13 third party settlement.

14 C. Upon written agreement of, or direction from, ADMINISTRATOR, at ADMINISTRATOR'S  
15 sole discretion, CLINIC may collect from MSI Patients a nominal, approved, co-payment for any or all  
16 Clinic Services as approved by ADMINISTRATOR. Inability of CLINIC to collect said co-payment  
17 shall not be a barrier to care for MSI Patients presenting for Clinic Services. Said collection of any co-  
18 payments shall be in addition to payments otherwise provided in accordance with this Agreement.

19 D. CLINIC shall determine that a claim is not covered, in whole or in part, under any other state or  
20 federal medical care program or under any other contractual or legal entitlement including, but not  
21 limited to, coverage defined in W&I Section 10020.

22 E. With submission of a claim, CLINIC shall give proof of denial to the Intermediary, if a third  
23 party, primary or other insurance denies coverage of the claim.

24 F. CLINIC shall report to the Intermediary any payments received from a third party, primary or  
25 other insurance covered claims.

26 G. This Agreement shall not reimburse deductibles and co-payments required by an Eligible  
27 Person's third party, primary or other insurance coverage, except as allowed in accordance with  
28 Paragraph C. above.

29 H. CLINIC shall provide the Intermediary such records and other documentation as the  
30 Intermediary may reasonably require to maintain centralized data collection and referral services in  
31 support of third party revenue recovery activities.

32 I. Provider Refunds Of Claims Covered By Other Payments

33 1. If CLINIC receives Medi-Cal reimbursement or third party settlement for services  
34 reimbursed through this Agreement, CLINIC shall, within thirty (30) calendar days of receipt, reimburse  
35 the Intermediary an amount equal to the MSI payment or the Medi-Cal or third party settlement  
36 payment, whichever is less. Third party settlement payments may be paid directly to COUNTY or to  
37 the Intermediary's Third Party Recovery Group specified in subparagraph VIII.I.4. below, as directed

1 by ADMINISTRATOR.

2 2. Except as may be specified elsewhere in this Agreement, if CLINIC receives  
3 reimbursement from a third party, primary or other insurance Claim for services reimbursed through this  
4 Agreement, CLINIC shall within thirty (30) calendar days of receipt, reimburse the Intermediary an  
5 amount equal to the MSI payment or the third party, primary or other insurance payment, whichever is  
6 less.

7 3. For purposes of computing the amount of reimbursement due from CLINIC, after Final  
8 Settlement, the services provided an Eligible Person shall be valued at the percentage of reimbursement  
9 for the applicable contract period.

10 4. ADMINISTRATOR may authorize the Intermediary to utilize a Third Party Recovery  
11 Group (Recovery Group) for the purpose of actively pursuing reimbursement of claims paid for MSI  
12 Eligibles later determined to be eligible for Medi-Cal or third party, primary or other insurance.  
13 CLINIC shall reasonably cooperate with the Recovery Group in recovering these costs. Except as  
14 otherwise directed by ADMINISTRATOR, monies recovered due to the efforts of the Recovery Group  
15 shall be reimbursed to the Recovery Group. The Recovery Group, after deduction of appropriate  
16 administrative fees, shall remit the balance to the Intermediary for deposit as follows: ten percent (10%)  
17 into the HCA Recovery Account and the remainder into the Clinic Recovery Account.

18 5. If any reimbursement due the Intermediary or Recovery Group is not paid by CLINIC in  
19 accordance with subparagraphs VIII.I.1., VIII.I.2., or VIII.I.4. above, the Intermediary shall reduce any  
20 payment due CLINIC by an amount not to exceed the amount to be reimbursed. If funds were identified  
21 for reimbursement by the Recovery Group, said funds reduced from any amount owed CLINIC and  
22 shall be allocated as if the amount had been paid to the Recovery Group in accordance with  
23 subparagraph I.4. above.

24  
25 **VIII RECOVERY ACCOUNTS**

26 A. COUNTY shall require the Intermediary to collect and deposit refunds and any third party  
27 payments related to any Clinic Service rendered by CLINIC in a Clinic Recovery Account. Refunds  
28 and third-party payments resulting from the actions of the Recovery Group shall be allocated in  
29 accordance with Paragraph VIII.I.4. of this Exhibit E to the Agreement.

30 B. At Final Settlement, Funds in the Clinic Recovery Account shall be deposited in the Clinic  
31 Account and paid in the same manner as are other Funds in this Account. Any funds in the HCA  
32 Recovery Account shall be either returned to COUNTY upon Final Settlement or used for  
33 reimbursement of other MSI Program costs through the Intermediary as directed by  
34 ADMINISTRATOR.

35  
36 **IX INTERIM PAYMENTS TO CONTRACTING CLINICS**

37 A. “Medical Fee Schedule” means the Medicare Resource-Based Relative Value Scale (RBRVS),

1 national rate, version in effect at time of execution of this Agreement.

2 //

3 B. “RVU” means the value set forth in the Medical Fee Schedule for a service, which when  
 4 multiplied by the conversion factor specified below equals one hundred percent (100%) of the payment  
 5 for that RVU under this Agreement.

6 C. Upon approval of Clinic Claims, with the exception of Clinic Claims for dental services, the  
 7 Intermediary shall make interim reimbursements for Clinic Claims at the specified percentage of the  
 8 applicable rate established below for medicine, x-ray, lab services and surgical services (collectively  
 9 “Medical”) and at the specified percentage of the applicable rate for anesthesia established below. The  
 10 conversion factor per RVU is as follows, which factor shall be modified by the Intermediary as the  
 11 Medical Fee Schedule is modified by law or regulation and in effect upon execution of this Agreement.

12	1.	100% of		
13		Conversion Factor		Interim Payment
14	SERVICE	per RVU		per RVU
15	Medical	\$38.066	x 70%	\$25.25
16	Anesthesia	\$20.92	x 100%	\$20.92

17 2. Intermediary shall subtract a co-payment in the amount of five dollars (\$5.00) from each  
 18 approved Clinic Claim paid.

19 D. Claims experience during the first six (6) months of the term of this Agreement shall be  
 20 reviewed by ADMINISTRATOR and the percentage of the interim reimbursement to Contracting  
 21 Clinics may be reduced based on availability of funding.

22 1. If, at any time, the interim payments for Clinic Claims are projected to equal the total  
 23 monies allocated to the Clinic Trust Fund, less a \$480,000 Reserve, prior to September 30, 2010,  
 24 ADMINISTRATOR may, at its sole discretion, reduce the percentage of the interim reimbursement to  
 25 Contracting Clinics specified in Subparagraph C.1. above.

26 a. \$250,000 of the Reserve shall be used for the MSI Clinic Pay-for-Performance  
 27 Program.

28 b. Prior to Final Settlement, ADMINISTRATOR shall instruct Intermediary on the  
 29 distribution methodology for the Pay-for-Performance fund to those Contracting Clinics who provide  
 30 Medical Home/Primary Care services to MSI Patients. Distribution of funds shall be proportional as  
 31 determined by a formula set by the MSI Program Manager, and shall be based on objective performance  
 32 criteria which may include, but not be limited to, the following:

- 33 1) Number of Medical Home Patients
- 34 2) Number of Medical Home Visits

35 2. If interim payments for Clinic Claims equal the total monies allocated to the Clinic Trust  
 36 Fund Account, less the Reserve required by this Agreement, no further reimbursement of Clinic Claims  
 37 shall be made, until the Intermediary determines through Final Settlement whether any Funds remain for

1 distribution.

2 //

3 E. Claims for Dental Services shall be reimbursed at state Medi-Cal (Denti-Cal) rates from Dental  
4 Funding as provided for in COUNTY'S Agreement with Intermediary, shall be limited to \$1,000 per  
5 MSI Eligible per Program Year, and shall not be subject to Final Settlement. In the event that the total  
6 of all payments for Dental Services exceeds the amount available in CI Dental Funding for the Program  
7 Year, any additional payments for dental services shall be made from available Clinic Funding;  
8 provided, however, at ADMINISTRATOR'S sole discretion, the scope of allowable dental services may  
9 be reduced to ensure adequate funds are available to satisfy any obligation of the Clinic Trust Fund  
10 Account.

11  
12 **X FINAL SETTLEMENT**

13 A. The Intermediary shall complete final reimbursement to All Providers, as specified below (Final  
14 Settlement). Final Settlement shall be accomplished no later than ~~February-April~~ 2831, 2011.

15 B. Prior to Final Settlement, but not later than ~~January-March~~ 15, 2011, the Intermediary shall  
16 complete an estimated preliminary reimbursement to All Providers to determine redistribution of funds  
17 in order to maximize CI Funding and meet COUNTY MOE requirements (Preliminary Final Settlement)  
18 as specified in this Subparagraph B. It is understood by the parties that all adjustments are for the sole  
19 purpose of maximizing CI Funding and shall not result in a reduction in ~~allocation amounts to any~~  
20 ~~Provider below that which would otherwise have been available~~ the Aggregate MSI Maximum  
21 ~~Obligation as specified on page 4 of this Agreement~~; provided, however, that total Allowable Costs for  
22 ~~each Trust Fund Account~~ all Contracting Hospitals exceed ~~each allocation amount~~ the Aggregated MSI  
23 ~~Maximum Obligation~~. It is further understood by the parties that definitions included in this  
24 Subparagraph B may be defined further in COUNTY'S Agreement with the Intermediary.

25 1. The total of all CI Funding allocated by Department to COUNTY for ~~each the~~ Program  
26 Year is ~~\$16,871,577~~ 19,683,507. CI Funding must be matched with an equal amount of MSI Funds,  
27 therefore the total of all CI Claimable Services which must be provided to allow COUNTY to receive CI  
28 Funding must be equal to or greater than ~~\$33,743,154~~ 39,367,014 which may include any or all of the CI  
29 Claimable services provided through this Agreement, ~~the MSI Hospital Agreement~~, the COUNTY'S  
30 Agreement with Intermediary, ~~the MSI Hospital Agreement~~ and COUNTY'S Agreement with its  
31 Pharmacy Benefits Manager.

32 a. If the total of COUNTY'S CI Claimable Services is less than ~~\$33,743,154~~ 39,367,014,  
33 or the CI Funding allocated by Department is reduced, the resulting reduction in CI Funding shall be  
34 deducted as follows; provided, however, reallocations in accordance with Preliminary Final Settlement  
35 as detailed herein still apply:

- 36 1) 39% from Hospital Funding  
37 2) 45% from Physician Funding

1                   3) 16% from Clinic Funding

2                   b. If the total of COUNTY'S CI Claimable Services for ~~the Period September 1, 2008~~  
3 ~~through August 31, 2009~~ any Program Year prior to the one commencing September 1, 2009 is greater  
4 than \$33,743,154 and Department allocates additional CI Funding to COUNTY, the CI Funding shall be  
5 allocated as follows; provided, however, reallocations in accordance with the Preliminary Final  
6 Settlement as detailed herein still apply. If Department allocates additional CI Funding ~~after February~~  
7 ~~28, 2010~~ for a prior Program Year, COUNTY shall request Intermediary to complete a Supplemental  
8 Final Settlement Process.

9                   1) 39% towards Hospital Funding

10                   2) 45% towards Physician Funding

11                   3) 16% towards Clinic Funding

12                   2. The COUNTY has a required MOE for each Program Year which includes the MSI funds  
13 required to match CI Funding in accordance with Subparagraph B.1 above and which represents the  
14 actual COUNTY expenditures for the MSI Program provided through this Agreement, the COUNTY'S  
15 Agreement with Intermediary, the MSI Clinic Agreement, and COUNTY'S Agreement with its  
16 Pharmacy Benefits Manager.

17                   a. There is no financial impact to COUNTY or any Provider if the MOE is exceeded.

18                   b. If the MOE is not met for any Program Year, Department may reduce COUNTY'S CI  
19 Funding by an amount not less than the difference between the amount of funds expended for the  
20 Program Year and COUNTY'S MOE. Any reduction in CI Funding shall be allocated in accordance  
21 with subparagraph B.1.a. above; provided, however, reallocations in accordance with Preliminary Final  
22 Settlement as detailed herein still apply.

23                   3. Step 1: Pharmacy claims paid through COUNTY'S Pharmacy Benefits Manager shall be  
24 reconciled by ADMINISTRATOR no later than October 1, 2010.

25                   a. ADMINISTRATOR shall obtain from its Pharmacy Benefits Manager, a report of all  
26 Pharmacy Claims separately detailing those pharmacy claims that are CI Claimable from those that are  
27 not CI Claimable. Administrative fees charged by the Pharmacy Benefits Manager may not be CI  
28 Claimable.

29                   b. If the total of all Pharmacy claims, when added to the MSI Funding provided through  
30 this Agreement, the COUNTY'S Agreement with Intermediary, and the MSI Clinic Agreement, are less  
31 than the required MOE, ADMINISTRATOR shall allocate MSI Funds and CI Funds exactly as detailed  
32 by the Pharmacy Benefits Manager and shall make adjustments to the MSI Base Funding as appropriate.  
33 It is understood by the parties that all adjustments are for the sole purpose of maximizing CI Funding  
34 and shall not result in a reduction in allocation amounts to any Provider that would otherwise have been  
35 available; provided, however, that the total Allowable Costs for each Trust Fund Account exceed each  
36 allocation amount.

37                   1) The adjustments to the MSI Base Funding and the difference between the actual



1 Pharmacy claims and the amount needed to meet MOE shall be reported to by ADMINISTRATOR to  
2 the Intermediary.

3 2) COUNTY shall deposit this amount into the MSI Trust Fund and prior to  
4 Preliminary Final Settlement, the Intermediary shall invoice COUNTY for this amount, which amount

5 //  
6 COUNTY shall pay, and the Intermediary shall deposit into an interest-bearing account ('Holding  
7 Account') pending continued calculation of the Preliminary Final Settlement.

8 a) Step 1A: After deduction of Physician Claims not subject to Final Settlement,  
9 if Intermediary determines that the total of all Physician Claims, paid at seventy percent (70%) of  
10 RBRVS, national rate, is estimated to exceed the total amount of Physician Funding available, the  
11 Intermediary shall first allocate an amount up to one hundred percent (100%) of the Holding Account  
12 until a minimum of seventy percent (70%) of RBRVS, national rate is achieved.

13 b) Step 1B: If Intermediary determines that the total of all Clinic Claims, paid at  
14 seventy percent (70%) of RBRVS, national rate, is estimated to exceed the total amount of Clinic  
15 Funding available, the Intermediary shall allocate an amount up to one hundred percent (100%) of the  
16 remaining balance of the Holding Account until a minimum of seventy percent (70%) of RBRVS,  
17 national rate is achieved.

18 c. If the total of all Pharmacy claims, when added to the MSI Funding provided through  
19 this Agreement, the COUNTY'S Agreement with Intermediary, and the MSI Clinic Agreement, is  
20 greater than the required MOE, ADMINISTRATOR shall allocate MSI Funds and CI Funds exactly as  
21 detailed by the Pharmacy Benefits Manager and shall make adjustments to the MSI Base Funding as  
22 appropriate.

23 4. Step 2: ADMINISTRATOR shall report to the Intermediary the estimated MSI Trust Fund  
24 balances to be used in calculating the Preliminary Final Settlement which shall be completed in the  
25 following order: Dental Trust Fund, Clinic Trust Fund, Outpatient Trust Fund, Physician Trust Fund  
26 and Hospital Trust Fund.

27 a. All calculations are subject to adjustment to maximize CI Funding, meet MOE  
28 requirements, and ensure rates of payment for CI Claimable Services and non-CI Claimable services are  
29 consistent for each specific Provider Funding allocation, subject to Final Settlement. All calculations  
30 are understood to be estimates only, subject to additional minor adjustments during Final Settlement.

31 b. Each preliminary adjustment shall be detailed and reported by ADMINISTRATOR to  
32 COCCC. ADMINISTRATOR, with the Intermediary as necessary, will be available at the request of  
33 COCCC to discuss the Preliminary Final Settlement calculations before the Intermediary proceeds with  
34 Final Settlement; provided, however that such meetings shall be held no later than ~~January~~ **March** 31,  
35 2011.

36 c. ADMINISTRATOR and the Intermediary shall agree on timelines to begin and  
37 complete each step of the Preliminary Final Settlement Process to meet the final completion deadline of



1 | ~~January~~ ~~March~~ 15, 2011 in order to allow COCCC opportunity for review and questions.

2 | 5. Step 3: Dental Claims are not subject to a Final Settlement adjustment and Dental Funding  
3 | shall not be augmented by funds in the Holding Account, if any, except as may be allowed in  
4 | subparagraph X.B.7 below.

5 | a. If the total of all Dental Claims is estimated to exceed the available Dental Funding,  
6 | additional funding for Dental Claims shall be secured from Clinic Funding in accordance with  
7 | subparagraph IV.D.5.c of Exhibit B to COUNTY'S Agreement with the Intermediary. The  
8 | Intermediary shall report the total of all Dental Claims and shall detail the portion of which may be  
9 | offset with MSI Funds and the portion of which may be offset with CI Funds, pending further  
10 | adjustments as appropriate.

11 | 1) ADMINISTRATOR and the Intermediary shall make adjustments to the Holding  
12 | Account and/or the MSI Base Funding as appropriate.

13 | 2) The Intermediary shall report the balance of Clinic Funding remaining after  
14 | funding for additional Dental Claims has been made and proceed to Step 4 of Preliminary Final  
15 | Settlement.

16 | b. If the total of all Dental Claims is estimated to be less than the available Dental  
17 | Funding, the Intermediary shall report the total of all Dental Claims and shall detail the portion of which  
18 | may be offset with MSI Funds and the portion of which may be offset with CI Funds.

19 | 1) The Intermediary shall make adjustments to the Holding Account and/or the MSI  
20 | Base Funding as appropriate.

21 | 2) The difference between the estimated Dental Claims to be paid and the total  
22 | available Dental Funding shall be added to the Clinic Funding and shall detail the portion of which may  
23 | be offset with MSI Funds and the portion of which may be offset with CI Funds, pending further  
24 | adjustments as appropriate.

25 | 6. Step 4: The Intermediary shall utilize the procedures specified in the COUNTY'S  
26 | Agreement with Intermediary to determine and compute amounts due to CLINIC through Final  
27 | Settlement; provided, however, that the procedure set forth herein for Preliminary Final Settlement shall  
28 | be included for the purpose of determining the ratio of MSI Funds, CI Funds, and amounts, if any,  
29 | allowed for retention in the Clinic Trust Fund Account and/or to be transferred to or from the Holding  
30 | Account.

31 | a. Case Management Clinic Expenditures: Of the total allocated for Clinic Claims  
32 | through this Agreement \$~~250,000~~333,333 shall be set aside for a Pay-for-Performance payment and  
33 | shall not be subject to Final Settlement, funded with CI Funds, or included in COUNTY'S MOE  
34 | calculation for Program Year 2009-10.

35 | b. Contracting Clinic Claims: Intermediary shall estimate the total amount of funds  
36 | available to reimburse CLINIC Claims including the Clinic Fund allocation for Program Year 2009-10,  
37 | any Dental Funding that may have been reallocated to Clinic Funding, any Clinic Funds retained

1 following Final Settlement in accordance with the Prior Agreement and Prior Clinic Agreement, and  
2 any Case Management Clinic allocation that may have been reallocated to Clinic Funding.

3 1) If the total of all Contracting Clinic Claims, paid at one hundred percent (100%) of  
4 Allowable Charges, is estimated to exceed the total amount of Clinic Funding available, the  
5 Intermediary shall allocate an amount up to, but not exceeding, ten percent (10%) of the funds available  
6 in the Holding Account, if any, to the Clinic Funding to achieve the highest possible reimbursement  
7 without exceeding Allowable Charges.

8 //

9 a) The Intermediary shall report the total of all CLINIC Claims and shall detail  
10 the portion of which may be offset with MSI Funds and the portion of which may be offset with CI  
11 Funds, pending further adjustments as appropriate.

12 b) ADMINISTRATOR and the Intermediary shall make adjustments to the  
13 Holding Account and/or the MSI Base Funding as appropriate.

14 2) If the total of all CLINIC Claims, paid at one hundred percent (100%) of  
15 Allowable Charges, is estimated to be less than the total amount of Clinic Funding available, the  
16 Intermediary shall report the total of all CLINIC Claims and shall detail the portion of which may be  
17 offset with MSI Funds and the portion of which may be offset with CI Funds, pending further  
18 adjustments as appropriate.

19 a) At ADMINISTRATOR'S sole discretion, ADMINISTRATOR may authorize  
20 not more than the actual amount remaining at Final Settlement for the Prior Agreement and Prior Clinic  
21 Agreement to be retained in the 'Clinic Trust Fund' provided such action is determined to be consistent  
22 with actual MOE reported for FY 2006-07.

23 b) Any remaining balance, after deduction of any amount allowed to be retained,  
24 shall be deposited into the Holding Account for completion of Preliminary Final Settlement to providers  
25 of non-hospital outpatient services, physicians and hospitals in accordance with COUNTY'S agreement  
26 with Intermediary.

27 c) ADMINISTRATOR and the Intermediary shall make adjustments to the  
28 Holding Account and/or the MSI Base Funding as appropriate.

29 7. If funds remaining in the Holding Account after completion of Preliminary Final Settlement  
30 to providers of non-hospital outpatient services, physicians and hospitals in accordance with  
31 COUNTY'S agreement with Intermediary, the Intermediary and ADMINISTRATOR may make one or  
32 more of the following adjustments:

33 a. Reverse adjustments to the Clinic Funding as a result of Dental Claims exceeding  
34 available Dental Funding

35 b. Reverse adjustments to the Physician Funding as a result of certain Outpatient Claims  
36 exceeding available Outpatient Funding

37 c. Reverse adjustments to the Hospital Funding as a result of certain Outpatient Claims

1 | exceeding available Outpatient Funding

2 |           d. Reduce and reallocate CHIP funding to one or more Contracting Hospitals in a manner  
3 | to be determined by ADMINISTRATOR.

4 |           e. Increase the rate of Allowable Charges for any or all Providers, as determined by  
5 | ADMINISTRATOR.

6 |       C. Immediately prior to Final Settlement, the Intermediary shall deposit any Clinic Recovery Trust  
7 | Fund Account balance into its Imprest Account.

8 |       D. After Preliminary Final Settlement, and in preparation for Final Settlement, COUNTY shall  
9 | report to the Intermediary the MSI Trust Fund Account balances to be distributed through Final  
10 | Settlement. The Intermediary shall invoice COUNTY for the amount necessary to complete Final  
11 | Settlement, which amount COUNTY shall pay, and the Intermediary shall deposit in the appropriate  
12 | account. The Intermediary shall disburse such Funds, the balance of all other monies in the Clinic  
13 | Account and any other accounts maintained for the purposes of this Agreement, and any earned interest,  
14 | to Contracting Clinics in the manner specified below.

15 |           1. Settlement to Contracting Clinics – The Intermediary shall distribute all monies remaining  
16 | in the Intermediary’s Clinic Account after all approved Clinic Claims have been paid pursuant to this  
17 | Agreement. The Intermediary shall distribute these monies as follows:

18 |           a. Step 1: All Contracting Clinics Claims shall be made at percentages specified in this  
19 | Agreement.

20 |           b. Step 2: If additional monies remain in the Clinic Account, the Intermediary shall  
21 | distribute to each Contracting Clinic, a proportionate share of monies remaining in the Clinic Account  
22 | based on the formula below:

$$\begin{array}{rcl}
 \text{Individual} & \text{Total Agreement Term interim} & \text{Funds} \\
 \text{Clinic} = & \text{payments to Contracting Clinics x} & \text{Remaining in} \\
 \text{Share} & \text{Total Agreement Term interim} & \text{the Intermediary} \\
 & \text{payments for all Clinic Claims} & \text{Clinic Account}
 \end{array}$$

27 |           2. Settlement Limitation - Total interim payments shall be adjusted for other insurance, voided  
28 | claims and refunds. No Contracting Clinic shall be reimbursed more than billed charges or Allowable  
29 | Charges, whichever is less.

30 |           3. All Funds provided during the term of the Agreement and placed in accounts maintained by  
31 | the Intermediary, which funds are remaining after one hundred percent (100%) of Allowable Charges  
32 | have been reimbursed through Final Settlement, and all other payments required by this Agreement  
33 | have been made, ADMINISTRATOR may, at ADMINISTRATOR’S sole discretion, authorize not more  
34 | than the actual amount remaining at Final Settlement for the Prior Agreement and Prior Clinic  
35 | Agreement to be retained in the Clinic Trust Fund provided such action is determined to be consistent  
36 | with actual MOE reported for FY 2006-07. Any remaining balance, after deduction of any amount  
37 | allowed to be retained, shall be deposited into the Holding Account.

1 E. Supplemental Final Settlement for PY 2008-09 – If the total of COUNTY’S CI Claimable  
2 Services for PY 2008-09 is greater than \$33,743,154 and Department allocates additional CI Funding to  
3 COUNTY after February 28, 2010 for PY 2008-09, COUNTY shall request Intermediary to complete a  
4 Supplemental Final Settlement process. Supplemental Final Settlement for Contracting Clinics shall be  
5 calculated as Step 1 as follows:

6 1. If the total of all Contracting Clinic Claims, paid at one hundred percent (100%) of  
7 Contracting Clinics’ allowable charges, exceed the total amount of Clinic Funding available after  
8 completion of Final Settlement for PY2008-09, the Intermediary shall allocate an amount up to, but not  
9 exceeding, sixteen percent (16%) of the additional CI Funding to the Clinic Funding to achieve the  
10 highest possible reimbursement without exceeding Contracting Clinics’ allowable charges. Any balance  
11 of funds remaining shall be allocated thirty percent (30%) to the Physician Funding and seventy percent  
12 (70%) to the Hospital Funding.

13 2. If Final Settlement for PY 2008-09 resulted in all Contracting Clinic Claims being paid at  
14 one hundred percent (100%) of Contracting Clinics’ allowable charges, there will be no Supplemental  
15 Final Settlement for Contracting Clinics and the additional CI Funding which would have been  
16 apportioned to Contracting Clinics shall instead be allocated thirty percent (30%) to the Physician  
17 Funding and seventy percent (70%) to the Hospital Funding.

18 3. Any CI Funding returned to COUNTY by Intermediary shall be returned to Department.  
19

20 **XI SATISFACTION OF CLAIMS**

21 A. Acceptance by CLINIC of payments made by the Intermediary in accordance with this  
22 Agreement shall be deemed satisfaction in full of any obligation to CLINIC with respect to those claims  
23 for CLINIC Services for which payment has been made by the MSI Program, notwithstanding  
24 CLINIC’S right to appeal any denied claim, as provided for in Paragraph VI. of this Exhibit E to this  
25 Agreement.

26 B. CLINIC shall not seek additional reimbursement from an MSI Eligible patient with respect to  
27 those claims for CLINIC Services for which payment has been made by the MSI Program except as may  
28 be otherwise authorized in accordance with Paragraphs II.A.2 of Exhibit B to this Agreement.

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