

FIRST AMENDMENT TO
AGREEMENT FOR PROVISION OF
INDIGENT AND TRAUMA CARE
BETWEEN
COUNTY OF ORANGE
AND
 <<HOSPITAL NAME>>
JULY 1, 2016 THROUGH JUNE 30, 2020

~~THIS AGREEMENT (Agreement) entered into this 1st day of July, 2016, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and <<Hospital Name>>, a California <<CORP_STATUS>> (CONTRACTOR). This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).~~

THIS FIRST AMENDMENT TO AGREEMENT entered into this 28th day of June, 2016, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and <<Hospital Name>>, a California <<CORP STATUS>> (CONTRACTOR). Whereby the parties agree to amend that certain Agreement for the provision of Indigent and Trauma Care Services dated July 1, 2016.

WITNESSETH:

~~WHEREAS, COUNTY, as provided herein, desires to reimburse hospitals which are disproportionate providers of trauma services, including pediatric trauma, and promote access to trauma care, pursuant to Health and Safety Code, Division 2.5, Section 1797.98a et seq. and Section 1797.198 et seq.; and~~

~~WHEREAS, COUNTY, as provided herein, wishes to disburse tobacco settlement revenue to hospitals pursuant to County Codified Ordinance, Article 14, Division 4, Section 14-250 et seq.; and~~

~~WHEREAS, CONTRACTOR, a general acute care facility, licensed in accordance with the requirements of the California Health Facilities Licensure Act (Health and Safety Code, Sections 1250 et seq.) and the regulations promulgated pursuant thereto, is equipped, staffed and prepared to provide medical services; and~~

~~WHEREAS, CONTRACTOR is willing to provide, for and in consideration of the payments provided for under this Agreement and upon the conditions hereinafter set forth, medical services to persons covered by this Agreement; and~~

~~WHEREAS, the parties desire to provide a full statement of their respective rights and responsibilities in connection with the provision of or arrangement for medical services to persons covered by this Agreement.~~

~~NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:~~

WHEREAS, on May 10, 2016, the COUNTY Board of Supervisors authorized the master Agreement for the provision of Indigent and Trauma Care Services for the period July 1, 2016 through June 30, 2020; and

WHEREAS, COUNTY and CONTRACTOR agree to amend the Agreement to allow for the use of Tobacco Settlement Revenue as match for grant opportunities with the Department of Health Care Services Whole Person Care Pilot Program.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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Term: July 1, 2016 through June 30, 2020

Period One means the period from July 1, 2016 through June 30, 2017

Period Two means the period from July 1, 2017 through June 30, 2018

Period Three means the period from July 1, 2018 through June 30, 2019

Period Four means the period from July 1, 2019 through June 30, 2020

Master Allocation Period:

July 1, 2016 through June 30, 2017

July 1, 2017 through June 30, 2018

July 1, 2018 through June 30, 2019

July 1, 2019 through June 30, 2020

CONTRACTOR Allocation Period:

July 1, 2016 through June 30, 2017

July 1, 2017 through June 30, 2018

July 1, 2018 through June 30, 2019

July 1, 2019 through June 30, 2020

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: <<Hospital Name>>
<<Address>>
<<City, State Zip>>
<<Contact Name>>, <<Contact Title>>
<<Contact Email>>

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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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3		
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. DMC	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. HITECH Act	The Health Information Technology for Economic and Clinical Health
28		Act, Public Law 111-005
29	X. HSC	California Health and Safety Code
30	Y. ISO	Insurance Services Office
31	Z. MHP	Mental Health Plan
32	AA. OCJS	Orange County Jail System
33	AB. OCPD	Orange County Probation Department
34	AC. OCR	Office of Civil Rights
35	AD. OCSD	Orange County Sheriff's Department
36	AE. OCEMS	Orange County Emergency Medical Services
37	AF. OC-MEDS	Orange County Medical Emergency Data System

1	AG. OIG	Office of Inspector General
2	AH. OMB	Office of Management and Budget
3	AI. OPM	Federal Office of Personnel Management
4	AJ. PA DSS	Payment Application Data Security Standard
5	AK. PC	California Penal Code
6	AL. PCI DSS	Payment Card Industry Data Security Standard
7	AM. PHI	Protected Health Information
8	AN. PII	Personally Identifiable Information
9	AO. PRA	Public Records Act
10	AP. SIR	Self-Insured Retention
11	AQ. USC	United States Code
12	AR. W&IC	California Welfare and Institutions Code

13

14 **II. ALTERATION OF TERMS**

15 This Agreement fully expresses all understanding of COUNTY and CONTRACTOR with respect to
 16 the subject matter of this Agreement, and shall constitute the total Agreement between the parties for
 17 these purposes. No addition to, or alteration of, the terms of this Agreement, whether written or verbal,
 18 shall be valid unless made in writing and formally approved and executed by both parties.

19

20 **III. LICENSES AND LAWS**

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

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

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

36 D. CONTRACTOR attests, to the best of its knowledge, that all physicians providing services at
 37 CONTRACTOR's facility(ies), under this Agreement, are and will continue to be as long as this

1 Agreement remains in effect, the holders of currently valid licenses to practice medicine in the State of
2 California and are members in “good standing” of the medical staff of CONTRACTOR’s facility(ies).

3 **E. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**

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

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

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

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

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

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

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

24
25 **IV. NOTICES**

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

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

31 2. When faxed, transmission confirmed;

32 3. When sent by Email; or

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

35 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
36 this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,

37 //

1 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
2 Parcel Service or other expedited delivery service.

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

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

9 **V. SEVERABILITY**

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

16 **VI. STATUS OF PARTIES**

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

26 B. COUNTY shall neither have, nor exercise, any control or direction over the methods by which
27 CONTRACTOR shall perform its obligations under this Agreement. The standards of medical care and
28 professional duties of CONTRACTOR'S employees performing medical services under this Agreement
29 shall be determined, as applicable, by CONTRACTOR'S Board of Directors and the standards of care in
30 the community in which CONTRACTOR is located, and all applicable provisions of law and other rules
31 and regulations of any and all governmental authorities relating to licensure and regulation of
32 CONTRACTOR.

33 **VII. TERM**

34
35 A. The term of this Agreement shall commence as specified in the Referenced Contract Provisions
36 of this Agreement or the execution date, whichever is later. This Agreement shall terminate as specified
37 in the Referenced Contract Provisions of this Agreement unless otherwise sooner terminated as provided

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

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

6 **VIII. TERMINATION**

7
 8 A. Neither party shall be liable nor deemed to be in default for any delay or failure in performance
 9 under this Agreement or other interruption of service or employment deemed resulting, directly or
 10 indirectly, from Acts of God, civil or military authority, acts of public enemy, war, accidents, fires,
 11 explosions, earthquakes, floods, failure of transportation, machinery or suppliers, vandalism, strikes or
 12 other work interruptions by a party's officers, agents, employees, affiliates, or contractors, or any similar
 13 cause beyond the reasonable control of any party to this Agreement. However, all parties shall make
 14 good faith efforts to perform under this Agreement in the event of any such circumstance.

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

- 17 1. The loss by CONTRACTOR of legal capacity.
- 18 2. Cessation of services.
- 19 3. The loss of accreditation or any license required by the Licenses and Law Paragraph of this
 20 Agreement.
- 21 4. The delegation or assignment by CONTRACTOR of obligations hereunder to another
 22 entity without the prior written consent of COUNTY.

23 **C. CONTINGENT FUNDING**

- 24 1. Any obligation of COUNTY under this Agreement shall be contingent upon the following:
 25 a. The continued availability of federal, state and county funds for reimbursement of
 26 COUNTY's expenditures, and
 27 b. Inclusion of sufficient funding for the services hereunder in the applicable budget
 28 approved by the Board of Supervisors.

- 29 2. In the event such funding is subsequently reduced or terminated:
 30 a. COUNTY may reduce its obligations to make payments under this Agreement upon
 31 thirty (30) calendar days prior written notice to CONTRACTOR.

32 b. CONTRACTOR may terminate this Agreement; provided, however, CONTRACTOR
 33 shall give thirty (30) calendar days prior written notice to COUNTY, which notice shall be given no
 34 later than thirty (30) calendar days after notice by COUNTY of its intent to reduce funding, without any
 35 cure period, notwithstanding any other prior or subsequent provisions of this Agreement.

36 D. After receiving a notice of termination, CONTRACTOR shall do the following:

37 //

1 1. Comply with termination instructions provided by ADMINISTRATOR in a manner that is
2 consistent with recognized standards of quality care and prudent business practice for hospitals in the
3 communities in which CONTRACTOR is located.

4 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
5 performance during the remaining allocation period.

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

8 4. Until the date of termination, continue to be reimbursed by COUNTY for provision of
9 services specified herein.

10 5. If patients are to be transferred to another facility for services, furnish ADMINISTRATOR,
11 upon request, all patient information and records deemed necessary by ADMINISTRATOR to effect an
12 orderly transfer.

13 6. Assist ADMINISTRATOR in effecting the transfer of patients in a manner consistent with
14 their best interests.

15 E. The rights and remedies of COUNTY and CONTRACTOR provided in this Termination
16 Paragraph shall not be exclusive, and are in addition to any other rights and remedies provided by law or
17 under this Agreement.

18 **IX. THIRD PARTY BENEFICIARY**

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

22
23 **X. WAIVER OF DEFAULT OR BREACH**

24 Waiver by either party of any default by the other party shall not be considered a waiver of any
25 other or subsequent default. Waiver by either party of any breach by the other party of any provision of
26 this Agreement shall not be considered a waiver of any other or subsequent breach. Waiver by the other
27 party of any default or any breach by the other party shall not be considered a modification of the terms
28 of this Agreement.

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

3
4 <<HOSPITAL NAME>>

5
6
7 BY: _____ DATED: _____

8
9 TITLE: _____

10
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12 BY: _____ DATED: _____

13
14 TITLE: _____

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16
17
18 COUNTY OF ORANGE

19
20
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: _____

31 DEPUTY

32
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
 TO AGREEMENT FOR THE PROVISION OF
 INDIGENT AND TRAUMA CARE
 BETWEEN
 COUNTY OF ORANGE
 AND
 <<HOSPITAL NAME>>

JULY 1, 2016 THROUGH JUNE 30, 2020

I. DEFINITIONS

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

A. "Contracting Hospital" or "Hospital" means a hospital that has executed an Agreement for the Provision of Indigent and Trauma Care Services with COUNTY that is the same as this Agreement.

B. "County Emergency Medical Services Trauma Registry" means a standardized data collection instrument that shall include, at a minimum, the data elements outlined in the California Code of Regulations, Title 22, Chapter 7, Article 2, Section 100257.

C. "Disproportionate Share Hospital" or "DSH Hospital" means a designation given by DHCS to hospitals which serve a disproportionate number of low-income patients and are not designated as public hospitals by DHCS.

D. "EMS" or "Emergency Medical Services" means the services utilized in responding to a medical emergency.

E. "EMSF" means the Emergency Medical Services Fund established by COUNTY in accordance with Health and Safety Code Section 1797.98a.

F. "Fiscal Year" or "FY" means the period commencing July 1 and ending June 30.

G. "Inability to pay" means a financial condition that meets the written standards and policies established by CONTRACTOR for charity care that shall be reported by CONTRACTOR in accordance with the regulations published by the Office of Statewide Health Planning and Development.

H. "Intergovernmental Transfer" or "IGT" means, for the purposes of this Agreement, the transfer of TSR Funds from COUNTY to DHCS to use as match funds for federal financial participation in accordance with WIC 14166.12.

I. "Local EMS Agency" means the Orange County Health Care Agency's Emergency Medical Services program.

J. "Medically necessary services" means medical services necessary to protect life, to prevent significant disability or to prevent serious deterioration of health.

K. "OSHPD" means the Office of Statewide Health Planning and Development.

1 L. "SB 1773 Funds" means additional revenues from certain fines and penalties received by
2 COUNTY and deposited into the EMSF.

3 M. "Tobacco Settlement Revenue Funds" or "TSR Funds" means those Tobacco Settlement
4 Revenue funds received by COUNTY, pursuant the Codified Ordinances of Orange County,
5 Title 1, Division 4, Article 14, to be distributed to hospitals to offset the cost of providing charity care.

6 N. "Trauma Care Fund" means a fund created in the State Treasury, pursuant to Health and Safety
7 (H&S) Code 1797.199 *et seq.*, to provide monies for allocations to local EMS agencies, for distribution
8 to Local EMS agency-designated trauma centers.

9 O. "Trauma Center" means a licensed hospital, accredited by the Joint Commission on
10 Accreditation of Healthcare Organizations, which has been designated as a Level I or II trauma center by
11 the Local EMS Agency.

12 **II. CONTRACTOR OBLIGATIONS**

13 **A. TOBACCO SETTLEMENT REVENUE (TSR) FUNDS**

14 1. As a condition for CONTRACTOR to receive TSR Funds, CONTRACTOR shall maintain
15 basic or comprehensive emergency services.

16 2. In the event that reporting requirements are established as a condition for COUNTY to
17 receive TSR Funds, CONTRACTOR shall work in collaboration with COUNTY to address those
18 reporting requirements. ADMINISTRATOR shall notify CONTRACTOR and the Hospital Association
19 of Southern California (HASC) of any such requirements.

20 B. EMERGENCY MEDICAL SERVICES FUND - As a condition for CONTRACTOR to receive
21 funds from the Emergency Medical Services Fund, CONTRACTOR shall:

22 1. Be designated as a trauma center by the Local EMS Agency pursuant to Health and Safety
23 Code, Section 1798.165.

24 2. Submit relevant and pertinent data as requested by the Local EMS Agency that complies
25 with state and local EMS data requirements.

26 3. Long Beach Memorial Medical Center, as a COUNTY recognized Trauma Center for the
27 receipt of Orange County residents contingent upon its designation by Los Angeles County, shall be
28 obligated to only those terms specified in this subparagraph II.B. of Exhibit A to the Agreement.

29 C. SB 1773 FUNDS – As a condition for CONTRACTOR to receive SB 1773 funds,
30 CONTRACTOR shall:

31 1. Be designated as a trauma center by the Local EMS Agency pursuant to California Health
32 & Safety Code, Section 1798.165 and comply with the requirements of the H&S Code section.

33 2. Be located within the Local EMS Agency's geographic boundaries.

34 3. Agree to remain a trauma center and/or provide contracted pediatric trauma care and/or
35 emergency services through June 30 of the fiscal year in which it receives funding. If the trauma center
36 //

1 ceases to function as a trauma center, CONTRACTOR shall pay back to the COUNTY a pro rata
2 portion of the funding that has been received.

3 D. Unless otherwise specified herein, in the event of audit exceptions and/or fiscal disallowances
4 by the state and/or COUNTY for funds received by CONTRACTOR for services provided in
5 accordance with this Agreement, CONTRACTOR shall remit all or part of funds received in accordance
6 with directions provided by ADMINISTRATOR subject to all appeals as permitted by law.

7 E. CONTRACTOR shall sign and return an executed copy of this Agreement to HASC no later
8 than sixty (60) calendar days following receipt of the Agreement from COUNTY by HASC.

9 10 **III. COUNTY OBLIGATIONS**

11 **A. TSR FUNDS PAYMENTS TO CONTRACTOR**

12 1. Within seven (7) calendar days of receipt of TSR funds from the state, which the parties
13 agree has been historically in April of each fiscal year, COUNTY shall finalize the calculations to
14 distribute TSR Funds to qualifying Contracting Hospitals within Orange County that maintain basic or
15 comprehensive emergency services or trauma centers, to partially offset the costs of providing charity
16 care.

17 a. The parties agree that the OSHPD Annual Financial Data for hospitals found at
18 <http://www.oshpd.ca.gov/hid/Products/Hospitals/QuatrlyFinanData/CmpleteData/default.asp> shall be
19 the official data used to complete the calculations for each applicable Period. This data has historically
20 been made available in October each year for services provided the prior calendar year.

21 b. At the sole discretion of, and in accordance with the calculations made by
22 ADMINISTRATOR, TSR Funds to CONTRACTOR shall be adjusted to reflect additions to or
23 deletions from the list of Contracting Hospitals, as specified in Exhibit B to this Agreement.

24 c. Upon written notification from HASC to ADMINISTRATOR regarding the acquisition
25 of one or more Contracting Hospitals by another Contracting Hospital, ADMINISTRATOR may adjust
26 TSR Funds to CONTRACTOR to reflect said acquisition.

27 d. COUNTY shall not distribute TSR Funds to Long Beach Memorial Medical Center.

28 2. The estimated timelines for allocation of TSR Funds provided through this Agreement are
29 as follows:

31 Period	OSHPD Data Available	TSR Funds Received 32 by COUNTY	Calculations 33 Finalized
34 Period One	October, 2016	April, 2017	April, 2017
35 Period Two	October 2017	April, 2018	April, 2018
36 Period Three	October, 2018	April, 2019	April, 2019
37 Period Four	October, 2019	April, 2020	April, 2020

//

1 3. TSR Funds shall be distributed to CONTRACTOR in accordance with Exhibit B to the
2 Agreement.

3 B. EMSF - PAYMENTS TO TRAUMA CENTERS

4 1. Payments shall be limited to and made from the hospital portion of the EMSF, after
5 payment of administrative costs permitted by law.

6 2. Each Period, COUNTY shall pay one hundred twenty-five thousand dollars (\$125,000) to
7 each Orange County-designated trauma center that is a Contracting Hospital during the applicable
8 Period.

9 3. The balance of the EMSF, if any, shall be paid by COUNTY to each trauma center based
10 upon the ratio of services provided by each trauma center to total services provided by all trauma centers
11 during each Period, as reported to the County Emergency Medical Services Trauma Registry.

12 a. If CONTRACTOR is located within the borders of Orange County, CONTRACTOR
13 shall also be required to be a Medical Safety Net Program contracting hospital to receive these funds.

14 b. ADMINISTRATOR shall determine the ratio of services provided by each trauma
15 center, and approve the amount and timing of payments due for services provided during each Period.

16 4. COUNTY shall add to the final distribution of EMSF any interest earned on these Funds.

17 5. The estimated timelines for payment of EMSF Funds provided through this Agreement are
18 as follows:

19	20	21	22
Period	Base Payment	Balance of EMSF	
	Distributed	Distributed	
23	24	25	26
Period One	April 2017	September 2017	
Period Two	April 2018	September 2018	
Period Three	April 2019	September 2019	
Period Four	April 2020	September 2020	

27 C. SB 1773 - PAYMENTS TO TRAUMA CENTERS

28 1. Payments shall be limited to and made from the pediatric trauma center and hospital
29 portions of the SB 1773 funds, after payment of administrative costs as permitted by law.

30 2. The initial fifteen percent (15%) of all SB 1773 funds collected by COUNTY shall be paid
31 by COUNTY to Orange County Trauma Centers, including Long Beach Memorial Hospital, based upon
32 the ratio of pediatric trauma runs for Orange County residents provided by each trauma center to total
33 pediatric trauma runs provided by all trauma centers during each Period, as reported to the County
34 Emergency Medical Services Trauma Registry.

35 3. The hospital allocation of SB 1773 funds, shall be paid by COUNTY to each trauma center
36 based upon the ratio of adult trauma runs for Orange County residents provided by each trauma center to
37 //total adult trauma runs provided by all trauma centers during each Period, as reported to the County

1 Emergency Medical Services Trauma Registry.

2 a. If CONTRACTOR is located within the borders of Orange County, CONTRACTOR
3 shall also be required to be a Medical Safety Net Program contracting hospital to receive these funds.

4 b. ADMINISTRATOR shall determine the ratio of services provided by each trauma
5 center, and approve the amount and timing of payments due for services provided during each Period.

6 4. COUNTY shall add to the final distribution of SB 1773 funds any interest earned on said
7 funds.

8 5. The estimated timelines for payment of SB 1773 Funds provided through this Agreement
9 are as follows:

Period	SB 1773 Distributed
Period One	September 2017
Period Two	September 2018
Period Three	September 2019
Period Four	September 2020

16
17 D. COUNTY may withhold any or all of the funds specified in Paragraphs III.A. through III.C.
18 above, consistent with the regulations pertaining to the specific funding source, in order to recover any
19 overpayments made of said funds to CONTRACTOR in previous agreements or to recover funds due
20 COUNTY from CONTRACTOR pursuant, but not limited, to the following; provided, however, that
21 any funds withheld shall be redistributed to Contracting Hospitals by COUNTY consistent with the
22 regulations pertaining to the specific funding source:

- 23 1. CONTRACTOR's failure to comply with the provisions of this Agreement.
24 2. CONTRACTOR is found to be non-compliant with the conditions for receiving funds
25 including, but not limited to, inability to document eligible expenditures.
26 3. Audit exceptions and/or fiscal disallowances by the state and/or COUNTY for funds
27 received by CONTRACTOR for services provided in accordance with this Agreement.
28 4. Recovery of any overpayments made in previous agreements between CONTRACTOR and
29 COUNTY for Indigent and Trauma Care Services.

30 31 **IV. NEW PARTICIPANTS**

32 It is understood by the parties that hospitals that are not currently participating in this Agreement
33 may do so after meeting the terms of this Agreement. A hospital shall notify COUNTY, through HASC,
34 in writing of its desire to participate, and the hospital may enter into an Agreement that is identical to
35 this Agreement. Paragraph I.B of Exhibit B to this Agreement shall be amended by
36 ADMINISTRATOR and shall be in effect upon execution of the Agreement with the new participant.
37

EXHIBIT B
TO AGREEMENT FOR THE PROVISION OF
INDIGENT AND TRAUMA CARE
BETWEEN
COUNTY OF ORANGE
AND
<<HOSPITAL NAME>>

JULY 1, 2016 THROUGH JUNE 30, 2020

I. ALLOCATION OF TOBACCO SETTLEMENT REVENUE FUNDS

A. In accordance with County Codified Ordinance, Article 14, Division 4, Section 1-4-251(a)(5), the amount of TSR funds allocated to CONTRACTOR shall be based the amount of Charity Care-Other plus Bad Debts as reported to OSHPD in proportion to the total Charity Care-Other plus Bad Debts reported by all eligible Orange County Contracting Hospitals. The data used and calculations completed for each Period shall be in accordance with the timeframes specified in Paragraph III.A.2 of Exhibit A of the Agreement.

B. An estimated distribution of TSR Funds for Period One is as follows, which shall be amended to reflect the actual calculations in accordance Paragraph I.A.1 above:

<u>Hospital by Corporate Ownership</u>	Charity Care + Bad Debt	Percent Of Total	TSR Allocation
With at least one Disproportionate Share Hospital:			
<u>CHILDREN'S HOSPITAL</u>			
Children's Hospital at Mission	\$ 5,002,971	0.90%	\$13,735
Children's Hospital of Orange County	<u>\$21,774,891</u>	<u>3.92%</u>	<u>\$59,781</u>
SUBTOTAL CHILDREN'S HOSPITAL	\$26,777,862	4.82%	\$73,516
KPC HEALTHCARE INC.			
Anaheim Global Medical Center	\$ 8,136,924	1.47%	\$ 22,339
Chapman Global Medical Center	\$ 5,319,124	0.96%	\$ 14,603
Orange County Global Medical Center	\$40,966,575	7.38%	\$112,470
South Coast Global Medical Center	<u>\$ 9,016,030</u>	<u>1.62%</u>	<u>\$ 24,753</u>
SUBTOTAL KPC HEALTHCARE INC.	\$63,438,653	11.43%	\$174,165

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	Charity Care + Bad Debt	Percent Of Total	TSR Allocation
<u>Hospital by Corporate Ownership</u>			
With at least one Disproportionate Share Hospital (continued)			
<u>PRIME HEALTHCARE</u>			
Garden Grove Medical Hospital & Medical Center	\$ 27,764,457	5.00%	\$ 76,225
Huntington Beach Hospital and Medical Center	\$ 17,796,156	3.21%	\$ 48,858
La Palma Intercommunity Hospital	\$ 11,434,571	2.06%	\$ 31,393
West Anaheim Medical Center	\$ 35,250,094	6.15%	\$ 96,776
SUBTOTAL PRIME HEALTHCARE	\$ 92,245,278	16.62%	\$ 253,252
<u>TENET HEALTHCARE</u>			
Fountain Valley Regional Hospital & Medical Center	\$ 15,476,104	2.79%	\$ 42,488
Los Alamitos Medical Center	\$ 9,970,909	1.80%	\$ 27,374
Placentia Linda Hospital	\$ 4,778,437	0.86%	\$ 13,119
SUBTOTAL TENET HEALTH CARE	\$ 30,225,450	5.44%	\$ 82,981
With no Disproportionate Share Hospitals:			
<u>AHMC</u>			
AHMC Anaheim Regional Medical Center	\$ 16,892,951	3.04%	\$ 46,378
<u>MEMORIALCARE HEALTH SYSTEMS</u>			
Orange Coast Memorial Medical Center	\$ 11,806,810	2.13%	\$ 32,415
Saddleback Memorial Medical Center	\$ 27,116,447	4.88%	\$ 74,446
<u>ST. JOSEPH HOAG HEALTH SYSTEM</u>			
Hoag Memorial Hospital Presbyterian	\$ 42,400,406	7.64%	\$ 116,406
Mission Hospital	\$ 51,599,243	9.29%	\$ 141,661
St. Joseph Hospital - Orange	\$ 41,049,338	7.39%	\$ 112,697
St. Jude Medical Center	\$ 52,011,107	9.37%	\$ 142,792
<u>UNIVERSITY OF CALIFORNIA</u>			
Regents of the University of CA - Irvine	\$ 99,598,710	17.94%	\$ 273,439
TOTAL ALL HOSPITALS	\$555,162,255	100.00%	\$1,524,148
//			

1 C. This above distribution calculations may be amended by ADMINISTRATOR under one or
 2 more of the following circumstances, and for each occurrence ADMINISTRATOR shall prepare an
 3 amended Paragraph I.B. of this Exhibit B to the Agreement. CONTRACTOR agrees that said amended
 4 Paragraph shall be provided to HASC for distribution to all Orange County Contracting Hospitals.

- 5 1. Deletion of a Contracting Hospital participant in this Agreement
- 6 2. Addition of a new participant in this Agreement
- 7 3. Any change in corporate ownership of a Contracting Hospital
- 8 4. Any request of any Contracting Hospital's corporate ownership to reallocate funding
 9 among its Contracting Hospitals in accordance with COUNTY policy approved by the COUNTY's
 10 Board of Supervisors on November 9, 2010.
- 11 5. Any change in CONTRACTOR eligibility for funding
- 12 6. Any change in Tobacco Settlement Revenue funds received by COUNTY
- 13 7. Any change in a Contracting Hospital's percent of Charity Care/Other and Bad Debts
 14 reported to the Office of Statewide Health Planning and Development which would in turn affect the
 15 distribution of Tobacco Settlement Revenue Funds specified herein.
- 16 8. Any loss of DSH Hospital status by a Contracting Hospital identified as DSH in this
 17 Agreement.

18 D. The parties agree that a distribution table for Period Two, Period Three, and Period Four shall
 19 be completed in accordance Paragraph III.A. of Exhibit A to the Agreement.

20 E. The parties agree that until the TSR Funds are actually received by COUNTY, the amount of
 21 Tobacco Settlement Revenue is estimated and based on the budget approved by Orange County Board
 22 of Supervisors each Fiscal Year.

23 F. The parties agree that rounding corrections may be made by ADMINISTRATOR prior to
 24 distribution of funds.

25 G. The parties agree that corporate ownership of Contracting Hospitals may request the initial
 26 allocation of TSR Funding of any of its Contracting Hospitals to be reallocated to any or all of the
 27 corporate ownership's other Contracting Hospitals. ADMINISTRATOR shall approve or deny such
 28 requests in accordance with the policy approved by the COUNTY Board of Supervisors on
 29 November 9, 2010. Approved requests shall be reflected in the amended distribution table for the
 30 applicable Period(s).

31 **II. DISTRIBUTION OF TSR FUNDS – NON-DSH HOSPITALS**

32 ~~33 A. If CONTRACTOR is within a corporate ownership system that has no DSH Hospitals, payment
 34 to CONTRACTOR should be made within approximately thirty (30) calendar days of
 35 ADMINISTRATOR's finalization of the distribution calculations for each Period as specified in
 36 Paragraph III.A.2 of Exhibit A to the Agreement.~~

37 "A. If CONTRACTOR is within a corporate ownership system that has no DSH Hospitals, and

1 CONTRACTOR has not elected to participate in the Whole Person Care (WPC) Program, payment to
 2 CONTRACTOR should be made within approximately thirty (30) calendar days of
 3 ADMINISTRATOR's finalization of the distribution calculations for each Period as specified in
 4 Paragraph III.A.2 of Exhibit A to the Agreement.

5 1. If CONTRACTOR has elected to participate in the WPC Program and has allocated 100%
 6 of its TSR allocation to the WPC Program through FY 2020-21, payment to CONTRACTOR shall be
 7 made in accordance with Paragraph IV of this Exhibit B to the Agreement.

8 2. If CONTRACTOR has elected to participate in the WPC Program and has allocated a
 9 portion of its TSR allocation to the WPC Program through FY 2020-21, payment to CONTRACTOR
 10 related to its role in the WPC shall be made in accordance with Paragraph IV of this Exhibit B to the
 11 Agreement, and the balance of CONTRACTOR's TSR Funds shall be paid to CONTRACTOR within
 12 approximately thirty (30) calendar days of ADMINISTRATOR's finalization of the distribution
 13 calculations for each Period as specified in Paragraph III.A.2 of Exhibit A to the Agreement.”

14 B. Payment of TSR Funds shall not exceed TSR Funds received and designated by COUNTY for
 15 Contracting Hospitals for each Period.

16 C. Payments made to CONTRACTOR shall not exceed the value of care given as reported by
 17 Hospitals to OSHPD for the applicable Period. If CONTRACTOR is a DSH Hospital, or is within a
 18 corporate ownership system that has one (1) or more DSH Hospitals, payment to CONTRACTOR shall
 19 be made in accordance with Paragraph III below.

20 **III. DISTRIBUTION OF TSR FUNDS – DSH HOSPITALS**

21 A. Contracting Hospitals that are DSH Hospitals are eligible for payments from the Private
 22 Hospital Supplemental Fund (PHSF) established pursuant to WIC Section 14166.12(b) which is
 23 administered by DHCS for the provision of Medi-Cal services.

24 1. TSR Funds allocated to DSH Hospitals qualify as public funds which may be transferred
 25 from COUNTY, through an IGT, to DHCS for deposit into the PHSF pursuant to CFR, Title 42, Section
 26 433.51 and WIC Section 14166.12(e).

27 2. Pursuant to Welfare and Institutions (W&I) Code 14166.12(f), DHCS shall utilize the funds
 28 provided by COUNTY to obtain federal financial participation to the full extent permitted by law for
 29 deposit into the PHSF, which COUNTY anticipates to be an amount equal to the amount of the IGT.

30 3. Contracting Hospitals must be identified by DHCS in the State Plan Amendment (SPA) to
 31 receive supplemental payments from the PHSF and, unless a Contracting Hospital loses DSH status.

32 a. The list of hospitals in the SPA may not be modified unless expressly allowed by
 33 DHCS.

34 b. DHCS has established 3-year payment cycles for the SPA. For the purposes of this
 35 Agreement, these cycles shall be referenced as follows:
 36

37 //

1) "Cycle 1" means payments made by DHCS to DSH Hospitals from the PHSF for FY 2015-16, FY 2016-17 and FY 2017-18. Cycle 1 is included in SPA-15-003. Further, the following Contracting Hospitals are also specified in SPA-15-003 and have agreed to the use of their TSR funds for the IGT as specified in this Exhibit B.

- a) Children's Hospital of Orange County
- b) Anaheim Global Medical Center
- c) Orange County Global Medical Center
- d) South Coast Global Medical Center
- e) Garden Grove Hospital and Medical Center
- f) Fountain Valley Regional Hospital and Medical Center

2) "Cycle 2" means payments made by DHCS to DSH Hospitals from the PHSF for FY 2018-19, FY 2019-20 and FY 2020-21 to be specified by DHCS in the SPA for that period. Contracting Hospitals eligible to receive supplemental payments from the PHSF for Cycle 2 may also agree to the use of their TSR funds for the IGT as specified in this Exhibit B and; provided, however, that the Contracting Hospital agrees to participate in each year of the Cycle unless otherwise allowed by DHCS. ADMINISTRATOR shall provide a list of hospitals participating in Cycle 2 based on the addition or deletion of DSH Hospitals and/or changes in hospitals under corporate ownership, and/or a Contracting Hospital's concurrence to participate in the PHSF.

B. In accordance with COUNTY policy approved by the COUNTY's Board of Supervisors on November 9, 2010, for the purposes of maximizing federal financial participation, and therefore, supplemental payments from the PHSF, Contracting Hospitals that are not DSH Hospitals, but are within a corporate ownership system that has one (1) or more DSH Hospitals, may reallocate all or a portion of their TSR allocation to a DSH Hospital within the same corporate ownership.

1. For Cycle 1, the following Contracting Hospitals are not DSH Hospitals, but are within a corporate ownership system that has one (1) or more DSH Hospitals. ADMINISTRATOR shall update this list in relation to DSH Hospitals receiving supplemental payments from the PHSF for Cycle 2 based on the addition or deletion of DSH Hospitals and/or changes in hospitals under corporate ownership, and/or a Contracting Hospital's concurrence to participate in the PHSF.

- a. Children's Hospital at Mission
- b. Chapman Global Medical Center
- c. Huntington Beach Hospital and Medical Center
- d. La Palma Intercommunity Hospital
- e. West Anaheim Medical Center
- f. Los Alamitos Medical Center
- g. Placentia Linda Hospital

2. For Cycle 1, the following Contracting Hospital have agreed to the reallocation of their TSR Funds to the specified DSH Hospitals within the same corporate ownership as follows.

1 ADMINISTRATOR shall update this list in relation to DSH Hospitals receiving supplemental payments
2 from the PHSF for Cycle 2.

3
4 TSR Funds Reallocated From:

5 Children's Hospital at Mission

6 Chapman Global Medical Center

7 Huntington Beach Hospital & Medical Center

8 La Palma Intercommunity Hospital

9 West Anaheim Medical Center

10 Los Alamitos Medical Center

11 Placentia Linda Hospital

TSR Funds Reallocated To:

Children's Hospital of Orange County

Orange County Global Medical Center

Garden Grove Hospital & Medical Center

Garden Grove Hospital & Medical Center

Garden Grove Hospital & Medical Center

Fountain Valley Reg. Hospital & Medical Center

Fountain Valley Reg. Hospital & Medical Center

12
13 C. IGT – CYCLE 1

14 1. The parties agree that, in accordance with direction from DHCS:

15 a. ADMINISTRATOR did not provided sufficient notice to DHCS of its intent to
16 complete an IGT to allow for CONTRACTOR's participation in the FY 2015-16 PHSF using actual
17 FY 2014-15 TSR Funds received.

18 b. In order to participate in the FY 2016-17 PHSF and FY 2017-18 PHSF of Cycle 1,
19 COUNTY and CONTRACTOR agreed to commit to a specified amount of funding for each year.

20 1) The actual amount of FY 2014-15 TSR Funds that would have been included in the
21 IGT for participation in the FY 2015-16 PHSF is \$648,264. The parties agreed that the actual amount of
22 FY 2014-15 TSR Funds would be specified as the IGT amount available for each year of Cycle 1.

23 2) DHCS has agreed, and has included in SPA-15-003, that the FY 2014-15 TSR
24 Funds identified by COUNTY shall be added to the FY 2015-16 TSR Funds specified for participation
25 in the FY 2016-17 PHSF for a total of \$1,296,528.

26 3) The parties agree there are a number of variables that can impact the actual amount
27 of TSR allocated to each Contracting Hospital each fiscal year, and these variables may cause the actual
28 allocation for FY 2015-16 and FY 2016-17 to vary from the amount committed to send to DHCS.

29 4) CONTRACTOR has agreed to the IGT reconciliation process, as specified in this
30 Exhibit B, following the end of Cycle 1 to balance any adjustments to CONTRACTOR's TSR allocation
31 during Cycle 1 required to meet the IGT commitments.

32 2. COUNTY, on behalf of CONTRACTOR, agrees that COUNTY, through an IGT, shall
33 transfer its TSR Fund allocation to DHCS in accordance with the following schedule for Cycle 1:

34 //

35 //

36 //

37 //

Period	TSR Year	Amount	PHSF Year	IGT Date	PHSF Payment to Hospital
Prior Agreement	FY 2014-15	\$648,264	FY 2016-17	March, 2017	April, 2017
Prior Agreement	FY 2015-16	\$648,264	FY 2016-17	March, 2017	April, 2017
Period 1	FY 2016-17	\$648,264	FY 2017-18	March, 2018	April, 2018
	Total Cycle 1:	\$1,944,792			

3. The amount of the IGT and the federal financial participation shall be collectively referred to as the "Total Deposit."

a. DHCS shall distribute, as a supplemental payment from the PHSF, an amount equal to seventy-five percent (75%) of the Total Deposit to the Contracting Hospitals that are DSH.

b. COUNTY shall recommend to DHCS that CONTRACTOR also receive its portion of the twenty-five percent (25%) balance of the Total Deposit in the supplemental payment from the PHSF. CONTRACTOR understands that COUNTY may only make a recommendation regarding these funds and that final determination regarding distribution of the twenty-five percent (25%) balance rests with DHCS.

c. The actual FY 2014-15 TSR Fund distribution to DSH hospitals and hospitals within the same corporate ownership, and the projected supplemental payment at one hundred percent (100%) from the PHSF, is as follows, and for the purposes of the IGT, shall be the amounts deemed allocated to CONTRACTOR for FY 2015-16 and FY 2016-17, pending IGT reconciliation.

<u>Hospital by Corporate Ownership</u>	<u>IGT Transfer Amount</u>	<u>Supplemental PHSF Payment</u>
<u>CHILDREN'S HOSPITAL</u>		
Children's Hospital at Mission	\$ 16,050	\$ 0
Children's Hospital of Orange County	\$ 56,937	\$ 145,974
SUBTOTAL CHILDREN'S HOSPITAL	\$ 72,987	\$ 145,974
<u>KPC HEALTHCARE INC.</u>		
Anaheim Global Medical Center	\$ 26,018	\$ 52,036
Chapman Global Medical Center	\$ 12,840	\$ 0
Orange County Global Medical Center	\$111,508	\$ 248,696
South Coast Global Medical Center	\$ 29,060	\$ 58,120
SUBTOTAL KPC HEALTHCARE INC.	\$179,426	\$ 358,852

PRIME HEALTHCARE

Garden Grove Medical Hospital & Medical Center	\$ 84,644	\$ 600,450
Huntington Beach Hospital and Medical Center	\$ 57,443	\$ 0
La Palma Intercommunity Hospital	\$ 37,845	\$ 0
West Anaheim Medical Center	<u>\$120,293</u>	<u>\$ 0</u>
SUBTOTAL PRIME HEALTHCARE	\$300,225	\$ 600,450

TENET HEALTHCARE

Fountain Valley Regional Hospital & Medical Center	\$ 54,233	\$ 191,252
Los Alamitos Medical Center	\$ 27,708	\$ 0
Placentia Linda Hospital	<u>\$ 13,685</u>	<u>\$ 0</u>
SUBTOTAL TENET HEALTHCARE	\$95,626	\$ 191,252

Total FY 2014-15 TSR Allocation \$648,264 \$1,296,528

D. IGT – CYCLE 2

1. In order to participate in Cycle 2 of the PHSF, the parties agree to assume DHCS will require COUNTY and CONTRACTOR to commit to a specified amount of funding for each PHSF year included in Cycle 2 and for the purposes of this Agreement, further agree to assume that Cycle 2 will be comprised three (3) years: FY 2018-19, FY 2019-20, and FY 2020-21.

2. CONTRACTOR agrees the FY 2017-2018 TSR Funds resulting from the IGT Reconciliation of Cycle 1 shall be the amount specified to DHCS for the FY 2018-19 PHSF.

3. CONTRACTOR agrees the FY 2018-19 TSR Funds and the FY 2019-20 TSR Funds shall be equal to the amount of FY 2017-18 TSR Funds prior to the IGT Reconciliation from Cycle 1 and shall be the amounts specified to DHCS for the FY 2019-20 PHSF and FY 2020-21 PHSF, respectively.

a. The parties agree there are a number of variables that can impact the actual amount of TSR allocated to each Contracting Hospital each fiscal year, and these variables may cause the actual allocation for FY 2018-19 and FY 2019-20 to vary from the amount committed to send to DHCS.

b. CONTRACTOR has agreed to the IGT reconciliation process, as specified in this Exhibit B, following the end of Cycle 2 to balance any adjustments to CONTRACTOR’s TSR allocation during Cycle 2 required to meet the IGT commitments.

4. COUNTY, on behalf of CONTRACTOR, agrees that COUNTY, through an IGT, shall transfer its TSR Fund allocation to DHCS in accordance with the following schedule for Cycle 2, which shall be updated by ADMINISTRATOR following the IGT reconciliation of Cycle 1:

Period	TSR Year	Amount	PHSF Year	IGT Date	PHSF Payment to Hospital
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1	Period 2	FY 2017-18	Reconciled	FY 2018-19	March, 2019	April, 2019
2	Period 3	FY 2018-19	Estimated	FY 2019-20	March, 2020	April, 2020
3	Period 4	FY 2019-20	Estimated	FY 2020-21	March, 2021	April, 2021
4		Total Cycle 2:	TBD			
5						

6
7 5. The amount of the IGT and the federal financial participation shall be collectively referred
8 to as the "Total Deposit."

9 a. DHCS shall distribute, as a supplemental payment from the PHSF, an amount equal to
10 seventy-five percent (75%) of the Total Deposit to the Contracting Hospitals that are DSH.

11 b. COUNTY shall recommend to DHCS that CONTRACTOR also receive its portion of the
12 twenty-five percent (25%) balance of the Total Deposit in the supplemental payment from the PHSF.
13 CONTRACTOR understands that COUNTY may only make a recommendation regarding these funds and
14 that final determination regarding distribution of the twenty-five percent (25%) balance rests with DHCS.

15 c. ADMINISTRATOR shall update, and distribute to CONTRACTOR and HASC, the
16 table in subparagraph III.C.3.c of this Exhibit B to the Agreement to reflect the amounts specified for
17 Cycle 2.

18 E. IGT - RECONCILIATION

19 1. For each year of each Cycle, ADMINISTRATOR shall compare the actual amount of TSR
20 allocated to DSH Hospitals and their non-DSH Hospital partners within the same corporate ownership,
21 calculated in accordance with Paragraph III.A.2 of Exhibit A of the Agreement, to the IGT commitment
22 made for each year of each Cycle. ADMINISTRATOR shall distribute these calculations to
23 CONTRACTOR and HASC.

24 2. If the total of actual calculated TSR Funds to be distributed to all Contracting Hospitals
25 within the same corporate ownership is greater than the total of the IGT amount specified for the
26 corresponding PHSF period, ADMINISTRATOR shall retain the difference between the TSR Fund
27 amount calculated and the amount committed to DHCS until each year within a Cycle is reconciled.
28 Following the end of the Cycle, if the total off all three (3) reconciled years results in a TSR amount that
29 is greater than the total of the three (3) IGT amounts specified for the Cycle, the difference shall be
30 added to the first year of the next Cycle, or paid to the applicable Contracting Hospitals within the
31 corporate ownership as determined by CONTRACTOR.

32 3. If the total of actual calculated TSR Funds to be distributed to all Contracting Hospitals
33 within the same corporate ownership is less than the total of the IGT amount specified for the
34 corresponding PHSF period, ADMINISTRATOR shall, in an amount equal to the difference between
35 the TSR Fund amount calculated and the amount committed to DHCS until each year within a Cycle is
36 reconciled, allocate a portion of the next Fiscal Year's budgeted TSR Funds to the DSH Hospital to
37 ensure the IGT commitment to DHCS is satisfied. Following the end of the Cycle, if the total off all

1 three (3) reconciled years results in a TSR amount that is less than the total of the three (3) IGT amounts
 2 specified for the Cycle, the difference shall be deducted from the first year of the next Cycle. The
 3 subsequent years of the next Cycle shall then be adjusted to be equal to the amount first year funds prior
 4 to the IGT Reconciliation from previous Cycle.

5 4. Effective with the amounts identified for the FY 2018-19 IGT, the conditions and
 6 requirements for any calculations and/or reconciliations shall be consistent the procedures specified in
 7 this Exhibit B.

8 F. Should DHCS discontinue supplemental payments from the PHSF using the IGT process, or
 9 CONTRACTOR elects to not participate in the PHSF, TSR payments to CONTRACTOR shall
 10 administered in the same manner as TSR payment to Contracting Hospitals that are non-DSH Hospitals

11 G. CONTRACTOR shall agree to the following as a condition of receiving supplemental payments
 12 from DHCS through the PHSF:

13 1. Operate as an acute care hospital for Medi-Cal patients, regardless of ability to pay, and
 14 continually meet all applicable standards established in Title 22 as they now exist or may be hereafter
 15 amended.

16 2. Maintain Basic Emergency Medical Services, or Comprehensive Emergency Medical
 17 Services, as provided for in Title 22, Sections 70411 et seq. through December 31 following
 18 supplemental payment from the PHSF.

19 3. Provide Basic Emergency Medical Services, or Comprehensive Emergency Medical
 20 Services, and other hospital services to all patients, including Medi-Cal patients, regardless of age or
 21 ability to pay, through December 31 following supplemental payment from the PHSF.

22 4. Submit relevant and pertinent data as requested by OCEMS that complies with state and
 23 local Emergency Medical Services data requirements.

24 5. Agree that no portion of funds received by CONTRACTOR from DHCS as a result of the
 25 IGT approved by this Agreement shall be returned to any governmental or quasi-governmental agency,
 26 including COUNTY. Therefore, CONTRACTOR shall exempt from the provisions of the Inspections
 27 and Audit Paragraph of this Agreement as it pertains to returning to COUNTY any portion of the TSR
 28 Funds transferred to DHCS through an IGT.

30 **“IV. DISTRIBUTION OF TSR FUNDS – WPC HOSPITALS**

31 **A. Contracting Hospitals that are not participating in the IGT detailed in Paragraph III of this**
 32 **Exhibit B to the Agreement may agree to participate in the Whole Person Care (WPC) Program as**
 33 **specified in the Medi-Cal 2020 Waiver between DHCS and CMS, and in accordance with the WPC**
 34 **Program Proposed by COUNTY to DHCS in its application.**

35 **1. COUNTY has submitted an application for a WPC Program to DHCS which requires**
 36 **funding through an IGT mechanism. If approved, COUNTY anticipates executing a contract with**
 37 **DHCS in November, 2016. If COUNTY’s WPC application is not approved, all provisions within this**

1 Paragraph IV shall be void.

2 2. TSR Funds qualify as public funds which may be transferred from COUNTY, through an
3 IGT, to DHCS for federal matching and return to COUNTY.

4 3. DHCS shall utilize the funds provided by COUNTY to obtain federal financial participation
5 to the full extent permitted by law in an amount equal to the amount of the IGT.

6 4. Contracting Hospitals must be identified by COUNTY in its WPC application to receive
7 funding from COUNTY for participation and support of the WPC Program..

8 a. Contracting Hospitals desiring to participate in the WPC must:

9 1) Commit to the allocation of the same amount of TSR each year for FY 2016-17,
10 FY 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21.

11 2) Submit a budget to ADMINISTRATOR for each year of the WPC, with each year
12 being funded at an identical level.

13 3) Submit a description of the services to be provided in support of the WPC.

14 4) Agree, to the best of its ability, to participate and support the data sharing and
15 infrastructure mechanisms developed and implemented through the WPC.

16 b. The amount of TSR Funds to be used in the COUNTY'S WPC IGT is at the discretion
17 of CONTRACTOR. The following Contracting Hospitals have agreed to participate in the WPC
18 Program and have the following amounts used by COUNTY in the WPC IGT for each period FY 2016-
19 17 through FY 2020-21:

<u>Hospital</u>	<u>TSR Funds To WPC</u>	<u>IGT Match</u>	<u>Total Paid to Hospital By County Under WPC</u>
<u>St. Jude Hospital</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$200,000</u>
<u>St. Joseph's Hospital</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$200,000</u>
<u>Hoag Hospital</u>	<u>\$116,400</u>	<u>\$116,400</u>	<u>\$232,800</u>
<u>UCI Medical Center</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$200,000</u>
<u>Memorial Care</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$200,000</u>
<u>Totals</u>	<u>\$516,400</u>	<u>\$516,400</u>	<u>\$1,032,800</u>

32 c. Payment to CONTRACTOR for services in support of the WPC shall be made, by
33 COUNTY, monthly in arrears, beginning December, 2016; prorated for the number of months
34 remaining in each Fiscal Year; and shall not exceed the "Total Paid to Hospital" amount specified in
35 subparagraph 4.b above.

36 //

37 //

d. CONTRACTOR shall provide statistical data related to the WPC population being served, including, but not limited to, the total number of persons benefiting from CONTRACTOR's support of the WPC and of that total, the number patients who may also be considered Seriously Mentally Ill. Adults with a serious mental illness (SMI) are defined by SAMHSA as persons age 18 and over, who currently or at any time during the past year, have had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified within the [DSM-IV], resulting in functional impairment which substantially interferes with or limits one or more major life activities. SAMHSA will defer to state definitions of SMI and/or serious and persistent mental illness (SPMI).

B. COUNTY WPC IGT

1. The parties agree that there are a number of variables that can impact the actual amount of TSR allocated to each Contracting Hospital each fiscal year, and these variables may cause the actual allocation for FY 2016-17 through FY 2020-21 to vary from the amount committed to COUNTY.

2. CONTRACTOR has agreed to the COUNTY WPC IGT reconciliation process, as specified in this Exhibit B, following the end of the WPC Program to balance any adjustments to CONTRACTOR's TSR allocation during the period required to meet the IGT commitments.

3. CONTRACTOR agrees that COUNTY, through a COUNTY'S IGT, shall transfer all or a portion of its TSR Fund allocation to DHCS, along with any other funds identified by COUNTY in support of the WPC Program, in accordance with the following schedule as required by DHCS, and in the amounts specified by DHCS:

<u>Period</u>	<u>TSR Year</u>	<u>Amount</u>	<u>WPC Year</u>	<u>IGT Date</u>
<u>Period 1</u>	<u>FY 2016-17</u>	<u>\$516,400</u>	<u>CY 2016</u>	<u>June, 2017</u>
<u>Period 2</u>	<u>FY 2017-18</u>	<u>\$516,400</u>	<u>CY 2017</u>	<u>December 2017 & June 2018</u>
<u>Period 3</u>	<u>FY 2018-19</u>	<u>\$516,400</u>	<u>CY 2018</u>	<u>December 2018 & June 2019</u>
<u>Period 4</u>	<u>FY 2019-20</u>	<u>\$516,400</u>	<u>CY 2019</u>	<u>December 2019 & June 2020</u>
<u>Subsequent Agreement</u>	<u>FY 2020-21</u>	<u>\$516,400</u>	<u>CY 2020</u>	<u>December 2020 & June 2021</u>
	<u>Total:</u>	<u>\$2,582,000</u>		

C. COUNTY WPC - RECONCILIATION

1. For each year of each Cycle, ADMINISTRATOR shall compare the actual amount of TSR

1 allocated to CONTRACTOR, calculated in accordance with Paragraph III.A.2 of Exhibit A of the
2 Agreement, to the IGT commitment made for each year of the WPC. ADMINISTRATOR shall
3 distribute these calculations to CONTRACTOR and Hospital Association of Southern California
4 (HASC).

5 2. If the total of actual calculated TSR Funds to be distributed to all Contracting Hospitals
6 within the same corporate ownership is greater than the total of the IGT amount specified for the
7 corresponding WPC period, ADMINISTRATOR may retain the difference between the TSR Fund
8 amount calculated and the amount committed to COUNTY until each year within the WPC period is
9 reconciled, or paid to CONTRACTOR. Following the end of the WPC period, if the total off all five (5)
10 reconciled years results in a TSR amount that is greater than the total of the five (5) IGT amounts
11 specified for the WPC, the difference shall paid to the applicable Contracting Hospitals within the
12 corporate ownership as determined by CONTRACTOR.

13 3. If the total of actual calculated TSR Funds to be distributed to all Contracting Hospitals
14 within the same corporate ownership is less than the total of the IGT amount specified for the
15 corresponding WPC period, ADMINISTRATOR shall, in an amount equal to the difference between the
16 TSR Fund amount calculated and the amount committed to COUNTY until each year within the WPC
17 period is reconciled, allocate a portion of the next Fiscal Year's budgeted TSR Funds to the
18 CONTRACTOR to ensure the IGT commitment to DHCS is satisfied. Following the end of the WPC
19 Period, if the total off all five (5) reconciled years results in a TSR amount that is less than the total of
20 the five (5) IGT amounts specified for the WPC Period, the difference shall be deducted from the FY
21 2021-22 TSR Allocation due to the Contracting hospital.

22 4. The current Agreement term ends June 30, 2020, and all future WPC related financial
23 commitments and actions for periods beyond that date will be incorporated into subsequent Agreements
24 or Amendments.

25
26 The revisions set forth in this First Amendment to the Agreement shall be effective upon execution by
27 the COUNTY and CONTRACTOR. In all other respects, the terms of the Agreement not expressly
28 changed by this First Amendment to the Agreement shall remain in full force and effect.

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