



1 WHEREAS, COUNTY has entered into separate agreements for additional hospital services as well  
2 as, physician services, and other medical care services; and,

3 WHEREAS, the parties desire to state the respective rights and responsibilities of the parties related  
4 to providing, claiming, and reimbursing Network Hospital Services.

5 WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and  
6 conditions hereinafter set forth:

7 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained  
8 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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**REFERENCED CONTRACT PROVISIONS**

**Master Agreement Term:**

- Period One means the period July 1, 2019 through June 30, 2020
- Period Two means the period July 1, 2020 through June 30, 2021
- Period Three means the period July 1, 2021 through June 30, 2022
- Period Four means the period July 1, 2022 through June 30, 2023
- Period Five means the period July 1, 2023 through June 30, 2024

**Administrative/Claiming Responsibilities:**

- Period One means the period July 1, 2019 through December 31, 2019
- Period Two means the period July 1, 2020 through December 31, 2020
- Period Three means the period July 1, 2022 through December 31, 2022
- Period Four means the period July 1, 2023 through December 31, 2023
- Period Five means the period July 1, 2024 through December 31, 2024

**CONTRACTOR DUNS Number:** «DUNS»

**CONTRACTOR TAX ID Number:** «TAX\_ID»

**Notices to COUNTY and CONTRACTOR:**

COUNTY: County of Orange  
 Health Care Agency  
 Contract Services  
 405 W. 5th Street, Suite 600  
 Santa Ana, CA 92701-4637

HOSPITAL: «LC\_NAME» «LC\_DBA»  
 Attn: «CONTACT\_1», «CONTACT\_2» «TITLE\_2»  
 «TITLE»  
 «ADDRESS» «ADDRESS\_2»  
 «CITY\_STATE\_ZIP» «CITY\_STATE\_ZIP\_2»

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## I. ACRONYMS

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

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4	A. ACH	Acute Care Hospital
5	B. ARRA	American Recovery and Reinvestment Act
6	C. ASRS	Alcohol and Drug Programs Reporting System
7	D. BH	Base Hospital
8	E. CCC	California Civil Code
9	F. CCR	California Code of Regulations
10	G. CERC	Children's Emergency Receiving Center
11	H. CEO	County Executive Office
12	I. CFR	Code of Federal Regulations
13	J. CHPP	COUNTY HIPAA Policies and Procedures
14	K. CHS	Correctional Health Services
15	L. COI	Certificate of Insurance
16	M. D/MC	Drug/Medi-Cal
17	N. DHCS	Department of Health Care Services
18	O. DPFS	Drug Program Fiscal Systems
19	P. DRS	Designated Record Set
20	Q. ePHI	Electronic Protected Health Information
21	R. ERC	Emergency Receiving Center
22	S. GAAP	Generally Accepted Accounting Principles
23	T. HCA	Health Care Agency
24	U. HHS	Health and Human Services
25	V. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
26		Law 104-191
27	W. HSC	California Health and Safety Code
28	X. ISO	Insurance Services Office
29	Y. MHP	Mental Health Plan
30	Z. OCJS	Orange County Jail System
31	AA. OCPD	Orange County Probation Department
32	AB. OCR	Office for Civil Rights
33	AC. OCSD	Orange County Sheriff's Department
34	AD. OCEMS	Orange County Emergency Medical Services
35	AE. OC-MEDS	Orange County Medical Emergency Data System
36	AF. OIG	Office of Inspector General
37	AG. OMB	Office of Management and Budget

1	AH. OPM	Federal Office of Personnel Management
2	AI. PA DSS	Payment Application Data Security Standard
3	AJ. PC	State of California Penal Code
4	AK. PCI DSS	Payment Card Industry Data Security Standard
5	AL. PHI	Protected Health Information
6	AM. PII	Personally Identifiable Information
7	AN. PRA	Public Record Act
8	AO. SIR	Self-Insured Retention
9	AP. HITECH Act	The Health Information Technology for Economic and Clinical Health
10		Act, Public Law 111-005
11	AQ. USC	United States Code
12	AR. WIC	State of California Welfare and Institutions Code

**II. ALTERATION OF TERMS**

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

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

**III. ASSIGNMENT OF DEBTS**

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

**IV. COMPLIANCE**

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

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1 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and  
2 procedures relating to ADMINISTRATOR’s Compliance Program, Code of Conduct and access to  
3 General Compliance and Annual Provider Trainings.

4 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
5 compliance program, code of conduct and any compliance related policies and procedures.  
6 CONTRACTOR’s compliance program, code of conduct and any related policies and procedures shall  
7 be verified by ADMINISTRATOR’s Compliance Department to ensure they include all required  
8 elements by ADMINISTRATOR’s Compliance Officer as described in this Compliance Paragraph to  
9 this Agreement. These elements include:

- 10 a. Designation of a Compliance Officer and/or compliance staff.
- 11 b. Written standards, policies and/or procedures.
- 12 c. Compliance related training and/or education program and proof of completion.
- 13 d. Communication methods for reporting concerns to the Compliance Officer.
- 14 e. Methodology for conducting internal monitoring and auditing.
- 15 f. Methodology for detecting and correcting offenses.
- 16 g. Methodology/Procedure for enforcing disciplinary standards.

17 3. If CONTRACTOR does not provide proof of its own compliance program to  
18 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR’s Compliance  
19 Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within  
20 thirty (30) calendar days of execution of this Agreement a signed acknowledgement that  
21 CONTRACTOR will internally comply with ADMINISTRATOR’s Compliance Program and Code of  
22 Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete  
23 ADMINISTRATOR’s annual compliance training to ensure proper compliance.

24 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any  
25 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR  
26 shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures  
27 to ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement.  
28 ADMINISTRATOR’s Compliance Officer, or designee, shall review said documents within a  
29 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor’s  
30 proposed compliance program and code of conduct contain all required elements to the  
31 ADMINISTRATOR’s satisfaction as consistent with the HCA’s Compliance Program and Code of  
32 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and  
33 CONTRACTOR shall revise its compliance program and code of conduct to meet  
34 ADMINISTRATOR’s required elements within thirty (30) calendar days after ADMINISTRATOR’s  
35 Compliance Officer’s determination and resubmit the same for review by the ADMINISTRATOR.

36 5. Upon written confirmation from ADMINISTRATOR’s compliance officer that the  
37 CONTRACTOR’s compliance program, code of conduct and any compliance related policies and



1 | procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals  
2 | relative to this Agreement are made aware of CONTRACTOR’s compliance program, code of conduct,  
3 | related policies and procedures and contact information for the ADMINISTRATOR’s Compliance Program.

4 | B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or  
5 | retained to provide services related to this Agreement semi-annually to ensure that they are not  
6 | designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against  
7 | the General Services Administration's Excluded Parties List System or System for Award Management,  
8 | the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and  
9 | the California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration’s  
10 | Death Master File, and/or any other list or system as identified by ADMINISTRATOR.

11 | 1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees,  
12 | interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items  
13 | or services or who perform billing or coding functions on behalf of ADMINISTRATOR.  
14 | CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of  
15 | ADMINISTRATOR’s Compliance Program, Code of Conduct and related policies and procedures (or  
16 | CONTRACTOR’s own compliance program, code of conduct and related policies and procedures if  
17 | CONTRACTOR has elected to use its own).

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

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

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

24 | 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.  
25 | CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this  
26 | Agreement.

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

33 | 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any  
34 | debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.  
35 | CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing  
36 | services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an  
37 | Ineligible Person.

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

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

14 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General Compliance  
15 Training available to Covered Individuals.

16 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's  
17 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;  
18 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated  
19 representative to complete the General Compliance Training when offered.

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

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

23 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide  
24 copies of training certification upon request.

25 5. Each Covered Individual attending a group training shall certify, in writing, attendance at  
26 compliance training. ADMINISTRATOR shall provide instruction on group training completion while  
27 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,  
28 CONTRACTOR shall provide copies of the certifications.

29 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized  
30 Provider Training, where appropriate, available to Covered Individuals.

31 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered  
32 Individuals relative to this Agreement. This includes compliance with federal and state healthcare  
33 program regulations and procedures or instructions otherwise communicated by regulatory agencies;  
34 including the Centers for Medicare and Medicaid Services or their agents.

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

37 //

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

4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall provide copies of the certifications upon request.

5. Each Covered Individual attending a group training shall certify, in writing, attendance at compliance training. ADMINISTRATOR shall provide instructions on completing the training in a group setting while CONTRACTOR shall retain the certifications. Upon written request by ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

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

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

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

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

6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and participate in the quality improvement activities developed in the implementation of the Quality Management Program.

7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9, §1810.410.subds.(c)-(d)).

F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a breach of the Agreement on the part of CONTRACTOR and grounds for COUNTY to terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Agreement on the basis of such default.

**V. CONFIDENTIALITY**

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

1. CONTRACTOR acknowledges and agrees that all persons served pursuant to this Agreement are Clients of the Orange County MSN services system, and therefore it may be necessary for authorized staff of ADMINISTRATOR to audit Client files, or to exchange information regarding specific Clients with COUNTY or other providers of related services contracting with COUNTY.

2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written consents for the release of information from all persons served by CONTRACTOR pursuant to this Agreement. Such consents shall be obtained by CONTRACTOR in accordance with CCC, Division 1, Part 2.6, relating to confidentiality of medical information.

3. In the event of a collaborative service agreement between MSN services providers, CONTRACTOR acknowledges and agrees that it is responsible for obtaining releases of information, from the collaborative agency, for Clients receiving services through the collaborative agreement.

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

C. If CONTRACTOR is a public institution, COUNTY understands and agrees that CONTRACTOR is subject to the provisions of the California Public Records Act. In the event CONTRACTOR receives a request to produce this Agreement, or identify any term, condition, or aspect of this Agreement, CONTRACTOR shall notify COUNTY no less than three (3) business days prior to releasing such information.

**VI. CONFLICT OF INTEREST**

CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation shall apply to CONTRACTOR’s employees, agents, and subcontractors associated with the provision of goods and services provided under this Agreement. CONTRACTOR’s efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be

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1 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of their  
2 duties.

3  
4 **VII. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

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

10 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR’s  
11 business prior to completion of this Agreement, and COUNTY agrees to an assignment of the  
12 Agreement, the new owners shall be required under the terms of sale or other instruments of transfer to  
13 assume CONTRACTOR’s duties and obligations contained in this Agreement and complete them to the  
14 satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in  
15 part, without the prior written consent of COUNTY.

16 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to  
17 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%) of  
18 the composition of the Board of Directors within a two (2) month period of time, shall be deemed an  
19 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of this  
20 subparagraph shall be void.

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

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

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

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1 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,  
2 CONTRACTOR shall provide written notification within thirty (30) calendar days to  
3 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any  
4 governing body of CONTRACTOR at one time.

5 6. COUNTY reserves the right to immediately terminate the Agreement in the event  
6 COUNTY determines, in its sole discretion, that the assignee is not qualified or is otherwise  
7 unacceptable to COUNTY for the provision of services under the Agreement.

8 C. CONTRACTOR's obligations undertaken pursuant to this Agreement may be carried out by  
9 means of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR,  
10 meet the requirements of this Agreement as they relate to the service or activity under subcontract,  
11 include any provisions that ADMINISTRATOR may require, and are authorized in writing by  
12 ADMINISTRATOR prior to the beginning of service delivery.

13 1. After approval of the subcontractor, ADMNISTRATOR may revoke the approval of the  
14 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor  
15 subsequently fails to meet the requirements of this Agreement or any provisions that  
16 ADMINISTRATOR has required. ADMINISTRATOR may disallow subcontractor expenses reported  
17 by CONTRACTOR.

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

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

22 4. This provision shall not be applicable to service agreements usually and customarily entered  
23 into by CONTRACTOR to obtain or arrange for supplies, technical support, professional services  
24 provided by consultants, and medical services not provided directly by CONTRACTOR, including but  
25 not limited to dialysis.

26 D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's  
27 status with respect to name changes that do not require an assignment of the Agreement.  
28 CONTRACTOR is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party  
29 to any litigation against COUNTY, or a party to litigation that may reasonably affect the  
30 CONTRACTOR's performance under the Contract, as well as any potential conflicts of interest between  
31 CONTRACTOR and County that may arise prior to or during the period of Agreement performance.  
32 While CONTRACTOR will be required to provide this information without prompting from COUNTY  
33 any time there is a change in CONTRACTOR's name, conflict of interest or litigation status,  
34 CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever  
35 requested by COUNTY.

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**VIII. DISPUTE RESOLUTION**

A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Agreement is not disposed of in a reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be brought to the attention of the COUNTY Purchasing Agency by way of the following process:

1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Agreement, unless COUNTY, on its own initiative, has already rendered such a final decision.

2. CONTRACTOR's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Agreement, CONTRACTOR shall include with the demand a written statement signed by an authorized representative indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Agreement, CONTRACTOR agrees to proceed diligently with the performance of services secured via this Agreement, including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed diligently shall be considered a material breach of this Agreement.

C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final decision adverse to CONTRACTOR's contentions.

D. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

**IX. EMPLOYEE ELIGIBILITY VERIFICATION**

CONTRACTOR attests that it shall fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirements set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as

1 they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such  
2 documentation for all covered employees for the period prescribed by the law.

3  
4 **X. FACILITIES, PAYMENTS AND SERVICES**

5 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance  
6 with Exhibit A and B to this Agreement. COUNTY shall compensate, and authorize, when applicable,  
7 said services. CONTRACTOR shall operate continuously throughout the term of this Agreement with at  
8 least the minimum number and type of staff which meet applicable federal and state requirements, and  
9 which are necessary for the provision of the services hereunder.

10 B. CONTRACTOR shall, at its own expense, provide and maintain the organizational and  
11 administrative capabilities required to carry out its duties and responsibilities under this Agreement and  
12 in accordance with all the applicable statutes and regulations pertaining to hospital Providers.

13  
14 **XI. INDEMNIFICATION AND INSURANCE**

15 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,  
16 which approval shall not be unreasonably withheld, and hold COUNTY, its elected and appointed  
17 officials, officers, employees, agents and those special districts and agencies for which COUNTY's  
18 Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any  
19 claims, demands or liability of any kind or nature, including but not limited to personal injury or  
20 property damage, arising from or related to CONTRACTOR's negligence or intentional misconduct in  
21 providing the services, products or other performances pursuant to this Agreement. If judgment is  
22 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the  
23 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and  
24 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request  
25 a jury apportionment.

26 B. COUNTY agrees to indemnify, defend with counsel, and hold CONTRACTOR, its officers,  
27 employees, agents, directors, members, shareholders and/or affiliates harmless from any claims,  
28 demands or liability of any kind or nature, including but not limited to personal injury or property  
29 damage, arising from or related to COUNTY's negligence or intentional misconduct in the performance  
30 of this Agreement. If judgment is entered against CONTRACTOR and COUNTY by a court of  
31 competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY  
32 INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined  
33 by the court. Neither Party shall request a jury apportionment.

34 C. Each party agrees to provide the indemnifying party with written notification of any claim  
35 related to services provided by either party pursuant to this Agreement within thirty (30) calendar days  
36 of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation,  
37 each party shall cooperate with the indemnifying party.



1 D. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all  
2 required insurance, or maintain a program of self -insurance, at CONTRACTOR’s expense and to  
3 submit to COUNTY the COI, including all endorsements required herein, necessary to satisfy COUNTY  
4 that the insurance provisions of this Agreement have been complied with. CONTRACTOR agrees to  
5 keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with COUNTY  
6 during the entire term of this Agreement. In addition, all subcontractors performing work on behalf of  
7 CONTRACTOR pursuant to this Agreement shall obtain insurance subject to the same terms and  
8 conditions as set forth herein for CONTRACTOR.

9 E. CONTRACTOR shall ensure that all subcontractors performing work on behalf of  
10 CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR’s insurance as an  
11 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for  
12 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less  
13 than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the  
14 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor  
15 and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of  
16 insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection  
17 by COUNTY representative(s) at any reasonable time.

18 F. All SIRs shall be clearly stated on the COI. If CONTRACTOR is self-insured,  
19 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this  
20 Agreement, agrees to all of the following:

21 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all  
22 liability, claim, demand or suit resulting from CONTRACTOR’s, its agents, employee’s or  
23 subcontractor’s performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole  
24 cost and expense with counsel approved by Board of Supervisors against same; and

25 2. CONTRACTOR’s duty to defend, as stated above, shall be absolute and irrespective of any  
26 duty to indemnify or hold harmless; and

27 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to  
28 which the duty to defend stated above applies, and the CONTRACTOR’s SIR provision shall be  
29 interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

30 G. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of  
31 this Agreement, the COUNTY may terminate this Agreement.

32 H. QUALIFIED INSURER

33 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of  
34 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current  
35 edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is  
36 preferred, but not mandatory, that the insurer be licensed to do business in the state of California  
37 (California Admitted Carrier).

2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$5,000,000 per occurrence \$5,000,000 aggregate
Business Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims - made
Professional Liability Insurance	\$5,000,000 per claims made \$5,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

J. REQUIRED COVERAGE FORMS

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

2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

K. REQUIRED ENDORSEMENTS

1. The Commercial General Liability policy shall contain the following endorsements, which shall accompany the COI:

a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange, its elected and appointed officials, officers, agents and*

1 **employees** as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY**  
2 **WRITTEN AGREEMENT.**

3 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at  
4 least as broad evidencing that the CONTRACTOR’s insurance is primary and any insurance or self-  
5 insurance maintained by the County of Orange shall be excess and non-contributing.

6 2. The Network Security and Privacy Liability policy shall contain the following  
7 endorsements which shall accompany the COI:

8 a. An Additional Insured endorsement naming the **County of Orange, its elected and**  
9 **appointed officials, officers, agents and employees** as Additional Insureds for its vicarious liability.

10 b. A primary and non-contributing endorsement evidencing that the Contractor’s  
11 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be  
12 excess and non-contributing.

13 L. All insurance policies required by this Agreement shall waive all rights of subrogation against  
14 the County of Orange, its elected and appointed officials, officers, agents and employees when acting  
15 within the scope of their appointment or employment.

16 M. The Workers’ Compensation policy shall contain a waiver of subrogation endorsement waiving  
17 all rights of subrogation against the **County of Orange, its elected and appointed officials,**  
18 **officers, agents and employees,** or provide blanket coverage, which will state **AS REQUIRED BY**  
19 **WRITTEN AGREEMENT.**

20 N. All insurance policies required by this Agreement shall waive all rights of subrogation against  
21 the County of Orange, its elected and appointed officials, officers, agents and employees when acting  
22 within the scope of their appointment or employment.

23 O. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy  
24 cancellation and within ten (10) days for non-payment of premium and provide a copy of the  
25 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a  
26 breach of CONTRACTOR’s obligation hereunder and ground for COUNTY to suspend or terminate this  
27 Agreement.

28 P. If CONTRACTOR’s Professional Liability and Network Security & Privacy are “Claims -  
29 Made” policies, CONTRACTOR shall agree to maintain coverage for two (2) years following the  
30 completion of the Agreement

31 Q. The Commercial General Liability policy shall contain a “severability of interests” clause also  
32 known as a “separation of insureds” clause (standard in the ISO CG 0001 policy).

33 R. Insurance certificates should be forwarded to the agency/department address listed on the  
34 solicitation.

35 S. If the Contractor fails to provide the insurance certificates and endorsements within seven (7)  
36 days of notification by CEO/Purchasing or the agency/department purchasing division, award may be  
37 made to the next qualified vendor.

1 T. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease  
2 insurance of any of the above insurance types throughout the term of this Agreement. Any increase or  
3 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately  
4 protect COUNTY.

5 U. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
6 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with  
7 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice,  
8 this Agreement may be in breach without further notice to CONTRACTOR, and COUNTY shall be  
9 entitled to all legal remedies.

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

13 W. SUBMISSION OF INSURANCE DOCUMENTS

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

15 a. Prior to the start date of this Agreement.

16 b. No later than the expiration date for each policy.

17 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
18 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

19 2. The COI and endorsements shall be provided to the COUNTY at the address as specified in  
20 the Referenced Contract Provisions of this Agreement.

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

24 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR  
25 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the  
26 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are  
27 submitted to ADMINISTRATOR.

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

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

34 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
35 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs  
36 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.

37 //

**XII. INSPECTIONS AND AUDITS**

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

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

C. AUDIT RESPONSE

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

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

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

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

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**XIII. LICENSES AND LAWS**

A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, accreditations, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws, regulations and requirements of the United States, the State of California, COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be cause for termination of this Agreement.

**B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**

1. CONTRACTOR certifies it is in full compliance with all applicable federal and State reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of the Agreement with the County of Orange. Failure to comply shall constitute a material breach of the Agreement and failure to cure such breach within sixty (60) calendar days of notice from the COUNTY shall constitute grounds for termination of the Agreement.

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

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

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

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

C. CONTRACTOR shall comply with all applicable governmental laws, regulations, and requirements as they exist now or may be hereafter amended or changed.

1. CONTRACTOR shall comply with the applicable terms and conditions of the "Contract for Low Income Health Program; Contract No. 11-15909-OR-10" between COUNTY and the California Department of Health Care Services ("Department"). COUNTY shall provide CONTRACTOR with a copy of any new or amended contract with Department as soon as it is available. CONTRACTOR shall notify ADMINISTRATOR within thirty (30) calendar days of any inability of CONTRACTOR to comply with the terms and conditions of COUNTY's contract with Department.

2. CONTRACTOR shall comply with all requirements of Section 114 of the Clean Air Act, as amended, and Section 308 of the Federal Water Pollution Control Act respectively relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 of the

1 Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and  
2 guidelines issued thereunder.

3 3. CONTRACTOR shall not perform services required by this Agreement in a facility listed  
4 on the EPA List of Violating Facilities unless and until the EPA eliminates the name of such facility  
5 from such listing.

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

8 D. CONTRACTOR attests, to the best of its knowledge, that all hospital-based physicians  
9 providing services at CONTRACTOR, under this Agreement, are and will continue to be as long as this  
10 Agreement remains in effect, the holders of currently valid licenses to practice medicine in the State of  
11 California and are members in "good standing" of the medical staff of CONTRACTOR's facility.

12  
13 **XIV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

14 A. Any written information or literature, including educational or promotional materials,  
15 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related  
16 to this Agreement must be approved at least thirty (30) days in advance and in writing by  
17 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written  
18 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,  
19 and electronic media such as the Internet.

20 B. Any advertisement through radio, television broadcast, or the Internet, for educational or  
21 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this  
22 Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

23 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly  
24 available social media sites) in support of the services described within this Agreement,  
25 CONTRACTOR shall develop social media policies and procedures and have them available to  
26 ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all  
27 forms of social media used to either directly or indirectly support the services described within this  
28 Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as  
29 they pertain to any social media developed in support of the services described within this Agreement.  
30 CONTRACTOR shall also include any required funding statement information on social media when  
31 required by ADMINISTRATOR.

32 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement by  
33 COUNTY, unless ADMINISTRATOR consents thereto in writing.

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**XV. NONDISCRIMINATION**

**A. EMPLOYMENT**

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

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

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

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

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

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

**B. SERVICES, BENEFITS, AND FACILITIES** – CONTRACTOR shall not discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of ethnic group identification, race, religion, ancestry, color, creed, sex, marital status, age (40 and over), sexual orientation, medical condition or physical or mental disability in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6, Article 1 (§10800, et seq.) of the California Code of Regulations; and Title II of the



1 Genetic Information Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other  
2 pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by state law and  
3 regulations, as all may now exist or be hereafter amended or changed. For the purpose of this  
4 Nondiscrimination Paragraph, Discrimination includes, but is not limited to the following based on one  
5 or more of the factors identified above:

- 6 1. Denying a client or potential client any service, benefit, or accommodation.
- 7 2. Providing any service or benefit to a client which is different or is provided in a different  
8 manner or at a different time from that provided to other clients.
- 9 3. Restricting a client in any way in the enjoyment of any advantage or privilege enjoyed by  
10 others receiving any service or benefit.
- 11 4. Treating a client differently from others in satisfying any admission requirement or  
12 condition, or eligibility requirement or condition, which individuals must meet in order to be provided  
13 any service or benefit.
- 14 5. Assignment of times or places for the provision of services.

15 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all clients  
16 through a written statement that CONTRACTOR’s and/or subcontractor’s clients may file all complaints  
17 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and  
18 ADMINISTRATOR

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

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

25 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agrees to comply  
26 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as  
27 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 (42 USC 12101,  
28 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of discrimination  
29 against qualified persons with disabilities in all programs or activities, and if applicable, as implemented  
30 in Title 45 CFR 84.1 et seq., as they exist now or may be hereafter amended together with succeeding  
31 legislation.

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

37 //

1 F. In the event of non-compliance with this paragraph, or as otherwise provided by federal or state  
2 law, this Agreement may be canceled, terminated or suspended in whole or in part and CONTRACTOR  
3 may be declared ineligible for future contracts involving federal, state, or county funds.

4  
5 **XVI. NOTICES**

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

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

11 2. When faxed, transmission confirmed;

12 3. When sent by Email; or

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

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

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

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

25 E. For purposes of this Agreement, CONTRACTOR agrees that the Hospital Association of  
26 Southern California (HASC) may act as a representative of all Contracting Hospitals and Contracting  
27 ED Hospitals for the purpose of distributing and/or coordinating any notices which may be provided by  
28 ADMINISTRATOR and which shall be applicable to all Contracting Hospitals and/or Contracting ED  
29 Hospitals. In such instances, notification to HASC shall be deemed as notification to CONTRACTOR.

30  
31 **XVII. RECORDS MANAGEMENT AND MAINTENANCE**

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

35 B. CONTRACTOR shall implement and maintain administrative, technical and physical  
36 safeguards to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of  
37 PHI in violation of the HIPAA federal and state regulations, and/or CHPP.

1 C. CONTRACTOR shall mitigate to the extent practicable, the known harmful effect of any use or  
2 disclosure of PHI made in violation of federal or state regulations and/or COUNTY policies.

3 D. CONTRACTOR’s participant, client, and/or patient records shall be maintained in a secure  
4 manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish  
5 and implement written record management procedures.

6 E. CONTRACTOR shall ensure all HIPAA (DRS) requirements are met. HIPAA requires that  
7 clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or  
8 request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records  
9 maintained by or for a covered entity that is:

10 1. The medical records and billing records about individuals maintained by or for a covered  
11 health care provider;

12 2. The enrollment, payment, claims adjudication, and case or medical management record  
13 systems maintained by or for a health plan; or

14 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

15 F. CONTRACTOR may retain patient documentation electronically in accordance with the terms  
16 of this Agreement and common business practices. If documentation is retained electronically,  
17 CONTRACTOR shall, in the event of an audit or site visit:

18 1. Have documents readily available within forty-eight (48) hour notice of a scheduled audit or  
19 site visit.

20 2. Provide auditor or other authorized individuals access to documents via a computer  
21 terminal.

22 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if  
23 requested.

24 G. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and  
25 security of PII and/or PHI. CONTRACTOR shall notify COUNTY immediately by telephone call plus  
26 email or fax, upon the discovery of a Breach of unsecured PHI and/or PII.

27 H. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or  
28 security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall  
29 pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

30 I. CONTRACTOR shall retain all participant, client and/or patient medical records for seven (7)  
31 years after the last date of service, with the exception of non-emancipated minors for whom records  
32 must be kept for at least one (1) year after such minors have reached the age of eighteen (18) years, or  
33 for seven (7) years after the last date of service, whichever is longer.

34 J. CONTRACTOR shall ensure appropriate financial records related to cost reporting,  
35 expenditure, revenue, billings, etc., are prepared and maintained accurately and appropriately.

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37 //

1 K. CONTRACTOR shall ensure all appropriate state and federal standards of documentation,  
2 preparation, and confidentiality of records related to participant, client and/or patient records are met at  
3 all times.

4 L. CONTRACTOR shall retain all financial records for a minimum of seven (7) years from the  
5 commencement of the contract, unless a longer period is required due to legal proceedings such as  
6 litigation and/or settlement of claims.

7 M. CONTRACTOR shall make records pertaining to the costs of services, patient fees, charges,  
8 billings, and revenues available at one (1) location within the limits of the County of Orange.

9 N. If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR  
10 may provide written approval to CONTRACTOR to maintain records in a single location, identified by  
11 CONTRACTOR.

12 O. CONTRACTOR may be required to retain all records involving litigation proceedings and  
13 settlement of claims for a longer term as reasonably directed by ADMINISTRATOR.

14 P. CONTRACTOR, unless CONTRACTOR is a public institution, shall notify  
15 ADMINISTRATOR of any PRA requests related to, or arising out of, this Agreement, within forty-eight  
16 (48) hours. CONTRACTOR shall provide ADMINISTRATOR all information that is requested by the  
17 PRA request.

18 Q. If CONTRACTOR is a public institution, COUNTY understands and agrees that  
19 CONTRACTOR is subject to the provisions of the California Public Records Act. In the event  
20 CONTRACTOR receives a request to produce this Agreement, or identify any term, condition, or aspect  
21 of this Agreement, CONTRACTOR shall notify COUNTY. CONTRACTOR shall make its best efforts  
22 to notify COUNTY no less than three (3) business days prior to releasing such information.

23  
24 **XVIII. RESEARCH AND PUBLICATION**

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

27  
28 **XIX. RIGHT TO WORK AND MINIMUM WAGE LAWS**

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

36 B. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and  
37 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the

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

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

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

13  
14 **XX. SEVERABILITY**

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

20  
21 **XXI. STATUS OF CONTRACTOR**

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

32  
33 **XXII. TERM**

34 A. This specific Agreement with CONTRACTOR is only one of several agreements to which the  
35 term of this Agreement applies. This specific Agreement shall commence as specified in the Referenced  
36 Contract Provisions of this Agreement or the execution date, whichever is later. This specific  
37 Agreement shall terminate as specified in the Referenced Contract Provisions of this Agreement, unless



1 otherwise sooner terminated as provided in this Agreement; provided, however, CONTRACTOR shall  
2 be obligated to perform such duties as would normally extend beyond this term, including but not  
3 limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

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

6  
7 **XXIII. TERMINATION**

8 A. CONTRACTOR may terminate this Agreement, without cause, upon forty-five (45) calendar  
9 days notice given COUNTY.

10 B. Either party may terminate this Agreement upon fifteen (15) calendar days prior written notice  
11 given the other for material breach of the Agreement; provided, however, the alleged breaching party has  
12 been given prior written notice setting forth the facts underlying the claim that breach of this Agreement  
13 has occurred and has failed to cure the alleged breach within thirty (30) calendar days.

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

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

- 20 1. The loss of CONTRACTOR of legal capacity.
- 21 2. Cessation of services
- 22 3. The delegation or assignment of CONTRACTOR’s services, operation, or administration to  
23 another entity without prior written consent of COUNTY.

24 4. The following occurrence by any physician or licensed person employed or provided  
25 privileges by CONTRACTOR and providing services pursuant to this Agreement:

- 26 a. The neglect of any required duty.
- 27 b. The continued incapacity to perform duties.
- 28 c. Unethical conduct or malpractice
- 29 d. COUNTY may waive termination under this subparagraph XXIII.D.4 if

30 CONTRACTOR removes such physician or licensed person from serving persons treated or assisted  
31 pursuant to this Agreement.

32 5. The loss of accreditation or any license required by the License and Laws Paragraph of this  
33 Agreement.

34 6. EMERGENCY DEPARTMENT CLOSURE/LOSS OF LICENSE

35 a. CONTRACTOR shall give COUNTY thirty (30) calendar days prior written notice and  
36 shall terminate this Agreement in the event that CONTRACTOR loses its general acute care license, or  
37 no longer intends to operate at least a Basic Emergency Service, without any cure period,

1 notwithstanding any other prior or subsequent provisions of this Agreement. Such notice shall include  
2 the date that operation of its Emergency Service will cease. Payments to CONTRACTOR shall continue  
3 for services provided up to the date of termination. CONTRACTOR terminating for such reason shall  
4 pay back any funds as may be required pursuant to this Agreement.

5 b. In the event that CONTRACTOR ceases to operate at least a Basic Emergency Service  
6 at any time during this Agreement, for reasons other than those specified in Subparagraph XXIII.D.4  
7 above, and CONTRACTOR fails to notify COUNTY of said action, COUNTY shall immediately  
8 terminate this Agreement. Payments to CONTRACTOR shall continue for services provided up to the  
9 date of termination and CONTRACTOR shall pay back any funds as may be required pursuant to this  
10 Agreement.

11 E. Termination of this Agreement for any reason shall result in payment to CONTRACTOR, for  
12 emergency and stabilization services which may be provided by CONTRACTOR after termination as  
13 required by law, at rates established by COUNTY in accordance with this Agreement for Non-  
14 Contracting Hospitals.

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

22 G. If state law or a court of competent jurisdiction determines that MSN Enrollees are fully covered  
23 by the State Medi-Cal Program, or any other State program, all obligations and rights related to such  
24 persons under this Agreement shall be suspended while such state law or court order is effective, or  
25 CONTRACTOR and COUNTY shall have the right to terminate this Agreement upon ten (10) calendar  
26 days prior written notice given the other parties and without any cure period, notwithstanding any other  
27 prior or subsequent provisions of this Agreement.

28 H. CONTINGENT FUNDING

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

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

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

34 2. In the event such funding is subsequently reduced, resulting in COUNTY's inability to  
35 reimburse CONTRACTOR in accordance with Exhibit A and B to this Agreement, or terminated,  
36 COUNTY may suspend, terminate or renegotiate this Agreement upon thirty (30) calendar days' written  
37 notice to CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced funding

1 | which impacts COUNTY’s ability to reimburse CONTRACTOR in accordance with Exhibit B to the  
2 | Agreement, or terminated funding, CONTRACTOR shall not be obligated to accept the renegotiated  
3 | terms and may terminate the Agreement prior to the effective date of the renegotiated Agreement.

4 | I. AMENDMENT

5 | 1. In the event of a formal amendment to this Agreement (Amendment) which requires formal  
6 | execution by both COUNTY and CONTRACTOR, CONTRACTOR shall return a fully executed  
7 | Amendment to ADMINISTRATOR within forty-five (45) days of ADMINISTRATOR’s delivery to  
8 | CONTRACTOR of said Amendment

9 | 2. If CONTRACTOR does not return a fully executed Amendment by the date specified,  
10 | COUNTY or CONTRACTOR may terminate this Agreement; provided, however, COUNTY shall first  
11 | notify CONTRACTOR and then give thirty (30) days prior written notice to CONTRACTOR, which  
12 | notice shall be given no later than fifteen (15) days after the fully executed Amendment was due to  
13 | ADMINISTRATOR. At ADMINISTRATOR’s discretion, a cure period may be provided to  
14 | CONTRACTOR.

15 | J. In the event this Agreement is terminated by either party as allowed herein, CONTRACTOR  
16 | shall do the following:

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

19 | 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract  
20 | performance.

21 | 3. Until the date of termination, continue to provide the same level of service required by this  
22 | Agreement.

23 | 4. If patients are to be transferred to another facility for services, furnish ADMINISTRATOR,  
24 | upon request, all patient information and records deemed necessary by ADMINISTRATOR to effect an  
25 | orderly transfer.

26 | 5. Assist ADMINISTRATOR in effecting the transfer of patients in a manner consistent with  
27 | the patients’ best interests.

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

31 |  
32 | **XXIV. THIRD PARTY BENEFICIARY**

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

36 | //

37 | //



**XXV. WAIVER OF DEFAULT OR BREACH**

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

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

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4  
5 «UC\_NAME» «UC\_DBA»

6  
7 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

8  
9 TITLE: \_\_\_\_\_

10  
11  
12 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

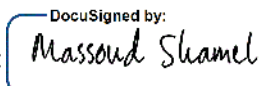
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18 COUNTY OF ORANGE

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21 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

22 HEALTH CARE AGENCY

23  
24  
25 APPROVED AS TO FORM  
26 OFFICE OF THE COUNTY COUNSEL  
27 ORANGE COUNTY, CALIFORNIA

28  
29  
30 BY:  \_\_\_\_\_ DATED: 4/17/2019

31 79055CA571A94F8...  
32 DEPUTY

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

EXHIBIT A  
 AGREEMENT FOR PROVISION OF  
 MEDICAL SAFETY NET PROGRAM NETWORK HOSPITAL SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 «UC\_NAME» «UC\_DBA»  
 JULY 1, 2019 THROUGH DECEMBER 31, 2024

**I. PREAMBLE**

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

**II. COMMON TERMS AND DEFINITIONS**

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

1. “All Providers” or “Providers” means Contracting Hospitals and Other Providers of Medical Services for the MSN Program.

2. “Allowable Costs” means a maximum of one-hundred percent (100%) of CONTRACTOR’s actual costs according to the most recent Hospital Annual Financial Data report issued by the Office of Statewide Health Planning and Development.

3. “APR-DRG” means All Patient Refined Diagnostic Related Groups and is based on the statistical system of classifying any inpatient stay into groups for the purposes of payment. The DRG classification system divides possible diagnoses into major body systems and then subdivides them into groups for purposes of payment. APR-DRG includes a more detailed DRG breakdown for non-Medicare patients and also measures severity of illness and risk of mortality.

4. “CalOptima” means is the local agency created by COUNTY to contract with the Medi-Cal program.

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

6. “Consultation” means the rendering by a specialty physician of an opinion or advice, or prescribing treatment by telephone, when determined to be medically necessary by the on-duty

1 emergency department physician and specialty physician, as appropriate. Such Consultation includes  
2 review of the MSN Patient’s medical record and may include the examination and treatment of the MSN  
3 Patient in person, when appropriate, by a specialty physician who is qualified to give an opinion or  
4 render treatment necessary to stabilize the MSN Patient.

5 7. “Continuously” means without interruption, twenty-four (24) hours per day throughout the  
6 term of this Agreement.

7 8. “Contracting ED Hospital” means a hospital that has executed an Agreement for Provision  
8 of Emergency and Stabilization Hospital Services for the MSN Program with COUNTY.

9 9. “Contracting Hospital” means collectively, both Contracting Network Hospitals and  
10 Contracting ED Hospitals.

11 10. “Contracting Network Hospital” means a hospital that has executed an Agreement for  
12 Provision of Network Hospital Services for the MSN Program with COUNTY that is the same as this  
13 Agreement.

14 11. “Covered California” means the California Health Benefit Exchange, an independent public  
15 entity within the California State government, responsible for providing financial assistance and  
16 organizing a marketplace for low-income and other California residents to compare and choose  
17 affordable health insurance coverage.

18 12. “Emergency Services” means Basic Emergency Medical Services, or Comprehensive  
19 Emergency Medical Services, as provided for in Title 22, Sections 70411 et seq.

20 13. “Emergency and Stabilization Hospital Services” means those specific Hospital Services  
21 that are reimbursable to Contracting Hospitals as set forth in Paragraph IV of this Exhibit A to the  
22 Agreement and further defined as follows:

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

29 b. “Medically Stable” means when an acute care MSN Patient is able to reasonably sustain  
30 a transport in an Emergency Medical Technician I (EMT I) staffed ambulance, with no expected increase  
31 in morbidity or mortality, as determined by the treating physician.

32 c. “Post Stabilization Services” means medically necessary Hospital Services provided by  
33 CONTRACTOR after the MSN Patient is considered to be Medically Stable following an Emergency  
34 Medical Condition, which may include, but not be limited to continued hospitalization and/or Outpatient  
35 Hospital Services.

36 //  
37 //

1 d. "Stabilization Services" means Hospital Services provided in an emergency department  
2 and/or an inpatient setting to a MSN Patient, admitted through CONTRACTOR's Emergency  
3 Department, up to the point the MSN Patient is considered to be Medically Stable for transport.

4 14. "Fiscal Year" means the period from July 1 through June 30.

5 15. "Funds" means any payments, transfers, or deposits made by COUNTY, and any refunds,  
6 repayments, adjustments, earned interest or other payments made by, or recovered from, Contracting  
7 Hospital, Other Providers, patient, third-party, or other entity as the result of any duty arising pursuant to  
8 this Exhibit A and Exhibit B of this Agreement.

9 16. "HASC" means the Hospital Association of Southern California authorized by  
10 CONTRACTOR, in accordance with the Agreement to act as a representative of all Contracting ED  
11 Hospitals and Contracting Hospitals for the purpose of distributing and/or coordinating any notices,  
12 agreements, and/or amendments which may be provided by ADMINISTRATOR. Delivery of executed  
13 agreements and/or amendments to HASC shall be deemed as being delivered to ADMINISTRATOR.

14 17. "Hospital" for purposes of this Agreement, means a general acute care facility licensed by  
15 the State of California that is located in the County of Orange or is Long Beach Memorial Medical  
16 Center.

17 18. "Hospital Claim" means a claim submitted by a Contracting Network Hospitals for  
18 reimbursement of Hospital Services.

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

22 20. "Inappropriate Enrollee Referral" means a patient referral by any Hospital to another  
23 Hospital, in a manner not specifically identified or provided for in this Agreement, when the referring  
24 Hospital had, or should have had, the personnel, facilities, equipment, and expertise to treat the patient  
25 within the scope of the said Hospital's licensure; excepting, however, unforeseen and/or unpreventable  
26 circumstances as documented in the patient's medical record.

27 21. "Intermediary" means the organization, under a separate agreement, and any amendments  
28 thereto, with COUNTY, contracted to act as a fiscal intermediary for the purpose of reimbursing all  
29 providers in accordance with this Agreement and other specified agreements for the MSN Program.

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

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

36 24. "Medically Stable" – see definition for Emergency and Stabilization Services.

37 //

1 25. “MSN Program” means the County’s Program responsible for its California Welfare &  
2 Institutions Code (W&I) 17000 obligations, which at the execution of this Agreement will be known as  
3 the Medical Safety Net Program.

4 26. “MSN Funding” means the amount of funds identified by COUNTY for reimbursement of  
5 all MSN Program Services, including those specified in this Exhibit A to this Agreement.

6 27. “MSN Enrollee” or “Enrollee” means a person meeting the eligibility criteria set by  
7 ADMINISTRATOR in order to meet its obligations under W&I 17000 and whose application has been  
8 accepted and approved, resulting in enrollment in the MSN Program.

9 28. “MSN Patient” means a person who is either an MSN Enrollee or MSN Pending.

10 29. “MSN Pending” means a person believed to meet the eligibility requirements for enrollment  
11 into the MSN Program and whose MSN Program application has been submitted but not yet approved.

12 30. “MSN Program Services” means:

13 a. All medical and administrative services for which reimbursement is authorized by this  
14 Agreement and all other agreements for the MSN Program, and;

15 b. Administrative services provided directly by COUNTY for which costs are directly  
16 incurred by COUNTY.

17 31. “Non-Contract Hospital” means any Hospital that is neither a Contracting ED Hospital or a  
18 Contracting Network Hospital.

19 32. “Other Provider” means a Contracting ED Hospital, Non-Contract Hospital, physician,  
20 osteopath, podiatrist, dentist, clinic, ambulance operator, home health services provider, pharmacy, or  
21 supplier of durable medical equipment.

22 33. “Outpatient Hospital Services” means, for the purposes of this Agreement, medical or  
23 surgical care performed at a Hospital for which there is no expectation of being admitted as an inpatient.

24 34. “Post Stabilization Services” – See definition for Emergency and Stabilization Services

25 35. “Recovery Account” means a separate account for monies recovered by Intermediary from  
26 Contracting Hospitals, Other Providers, or third-party payers.

27 36. “Recuperative Care” or “Recuperative Care Day” means post-hospital room and board  
28 provided by a community-based provider to MSN Patients transitioning out of CONTRACTOR’s acute  
29 care facility. Additional health care services may be arranged by the CCU to be provided by a home  
30 health care and/or durable medical equipment providers, which services shall be reimbursed separately  
31 by the MSN Program.

32 37. “Skilled Nursing Facility (SNF)” means a health facility or distinct part of a hospital which  
33 provides, under a separate agreement with COUNTY, continuous skilled nursing and supportive care to  
34 MSN Enrollees in lieu of acute hospitalization.

35 38. “Special Permit Medical Service” means a burn center service, cardiovascular surgery  
36 service, radiation therapy service, trauma center service, renal transplant center service, acute psychiatric  
37 service, or a service provided by a hospital with a special rehabilitation unit licensed in accordance with



1 appropriate laws and, if applicable, with Section 70351 et seq. of Title 22. Special Permit Medical  
2 Services shall also include such types or kinds of transfers as may be approved in writing by  
3 ADMINISTRATOR.

4 39. “Special Permit Transfer” means a MSN Patient, who needs a Special Permit Medical  
5 Service that is not available from a Hospital, which another Hospital elects to accept for treatment.

6 40. “Stabilization Services” – see definition for Emergency and Stabilization Services

7 41. “Transfer Patient” means a person accepted by CONTRACTOR, or transferred by a hospital  
8 to another hospital or health facility without prior approval of ADMINISTRATOR.

9 42. “Trauma Hospital” means a Hospital that is designated to treat severe physical trauma as a  
10 result of the specialized training of its staff and the availability of appropriate diagnostic and treatment  
11 tools.

12 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
13 Common Terms and Condition Paragraph of this Exhibit A to the Agreement.

14  
15 **III. HOSPITAL OBLIGATIONS**

16 A. CONTRACTOR shall continuously provide MSN Network Hospital Services to persons  
17 meeting eligibility criteria and presenting for treatment through CONTRACTOR’s Emergency  
18 Department. Such MSN Network Hospital Services shall include, but not be limited to inpatient,  
19 outpatient, ancillary, laboratory, and pharmaceutical services provided by CONTRACTOR or its  
20 subcontractors, in accordance with applicable law.

21 B. CONTRACTOR shall not allow or cause available MSN Network Hospital Services to be  
22 reduced below the licensure level and associated scope available at commencement of this Agreement,  
23 unless, due to circumstances beyond CONTRACTOR’s control, CONTRACTOR lacks appropriate  
24 facilities and/or personnel qualified to provide MSN Network Hospital Services. Such a reduction shall  
25 be a breach of this Agreement and may be cause for termination.

26 C. By all appropriate means available, CONTRACTOR shall assure that it meets licensing  
27 requirements, including physician staffing and physician support of its Emergency Service, to provide  
28 Hospital Services to MSN Patients under this Agreement.

29 D. CONTRACTOR shall continuously maintain and provide Emergency Services.

30 1. CONTRACTOR shall comply with the Emergency Medical Treatment and Active Labor  
31 Act, (specifically 42 CFR 413.65), herein referred to as EMTALA, as it exists now or may hereafter be  
32 amended.

33 2. Said regulations require that CONTRACTOR provide Emergency Services to persons  
34 covered by this Agreement who present anywhere on CONTRACTOR’s campus and request Emergency  
35 Services, or who would appear to a reasonably prudent person to be in need of medical attention.

36 a. “Campus” means the physical area immediately adjacent to CONTRACTOR’s main  
37 buildings, other areas and structures that are not strictly contiguous to the main buildings but are located

1 within two hundred and fifty (250) yards of the main buildings, and any other areas, determined on an  
2 individual case basis, by the Centers for Medicare and Medicaid Services regional office, to be part of  
3 CONTRACTOR’s campus.

4 E. For persons presenting at CONTRACTOR’s facility, MSN Eligibility shall be verified  
5 electronically.

6 F. CONTRACTOR shall designate and maintain sufficient staff to serve as Certified MSN  
7 Application Technicians (CMAT)

- 8 1. To screen patients for current Medi-Cal, Covered California, or MSN eligibility, and
- 9 2. To expeditiously obtain and screen information and complete MSN Program applications as  
10 required by this Agreement.

11 3. If a patient is not enrolled in Medi-Cal, MSN, or Covered California, is a citizen or legal  
12 resident, and lacks sufficient financial resources to pay for services, CONTRACTOR’s CMAT shall:

- 13 a. Refer patients who appear to be Medi-Cal eligible to COUNTY’s Social Services  
14 Agency.
- 15 b. Complete an MSN Program application for patients who appear to be MSN or Covered  
16 California eligible. COUNTY shall make the final determination as to which program patients shall be  
17 made eligible.
- 18 c. Submit MSN applications, as specified by ADMINISTRATOR, to the “Application  
19 Processor,” which, at execution of this Agreement, shall be NetChemistry, but may be changed upon  
20 thirty (30) calendar day’s written notice by ADMINISTRATOR.

21 G. CONTRACTOR shall provide Hospital Services in the same manner to MSN Patients as it  
22 provides Hospital Services to all other patients with the same medical need or condition and shall not  
23 discriminate against said MSN Patients in any manner, including: admission practices, disregard to  
24 place of residency within the County, timely access to care and services considering the urgency of the  
25 service needed, placement in special wings or rooms, or provision of special or separate meals.

26 1. ADMINISTRATOR shall notify CONTRACTOR and investigate allegations of  
27 discrimination in the provision of services on the basis of the patient’s status as an MSN Patient,  
28 including but not limited to denial of care based on the MSN Patient’s place of residence.

29 2. In the event that CONTRACTOR is determined by ADMINISTRATOR to have  
30 discriminated in the provision of MSN Network Hospital Services on the basis of the patient’s status as  
31 an MSN Patient, ADMINISTRATOR shall advise the Intermediary to levy appropriate financial  
32 penalties for each occurrence against CONTRACTOR, which may include but is not limited to one (1)  
33 or more of the following:

- 34 a. Denial of the Hospital Claim associated with the Hospital Services
- 35 b. If the Hospital Claim associated with the Hospital Services has been paid, withhold of  
36 any future reimbursement for Hospital Claims up to the amount of the subject Hospital Claim.

37 //



1 c. If the discrimination in Hospital Services results in services being provided by another  
2 Hospital, any payment by COUNTY to any other Hospital for services that should have been provided  
3 by CONTRACTOR shall be deducted from any amount due CONTRACTOR.

4 d. Termination of this Agreement; provided however, CONTRACTOR at its sole  
5 discretion may become a Contracting ED Hospital.

6 H. CONTRACTOR shall provide interpreters, as needed by persons seeking MSN Network  
7 Hospital Services, in accordance with applicable law.

8 I. As a condition of reimbursement for Hospital Services provided by CONTRACTOR to all  
9 persons covered by this Agreement, CONTRACTOR shall:

10 1. Return a fully executed Agreement, along with a completed Rate Certification Form as  
11 required in Paragraph VI.A. of Exhibit B of this Agreement, to ADMINISTRATOR within forty-five  
12 (45) calendar days of ADMINISTRATOR's delivery of Agreement to CONTRACTOR, or HASC on  
13 behalf of CONTRACTOR.

14 a. If CONTRACTOR does not return a fully executed Agreement and a completed Rate  
15 Certification Form, in accordance with Paragraph VI.B of Exhibit B to this Agreement, to  
16 ADMINISTRATOR or HASC within the specified timeframe, reimbursement for services provided to  
17 MSN Enrollees shall be made at Non-Contract Hospital rates as set forth in Exhibit B of this Agreement  
18 until such time the executed Agreement is received. In such instances, reimbursement at Contracting  
19 Network Hospital rates shall be effective upon receipt of the executed Agreement and shall not be  
20 retroactive.

21 b. Any Hospital that does not become a Contracting ED Hospital or Contracting Network  
22 Hospital and elects to provide any Hospital Services to any MSN Patient shall be reimbursed by  
23 COUNTY at Non-Contract Hospital rates.

24 J. CONTRACTOR shall comply with all requirements set forth herein, including, but not limited  
25 to, Exhibit A and Exhibit B of this Agreement, and with all provisions of the MSN Provider Manual as  
26 it exists now or may hereafter be amended which is available at  
27 <http://ochealthinfo.com/about/medical/providers/news>.

28 K. CONTRACTOR must notify COUNTY's CCU within twenty-four (24) hours of verifying an  
29 MSN Enrollee admission.

30 1. The CCU shall be available five (5) days per week during normal business hours, excluding  
31 COUNTY holidays. Any obligation of CONTRACTOR to communicate with the CCU, pursuant to this  
32 Agreement, that falls outside the CCU's hours of operation may be performed on the next regular  
33 business day.

34 2. CONTRACTOR shall notify the CCU within twenty-four (24) hours of verifying an MSN  
35 Enrollee admission via telephone, fax transmission or other reporting mechanism as established by  
36 ADMINISTRATOR.

37 //

1 3. CONTRACTOR must send MSN Enrollee information to the CCU for concurrent review  
2 within twenty-four (24) hours of the MSN Enrollee’s admission to CONTRACTOR.

3 4. CONTRACTOR shall assist the CCU in the evaluation of the MSN Enrollee’s medical  
4 stability and need for the MSN Enrollee’s continued hospitalization. The parties agree that the CCU  
5 cannot authorize any transfers, admissions to lower level of care or other referrals for patients who are  
6 MSN Pending.

7 5. If the patient is MSN Pending, and the patient is later determined to be an MSN Enrollee,  
8 reimbursement to Contractor shall be at Contracting Network Hospital rates as specified in Paragraph VI  
9 of Exhibit B to this Agreement.

10 6. If CONTRACTOR determines that an MSN Enrollee admitted to CONTRACTOR’s facility  
11 no longer meets the criteria for acute care and requires discharge to a lower level of care program,  
12 CONTRACTOR shall notify the CCU within twenty-four (24) hours of that determination to arrange for  
13 the transfer of the MSN Enrollee to a lower level of care, which may include Recuperative Care.

14 7. CONTRACTOR shall notify the CCU if an MSN Enrollee will be transferred to  
15 Recuperative Care.

16 a. CONTRACTOR shall make arrangements to transfer the MSN Enrollee to a provider of  
17 Recuperative Care.

18 b. CONTRACTOR shall be responsible for reimbursement to the Recuperative Care  
19 provider. COUNTY shall reimburse CONTRACTOR for the actual cost of Recuperative Care Days as  
20 specified in Exhibit B to this Agreement, up to ten (10) calendar days. CONTRACTOR must obtain  
21 authorization from the CCU for reimbursement of days provided after ten (10) calendar days.

22 c. Use of a Recuperative Care provider shall be at the discretion of CONTRACTOR.

23 8. CONTRACTOR shall send MSN Enrollee discharge information within seventy-two (72)  
24 hours of discharge to the CCU. CONTRACTOR’s failure to meet this requirement may result in denial  
25 of patient days if the patient remained in CONTRACTOR’s facility post-stabilization without  
26 documentation of continued medical necessity for the stay. If the timeline for the transfer of information  
27 occurs on a weekend or holiday, CONTRACTOR may send the information to the CCU on the next  
28 business day.

29 9. CONTRACTOR shall accept the transfer of MSN Enrollees initially receiving Emergency  
30 and Stabilization Services at Contracting ED Hospital or Non-Contact Hospital. CONTRACTOR shall  
31 not be obligated by this Agreement to accept the transfer of MSN Pending.

32 10. In addition to Emergency and Stabilization Services, CONTRACTOR agrees to provide all  
33 services determined to be medically necessary to MSN Enrollees and within CONTRACTOR’s scope of  
34 licensure. “Medically necessary” shall mean Hospital Services, including Outpatient Hospital Services,  
35 provided to a patient for the purpose of evaluating, diagnosing, or treating an illness, injury, disease or  
36 its symptoms and that are:

37 //

- 1 a. In accordance with generally accepted standards of medical practice;
- 2 b. Clinically appropriate in terms of type, frequency, extent, site and duration, and
- 3 considered effective for the MSN Patient’s illness, injury or disease;
- 4 c. Not primarily for the convenience of the MSN Enrollee, CONTRACTOR, or Physician
- 5 and not more costly than an alternative service or sequence of services at least as likely to produce
- 6 equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that MSN Enrollee’s
- 7 illness, injury, or disease; and
- 8 d. Within the scope of the MSN Program in accordance with this Agreement and the MSN
- 9 Provider Manual.

10 11. All referrals to another Contracting Network Hospital shall be coordinated through the  
 11 CCU. CONTRACTOR shall not make Inappropriate Enrollee Referrals to another Contracting Network  
 12 Hospital.

13 a. ADMINISTRATOR shall notify all involved parties and investigate allegations of  
 14 Inappropriate Enrollee Referrals in accordance with procedures contained in the most current MSN  
 15 Provider Manual. ADMINISTRATOR may request that the Medical Policy Committee (MPC) assist  
 16 with the investigation of any inappropriate Enrollee referral.

17 b. In the event that CONTRACTOR is determined by ADMINISTRATOR to have made  
 18 an Inappropriate Enrollee Referral, ADMINISTRATOR shall advise the Intermediary to levy appropriate  
 19 financial penalties for each occurrence against CONTRACTOR, which may include, but not be limited  
 20 to, one or more of the following:

- 21 1) Denial of the Hospital Claim associated with the Hospital Services
- 22 2) If the Hospital Claim associated with the Hospital Services has been paid, withhold
- 23 any future reimbursement for Hospital Claims up to the amount of the subject Hospital Claim
- 24 3) Termination of this Agreement; provided however, CONTRACTOR at its sole
- 25 discretion may request to become a Contracting ED Hospital.

26 12. Special Permit Transfer

27 a. If CONTRACTOR has an MSN Enrollee, who is Medically Stable as defined under  
 28 EMTALA, that requires Special Permit Medical Services, CONTRACTOR shall contact the CCU to  
 29 request the transfer of said MSN Enrollee to, at the discretion of ADMINISTRATOR, a Contracting  
 30 Hospital or other facility capable of providing said services.

- 31 1) If transfer can be arranged, in accordance with applicable law, the CCU shall make
- 32 necessary arrangements as soon as possible.
- 33 2) CONTRACTOR shall cooperate with and assist the CCU and Contracting Hospital
- 34 or other facility accepting the MSN Enrollee.

35 b. ADMINISTRATOR may negotiate, as reimbursement for accepting a Medically Stable  
 36 MSN Enrollee, as defined under EMTALA, Special Permit Transfer, rates appropriate for securing care,  
 37 as mutually agreed upon, in writing, between the other facility and ADMINISTRATOR.

1 L. Any Hospital Service, including Recuperative Care, provided by CONTRACTOR to MSN  
2 Pending who subsequently become MSN Enrollees shall be reimbursed in accordance with MSN  
3 Program guidelines as specified herein and in the MSN Provider Manual.

4 M. Reimbursement provided through this Agreement shall be payment of last resort.

5 1. CONTRACTOR shall bill and attempt collection of Medi-Cal, any type of third-party  
6 settlement, primary coverage, or other insurance covered claims to the full extent of such coverage and,  
7 upon submission of any Hospital Claim, shall submit to the Intermediary, proper documentation  
8 demonstrating compliance with this requirement.

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

12 a. Collection of co-payments established by the MSN Program for Hospital Services.  
13 Nothing herein shall prevent CONTRACTOR from pursuing co-payment reimbursement from any MSN  
14 Enrollee. Nothing in this paragraph shall prohibit CONTRACTOR from applying any uncollected  
15 portion of an MSN Enrollee's co-payments amounts toward CONTRACTOR's charity care and bad debt  
16 write-off policy.

17 b. All required co-payments shall be deducted, by Intermediary, from reimbursement due  
18 CONTRACTOR; provided, however, if a co-payment is to be waived in accordance with this  
19 Agreement, these amounts shall not be deducted by Intermediary from reimbursement due  
20 CONTRACTOR.

21 c. For claims covered by Medi-Cal, any third-party settlement, primary, or other  
22 insurance, including those received by or on behalf of an MSN Patient, CONTRACTOR shall attempt to  
23 bill and collect to the full extent of coverage those claims covered by all known third-party, primary, or  
24 other insurance or third-party payers.

25 d. If CONTRACTOR becomes aware of any third-party, primary, or other insurance or a  
26 third-party settlement, including those received by or on behalf of an MSN Patient after reimbursement  
27 is made by Intermediary, nothing herein shall prevent CONTRACTOR from pursuing reimbursement  
28 from these sources; provided, however, that CONTRACTOR shall comply with Paragraph V.G. of  
29 Exhibit B to this Agreement. Nothing in this paragraph shall prohibit CONTRACTOR from applying  
30 any unreimbursed portion of CONTRACTOR's charges toward CONTRACTOR's charity care and bad  
31 debt write-off policy.

32 N. CONTRACTOR shall assist COUNTY and Intermediary in the conduct of any appeal hearings  
33 conducted by COUNTY or Intermediary in accordance with this Agreement.

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

36 P. CONTRACTOR shall make its best efforts to provide services pursuant to this Agreement in a  
37 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR

1 shall be in compliance with current Joint Commission Requirements Related to the Provision of  
2 Culturally and Linguistically Appropriate Health Care. If CONTRACTOR is not accredited by The  
3 Joint Commission, CONTRACTOR shall maintain documentation of such efforts which may include,  
4 but not be limited to: records of participation in COUNTY-sponsored or other applicable training;  
5 recruitment and hiring policies and procedures; copies of literature in multiple languages and formats, as  
6 appropriate; and descriptions of measures taken to enhance accessibility for, and sensitivity to, persons  
7 who are physically challenged.

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

13 R. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
14 Hospital Obligations Paragraph of this Exhibit A to the Agreement.

15  
16 **IV. GUIDELINES FOR REIMBURSABLE MEDICAL SERVICES**

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

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

23 1. Acute hospital inpatient services, including room and board, diagnostic and therapeutic  
24 ancillary services, laboratory, therapy services, anesthesia services, pharmacy services, and other acute  
25 hospital inpatient services necessary to the care of the patient.

26 2. Emergency Services including ancillary services, laboratory, therapy services, anesthesia  
27 services, pharmacy services, diagnostic and therapeutic services.

28 3. Outpatient Hospital Services including hospital based surgical center services, ancillary  
29 services, laboratory, therapy services, anesthesia services, pharmacy services and other services as may  
30 be authorized by ADMINISTRATOR.

31 4. Blood and blood derivatives.

32 5. Prosthetic and medical supplies.

33 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
34 Guidelines for Reimbursement Medical Services Paragraph of this Exhibit A to the Agreement.

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**V. FUNDING AND PAYMENTS**

A. COUNTY shall pay the Intermediary an amount sufficient to reimburse Hospital Claims in accordance with Exhibit B to this Agreement.

1. Payment by the Intermediary to CONTRACTOR for Hospital Services shall be contingent upon ADMINISTRATOR’s receipt or confirmation of receipt of a fully executed Agreement and Rate Certification Form from CONTRACTOR in accordance with Paragraph III.B of this Exhibit A to the Agreement for Period One. Payment by the Intermediary to CONTRACTOR for Period Two, Period Three, Period Four, and Period Five shall be contingent upon receipt of an updated Rate Certification Form in accordance with subparagraph VI.B of Exhibit B to this Agreement.

2. Any Hospital that does not become a Contracting ED Hospital or Contracting Network Hospital and elects to provide any Hospital Services to any MSN Enrollee shall be reimbursed by COUNTY at the Non-Contract Hospital rates.

B. Sub-Acute Services – COUNTY shall pay the Intermediary the amount necessary to cover reimbursement for Sub-Acute Services in accordance with letter(s) of agreement as may be negotiated by ADMINISTRATOR for such services. These services may include, but are not limited to, Sub-Acute and Skilled Nursing Facility Services.

C. Special Permit Transfer – COUNTY shall pay Intermediary the amount necessary to cover reimbursement for Special Permit Transfer Services as allowed in subparagraph III.K.12 of this Exhibit A to the Agreement. This Agreement shall not obligate CONTRACTOR to accept a transfer from, nor to provide compensation to, any other health care facility, subject to requirements of applicable law.

D. COUNTY shall not reimburse CONTRACTOR for services provided to Transfer Patients.

E. ADMINISTRATOR may withhold or delay any payment due CONTRACTOR for failure to comply with any of the terms of this Agreement.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Funding and Payment Paragraph of this Exhibit A to the Agreement.

**VI. COUNTY OBLIGATIONS**

A. ADMINISTRATOR shall provide oversight of the MSN Program, including appropriate program administration, coordination, planning, evaluation, financial and contract monitoring, public information and referral, standards assurance, and review and analysis of data gathered and reported. Any administrative duty or obligation to be performed pursuant to this Agreement on a weekend or holiday may be performed on the next regular business day.

B. ADMINISTRATOR shall establish, either directly and/or through subcontract(s), a Care Coordination Unit (CCU) which shall:

1. Coordinate and make arrangements for the medical needs and care of MSN Enrollees. The CCU shall not be responsible for the coordination of the social services needs of such patients.

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1 2. Perform concurrent and retrospective utilization review of the medical appropriateness,  
2 level of care, and utilization of all services provided to MSN Patients by All Providers. The parties  
3 understand that the CCU shall use the latest available version of the Milliman Continuum of Care  
4 Criteria, or other appropriate criteria as approved by ADMINISTRATOR, as its guideline for such  
5 utilization review. ADMINISTRATOR acknowledges that CONTRACTOR may use Interqual criteria  
6 for similar purposes within its own operations and with this understanding:

7 a. Prior to recommendation of any adjustment in the level of care or denial of any  
8 inpatient day provided by CONTRACTOR that does not meet continuum of care criteria used by the  
9 CCU, the CCU shall notify CONTRACTOR of a pending recommendation within two (2) business days  
10 of such determination.

11 b. CONTRACTOR shall have the opportunity to provide written justification, within two  
12 (2) business days after receiving written notice of recommendation, to the CCU which justification may  
13 include the application of Interqual criteria and/or other supporting information, as CONTRACTOR  
14 deems necessary.

15 c. If the CCU subsequently recommends the adjustment and/or denial of the inpatient day,  
16 CONTRACTOR shall have the right to appeal the decision to the Medical Policy Committee, as  
17 established by ADMINISTRATOR.

18 d. Intermediary shall reimburse hospital based on the determination of the CCU or  
19 Medical Policy Committee as appropriate.

20 3. Communicate with CONTRACTOR regarding diversions, patient transfers, admissions, and  
21 discharge planning.

22 4. Assist in coordinating the transitions of MSN Patients to appropriate outpatient care, lower  
23 levels of care or other needed services through COUNTY contracted providers for skilled nursing  
24 facilities, durable medical equipment, pharmacy services and home health care.

25 C. When needed services are not available through any Contracting Network Hospital,  
26 ADMINISTRATOR may negotiate separate Letters of Agreement with rates appropriate for securing  
27 care for the provision of such services with other Contracting ED Hospitals, or Non-Contract Hospitals,  
28 including those that may not be located in Orange County.

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

32 E. Except as provided herein with respect to discrimination of care to MSN Patients, COUNTY  
33 shall neither have, nor exercise, any control or direction over the methods by which CONTRACTOR  
34 shall perform its obligations under this Agreement. The standards of medical care and professional  
35 duties of CONTRACTOR's employees providing Hospital Services under this Agreement shall be  
36 determined, as applicable, by CONTRACTOR's Board of Directors and the standards of care in the  
37 //

1 community in which CONTRACTOR is located and all applicable provisions of law and other rules and  
2 regulations of any and all governmental authorities relating to licensure and regulation of  
3 CONTRACTOR.

4 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
5 COUNTY Obligations Paragraph of this Exhibit A to the Agreement.

6  
7 **VII. COMMITTEES/GROUPS**

8 A. A Medical Policy Committee (MPC) shall be formed by ADMINISTRATOR which shall meet  
9 bi-annually and may meet less frequently as determined by ADMINISTRATOR.

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

- 11 1. EHS Program Medical Director who shall serve as Chairperson of the Committee
- 12 2. Multiple Physicians from the private sector, hospital and clinic communities.
- 13 3. A minimum of two additional representatives from the MSN Program
- 14 4. Representative from the Care Coordination Unit, who may also be one of the  
15 representatives from the MSN Program as specified in B.3 above.

16 5. Pharmacy Consultant

17 6. MSN Program Public Health Nurse(s), who may also be one of the representatives from the  
18 MSN Program as specified in B.3 above.

19 C. The MPC shall adopt and follow rules as it deems necessary to carry out its responsibilities.

20 D. The duties of the MPC shall include, but not be limited to, the following:

21 1. Prospective and retrospective review of services rendered and their medical  
22 appropriateness.

23 2. Review of procedures, treatments, and therapies, consistent with MSN Program benefits, for  
24 inclusion in, or deletion from, the MSN Program's scope of covered services.

25 3. Review of medical policy as it relates to patient treatment and community standards of care.

26 4. Approval of modifications, deletions, and additions to the list of services for which All  
27 Providers will be recommended to seek pre-authorization from COUNTY's CCU.

28 5. Review and ruling on any appeals brought before the MPC.

29 6. Enlisting the expertise of specialists when indicated.

30 E. Decisions of the MPC shall be binding and final.

31 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
32 Committees/Groups Paragraph of this Exhibit A to the Agreement.

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**VIII. REPORTS**

A. Upon CONTRACTOR’s request, COUNTY shall provide or cause the Intermediary to provide, a complete copy of any data and reports prepared by the Intermediary in accordance with this Agreement between COUNTY and the Intermediary for services relating to the MSN Program.

B. As directed by COUNTY, CONTRACTOR shall compensate either the Intermediary or COUNTY for the cost of any record and data duplication under this paragraph; provided, however any reports sent electronically shall be at no additional cost.

C. CONTRACTOR shall not be entitled to any MSN Patient identifying information under this subparagraph. Nothing in this subparagraph shall affect the ability of CONTRACTOR to examine records it submits.

D. ADMINISTRATOR Reporting – ADMINISTRATOR shall provide the following reports to HASC, Contracting Network Hospitals, and Contracting ED Hospitals, which reporting shall continue until December 31 following the end of each Fiscal Year. Unless otherwise specified, the reports shall be provided bi-annually beginning October 1 of Period One. The following reports may be combined, in all or in part:

1. Year-to-Date MSN Funding Expenditures showing administrative and health services expenditures separately

2. Other reports as mutually agreed upon between ADMINISTRATOR, Contracting Network Hospitals and Contracting ED Hospitals.

3. All reports shall also available at <http://ohealthinfo.com/about/medical/providers/news>.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports Paragraph of this Exhibit A to the Agreement.

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1 EXHIBIT B  
 2 AGREEMENT FOR PROVISION OF  
 3 MEDICAL SAFETY NET PROGRAM NETWORK HOSPITAL SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 «UC\_NAME» «UC\_DBA»  
 8 JULY 1, 2019 THROUGH DECEMBER 31, 2024

9  
10 **CLAIMS AND DISBURSEMENTS**

11  
12 **I. PREAMBLE**

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

18  
19 **II. SATISFACTION OF COUNTY OBLIGATION**

20 In consideration of payments made by COUNTY through its Intermediary for Hospital Services  
21 provided to MSN Patients pursuant to this Agreement, COUNTY’s obligation to CONTRACTOR and  
22 persons for whom it may have any legal obligation to provide Hospital Services shall be satisfied.

23  
24 **III. CONDITIONS OF REIMBURSEMENT**

25 A. As a condition of reimbursement through this Agreement, all claims for reimbursement of  
26 Hospital Services provided to Enrollees shall be:

27 1. Claims for Hospital Services provided during each Period of this Agreement, as enumerated  
28 in the Referenced Contract Provisions, except for:

- 29 a. Claims for Hospital Services covered by a court order.
- 30 b. Claims for Hospital Services if eligibility for a person is established by COUNTY after  
31 the claims submission deadline for the applicable contract period.

32 2. Submitted electronically and completed in accordance with this Agreement. Paper claims  
33 shall not be accepted without prior authorization of ADMINISTRATOR.

34 3. Initially received by the Intermediary no later than ninety (90) calendar days following the  
35 date of service; provided, however, that claims shall be received no later than

- 36 a. September 30, 2020 for Period One.
- 37 b. September 30, 2021 for Period Two.

- 1 c. September 30, 2022 for Period Three.
- 2 d. September 30, 2023 for Period Four.
- 3 e. September 30, 2024 for Period Five.

4 B. The Intermediary should initially approve or deny all claims no later than

- 5 1. October 31, 2020 for Period One.
- 6 2. October 31, 2021 for Period Two.
- 7 3. October 31, 2022 for Period Three.
- 8 4. October 31, 2023 for Period Four.
- 9 5. October 31, 2024 for Period Five.

10 C. The Intermediary should reimburse all approved claims as soon as possible, and in no event  
11 later than sixty (60) calendar days following the end of the month in which the claim was approved,  
12 unless otherwise approved by ADMINISTRATOR.

13 D. Except as otherwise specified in this paragraph, any unapproved claims for Hospital Services  
14 shall be void after

- 15 1. November 30, 2020 for Period One.
- 16 2. November 30, 2021 for Period Two.
- 17 3. November 30, 2022 for Period Three.
- 18 4. November 30, 2023 for Period Four.
- 19 5. November 30, 2024 for Period Five.

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

- 22 1. The Notice of Action establishing MSN eligibility was generated after June 30 of the  
23 applicable Period.
- 24 2. More information is requested by ADMINISTRATOR and/or Intermediary to further  
25 consider an appeal.
- 26 3. ADMINISTRATOR and/or Intermediary discover any irregularities in claims payment or  
27 denial.
- 28 4. Any payment for the above Hospital Claims occurring after December 31, shall be deemed  
29 "Exception Claims" and shall be paid from Exception Funding as specified in COUNTY's agreement  
30 with the Intermediary.

31 F. CONTRACTOR must submit all Hospital Claims to Intermediary, whether or not, due to  
32 CONTRACTOR's collection of the co-payment from the MSN Patient. The Hospital Claims are  
33 eligible for reimbursement, as specified in Paragraph VI of this Exhibit B to the Agreement.

34 G. Unless otherwise directed by ADMINISTRATOR, all Hospital Claims shall be submitted to:  
35 Advanced Medical Management, Inc.  
36 PO BOX 3689  
37 Long Beach, CA 90853

1 H. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
2 Conditions of Reimbursement Paragraph of this Exhibit B to the Agreement.

3  
4 **IV. CLAIM DENIAL/APPEAL**

5 A. CONTRACTOR shall be notified, in writing, of the reason for a denial of any claim(s).

6 B. Notice shall be deemed effective:

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

9 2. When faxed, transmission confirmed; or

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

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

15 D. CONTRACTOR may appeal claims denied by the Intermediary to the Intermediary in  
16 accordance with procedures set forth by ADMINISTRATOR in the MSN Provider Manual and as set  
17 forth by Intermediary on the back of the Explanation of Benefits (EOB) form. Such appeal shall be  
18 made, in writing using the appeal form required by the Intermediary, no later than thirty (30) calendar  
19 days after notification of denial.

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

22 2. If the appeal is subsequently denied by the Intermediary, CONTRACTOR within thirty (30)  
23 calendar days of receipt of the denied appeal, may submit an appeal to the MPC.

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

27 F. All appeals of denied claims shall be heard and decided no later than

28 1. November 15, 2020 for Period One

29 2. November 15, 2021 for Period Two

30 3. November 15, 2022 for Period Three

31 4. November 15, 2023 for Period Four

32 5. November 15, 2024 for Period Five

33 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Claim  
34 Denial/Appeal Paragraph of this Exhibit B to the Agreement.

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**V. THIRD PARTY, PRIMARY, OR OTHER INSURANCE CLAIMS**

A. Reimbursement provided through this Agreement shall be payment of last resort. Prior to submitting any claim to the Intermediary for reimbursement of Hospital Services provided to an Enrollee, CONTRACTOR shall:

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

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

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

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

D. CONTRACTOR shall report to the Intermediary any payments received from a third party, primary or other insurance covered claims.

E. ADMINISTRATOR shall not reimburse deductibles or co-payments required by an Enrollee's third party, primary or other insurance coverage. ADMINISTRATOR shall also not reimburse co-payments required by the MSN Program.

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

**G. Provider Refunds of Claims Covered By Other Payments**

1. If CONTRACTOR, through its own efforts, identifies Medi-Cal coverage, third party settlement, primary or other insurance coverage for services reimbursed through this Agreement, CONTRACTOR shall, within thirty (30) calendar days of such identification, unless disputed in accordance with subparagraph G.2. below, to reimburse the Intermediary an amount equal to the MSN payment. If Medi-Cal coverage, third party settlement, primary or other insurance coverage is identified due to efforts of Intermediary's Third Party Recovery Services (Recovery Services) specified in subparagraph G.4. below, CONTRACTOR shall, within thirty (30) calendar days of notice from Recovery Services, unless disputed in accordance with subparagraph G.2. below, reimburse the Intermediary an amount equal to the MSN payment. Third-party settlement payments may be paid directly to COUNTY or Intermediary, as directed by ADMINISTRATOR.

2. Should CONTRACTOR wish to dispute the reimbursement of a MSN payment as a result of the identification of Medi-Cal coverage, third party settlement, primary or other insurance coverage either by CONTRACTOR or through Recovery Services, CONTRACTOR shall give written notice, within thirty (30) calendar days of notice of information, to ADMINISTRATOR's MSN Program Administrator or designee (MSN Administrator), setting forth in specific terms the existence and nature

1 of any dispute or concern related the information provided through Recovery Services or the  
 2 reimbursement due MSN. MSN Administrator shall have fifteen (15) business days following such  
 3 notice to obtain resolution of any issue(s) identified in this manner, provided, however, by mutual  
 4 consent this period of time may be extended. If MSN Administrator determines that the recovery  
 5 information is accurate and appropriate, CONTRACTOR shall, within thirty (30) calendar days of  
 6 receipt, reimburse an amount equal to the MSN payment.

7 3. For purposes of computing the amount of reimbursement due from CONTRACTOR, the  
 8 services provided to an Enrollee shall be valued at the percentage of reimbursement for the applicable  
 9 contract period, less any co-payments or other fees.

10 4. COUNTY has contracted for Third Party Recovery Services (Recovery Services) for the  
 11 purpose of actively pursuing reimbursement of claims paid for MSN Enrollees later determined to be  
 12 eligible for Medi-Cal or third party, primary or other insurance. CONTRACTOR shall reasonably  
 13 cooperate in recovering these costs.

14 5. If any reimbursement due is not paid by CONTRACTOR in accordance with subparagraphs  
 15 G.1., G.2., or G.4. above, the Intermediary shall reduce any payment due CONTRACTOR by an amount  
 16 not to exceed the amount to be reimbursed.

17 H. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Third  
 18 Party, Primary, or Other Insurance Claims Paragraph of this Exhibit B to the Agreement.

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 20 **VI. PAYMENTS TO CONTRACTING NETWORK HOSPITALS**

21 A. Hospital Claims for Emergency Services and Outpatient Hospital Services

22 1. Upon approval of Hospital Claims for Emergency Services not resulting in an inpatient  
 23 admission and Outpatient Hospital Services, the Intermediary shall make reimbursements for these  
 24 claims at the following specified percentage of APR-DRGs or the CalOptima Medi-Cal fee-for-service  
 25 rates, less the required co-payments to be collected by CONTRACTOR.

	<u>Contracting</u>	<u>Contracting ED</u>	<u>Non-Contracting</u>
<u>Service</u>	<u>Hospitals</u>	<u>Hospitals</u>	<u>Hospitals</u>
Medical	100%	75%	45%

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 31 2. Required co-payments to be collected by CONTRACTOR for these services are as follows:  
 32 a. For emergency department visits CONTRACTOR shall collect a three hundred dollar  
 33 (\$300) co-payment from MSN Enrollees; provided, however, if the MSN Enrollee is admitted directly  
 34 from the Emergency Room to CONTRACTOR's facility or lower level of care, including Recuperative  
 35 Care, the co-payment for the emergency department visit shall be waived.

36 b. For Outpatient Hospital Services, including hospital based surgical center services and  
 37 physical and occupational therapy services as may be authorized by the CCU as Post Stabilization

1 Services, CONTRACTOR shall collect a twenty dollar (\$20) co-payment per visit; provided, however  
2 CONTRACTOR's co-payment shall be waived if there is a corresponding professional co-payment due  
3 from the MSN Enrollee.

4 c. Regardless of the number of services or visits provided in a single day at  
5 CONTRACTOR's facility, only one (1) co-payment may be collected per day.

6 d. CONTRACTOR shall also attempt to collect co-payments from MSN Pending who  
7 subsequently become MSN Enrollees.

8 4. Inpatient Hospital services, including Emergency and Stabilization Services which result in  
9 the admission of an MSN Enrollee shall be reimbursed as specified in subparagraph B below.  
10 CONTRACTOR shall not be separately reimbursed for Emergency and Stabilization Services for MSN  
11 Enrollees directly admitted to CONTRACTOR's facility, as such reimbursement shall be deemed to be  
12 included in the reimbursement for inpatient care.

13 B. Hospital Claims for Inpatient Services

14 1. Reimbursement to CONTRACTOR for inpatient services shall be contingent upon  
15 ADMINISTRATOR's receipt of CONTRACTOR's Rate Certification Form. CONTRACTOR must  
16 reflect on the Rate Certification Form the payment mechanism that is in effect between CONTRACTOR  
17 and CalOptima at the time the Rate Certification Form is completed as follows:

18 a. For Period One, ADMINISTRATOR shall distribute, concurrently with this Agreement  
19 for signature, a Rate Certification Form which must be completed and returned in accordance with  
20 subparagraph III.I.1. of Exhibit A to this Agreement.

21 b. For Period Two, Period Three, Period Four, and Period Five, ADMINISTRATOR shall  
22 distribute a Rate Certification Form prior to the start of each Period. CONTRACTOR shall return the  
23 completed Rate Certification Form to ADMINISTRATOR within forty-five (45) calendar days of  
24 ADMINISTRATOR's delivery to CONTRACTOR, or HASC on behalf of CONTRACTOR, of the Rate  
25 Certification Form.

26 c. On the Rate Certification Form, CONTRACTOR shall certify if it contracts with  
27 CalOptima, and if so, that it contracts with CalOptima for one of the following reimbursement methods,  
28 as applicable to the Period:

29 1) On a fee-for-service basis: CONTRACTOR shall provide the Traditional  
30 CalOptima rate that is in effect as of July 1 of each period. ADMINISTRATOR shall direct the  
31 Intermediary to reimburse CONTRACTOR at one hundred percent (100%) of the Traditional CalOptima  
32 rate after ADMINISTRATOR validates the rate with CalOptima. Regardless of any subsequent  
33 negotiations between CONTRACTOR and CalOptima for reimbursement of services provided during  
34 any Period, the rate that is in effect as of the completion of the Rate Certification Form for each Period  
35 shall be the rate paid by the MSN Program for each Period.

36 2) Based on Diagnostic Related Groups (DRGs): ADMINISTRATOR shall direct the  
37 Intermediary to reimburse CONTRACTOR at one hundred percent (100%) of DRGs after

1 ADMINISTRATOR validates the reimbursement method with CalOptima. Regardless of any  
2 subsequent negotiations between CONTRACTOR and CalOptima for reimbursement of services  
3 provided during each Period, the rate that is in effect as of the completion of the Rate Certification Form  
4 shall be the rate paid by the MSN Program for each Period.

5 3) If CONTRACTOR’s Rate Certification Form is not received by the deadlines  
6 specified for each Period, ADMINISTRATOR shall direct the Intermediary to reimburse  
7 CONTRACTOR at the last certified rate that ADMINISTRATOR has on file for CONTRACTOR. If no  
8 certified rate is on file for CONTRACTOR, one hundred percent (100%) of the Non-Contract Hospital  
9 Rate shall be used. In such instances, any change in the reimbursement rate to CONTRACTOR shall be  
10 effective upon receipt of Rate Certification Form and shall not be retroactive to the beginning of the  
11 applicable Period.

12 2. Reimbursement to Contracting ED Hospitals shall be made at seventy-five percent (75%) of  
13 the rates or method provided on the Rate Certification Form.

14 3. Any Hospital that does not become a Contracting ED Hospital or Contracting Network  
15 Hospital and elects to provide any Hospital Services to any MSN Patient shall be reimbursed by  
16 COUNTY at a rate equal to forty-five percent (45%) of APR-DRG, or the Non-Contract Hospital’s most  
17 recent CalOptima negotiated per-diem rate, dependent upon information made available to the  
18 Intermediary or ADMINISTRATOR by the Non-Contract Hospital.

19 4. For all approved Hospital Claims for Inpatient Services, which may include Stabilization  
20 Services and Post Stabilization Services, the Intermediary shall deduct the amount of the required co-  
21 payments to be collected by CONTRACTOR from reimbursement due for these claims. Hospitals shall  
22 not be reimbursed for the day an MSN Enrollee is discharged unless the MSN Enrollee’s admission and  
23 discharge occur on the same day.

24 a. If an MSN Enrollee requires admission to CONTRACTOR’s facility, CONTRACTOR  
25 shall collect a flat three hundred dollar (\$300) co-payment for the admission, regardless of the MSN  
26 Patient’s length of stay.

27 b. Transfers from Contracting ED Hospitals and Non-Contract Hospitals

28 1) If the transfer is directly from the emergency department of a Contracting ED  
29 Hospital or a Non-Contract Hospital, CONTRACTOR shall collect a flat three hundred dollar (\$300) co-  
30 payment for the admission, regardless of the MSN Patient’s length of stay.

31 2) If the MSN Patient was admitted to a Contracting ED Hospital or Non-Contract  
32 Hospital and, following inpatient Stabilization Services, is being admitted to CONTRACTOR’s facility,  
33 the co-payment shall be waived.

34 c. CONTRACTOR shall also attempt to collect co-payments from MSN Pending who  
35 subsequently become MSN Enrollees.

36 C. Implant Devices – This shall apply only to those Hospitals not reimbursed based on DRGs.  
37 DRG reimbursement is understood to include reimbursement of implants as applicable.

1 1. "Implant Device" means a medical device manufactured to replace a missing biological  
2 structure, support a damaged biological structure, or enhance an existing biological structure which are  
3 allowed in accordance with the MSN Provider Manual or as may be authorized by ADMINISTRATOR,  
4 which authorization may be provided through the CCU.

5 2. CONTRACTOR and Contracting ED Hospitals shall be paid one hundred percent (100%)  
6 of the invoiced cost for Implant Devices. CONTRACTOR must submit a copy of its invoice for the  
7 Implant Device with the Claim to the Intermediary in order to receive reimbursement.

8 3. Non-Contract Hospitals shall be paid seventy percent (70%) of the invoiced cost for Implant  
9 Devices Non-Contract Hospitals must submit a copy of its invoice for the Implant Device with the  
10 Claim to the Intermediary in order to receive reimbursement.

11 D Recuperative Care

12 1. Hospital Claims for Recuperative Care shall be reimbursed at two hundred and twenty  
13 dollars (\$220) per day.

14 2. Non-Contract Hospitals shall not be reimbursed for Recuperative Care.

15 E. Reimbursement Limitations

16 1. For Emergency Services and Outpatient Hospital Services - No Contracting Network  
17 Hospital shall be reimbursed more than one hundred percent (100%) of CalOptima fee-for-service rates  
18 or Allowable Costs, less the required co-payments, whichever is less.

19 2. For inpatient Hospital Services – No Contracting Network Hospital shall be paid more than  
20 one hundred percent (100%) of the equivalent CalOptima reimbursement, or Allowable Costs, less  
21 applicable co-payments, whichever is less.

22 3. "Allowable Costs" means a maximum of one hundred percent (100%) of CONTRACTOR's  
23 actual costs according to the most recent Hospital Annual Financial Data report issued by the Office of  
24 Statewide Health Planning and Development.

25 F. All Funds in accounts maintained by the Intermediary relating to the term of this Agreement,  
26 which funds are remaining after December 31 following each Fiscal Year, and all other payments  
27 required by this Agreement have been made, shall be, in whole or in part, returned to COUNTY by the  
28 Intermediary or rolled over to a subsequent Period as directed by ADMINISTRATOR.

29 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
30 Payments to Contracting Network Hospitals Paragraph of this Exhibit B to the Agreement.

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32 **VII. PAYMENTS FOR OUTPATIENT PHARMACY SERVICES**

33 A. If CONTRACTOR elects to be an outpatient pharmaceutical provider, CONTRACTOR shall  
34 bill COUNTY's Pharmacy Benefits Manager and shall be reimbursed at rates to be negotiated by  
35 COUNTY with said Pharmacy Benefits Manager.

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1 B. Only products identified on the MSN formulary shall be reimbursed. Products available over  
2 the counter shall not be reimbursed, including those products for which the prescribed dosage can be  
3 achieved through an increased dosage of an over the counter medication.

4 C. Unless otherwise directed by ADMINISTRATOR, all pharmacy claims shall be submitted  
5 electronically to COUNTY's Pharmacy Benefits Manager.

6 D. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
7 Payments for Outpatient Pharmacy Services Paragraph of this Exhibit B to the Agreement.

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9 **VIII. SATISFACTION OF CLAIMS**

10 A. Acceptance by CONTRACTOR of payments made by Intermediary in accordance with this  
11 Agreement shall be deemed satisfaction in full of any COUNTY obligation to CONTRACTOR with  
12 respect to those claims for Hospital Services for which payment has been made by COUNTY,  
13 notwithstanding CONTRACTOR's right to appeal any denied claim, as provided for in Paragraph IV. of  
14 this Exhibit B to the Agreement and CONTRACTOR's right to pursue co-payments due from MSN  
15 Patients.

16 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
17 Satisfaction of Claims Paragraph of this Exhibit B to the Agreement.

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