August 15, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF THREE THERAPEUTIC HEMAPHERESIS SERVICES AGREEMENT AMENDMENTS
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to offer and sign Amendment No. 1 to the current Agreements with HemaCare Corporation (HemaCare) (County Contract No. 212909), Hemodialysis, Incorporated (Hemodialysis) (County Contract No. H207812), and HaemoStat, Incorporated (HaemoStat) (County Contract No. H213088) substantially similar to Exhibits I, II, and III, to extend the term effective upon the date of Board approval through August 31, 2007, to continue the provision of therapeutic hemapheresis services at Harbor/UCLA Medical Center, LAC+USC Medical Center, Martin Luther King Jr./Charles R. Drew Medical Center, and Olive View Medical Center, to allow time for a replacement agreement to be completed, at a total estimated annual (i.e., September 1st through August 31st) net County cost of $636,500.

2. Delegate authority to the Director of Health Services, or his designee, to offer and sign a new therapeutic hemapheresis replacement agreement form with HemaCare (County Contract No. 212909), Hemodialysis, (County Contract No. H207812), and HaemoStat (County Contract No. H213088) to update the contract form, effective on the date of approval by the parties through August 31, 2009, with fee schedules remaining unchanged, subject to review and approval by County Counsel, the Chief Administrative Office and notification of the Board.

3. Delegate authority to the Director of Health Services, or his designee, to offer and sign a form therapeutic hemapheresis agreement to allow other licensed and qualified therapeutic hemapheresis providers to provide services under the same terms and conditions and fee schedules, substantially similar to the therapeutic hemapheresis replacement agreement form with HemaCare, Hemodialysis, and HaemoStat, effective on the date of approval by the parties through August 31, 2009, to provide for an
additional provider(s) to serve Harbor/UCLA, LAC+USC, King/Drew, and Olive View, and/or a new provider at other County facilities, subject to review and approval by County Counsel, the Chief Administrative Office and notification of the Board.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is approving the extension of existing therapeutic hemapheresis agreements with Hemacare, Hemodialysis, and Haemostat, to continue needed services while allowing time to do a replacement agreement (e.g., to revise format), which in turn, will continue to be offered to other licensed and qualified therapeutic hemapheresis service providers on an as needed basis, as approved by the Director of Health Services, or his designee, to enable the Department of Health Services (DHS or Department) to ensure provision of necessary therapeutic hemapheresis services.

These services provide clinical treatment of autoimmune diseases and blood disorders by removing selected, abnormal components or cells from a patient’s blood and then returning the blood to the patient.

FISCAL IMPACT/FINANCING:

The total estimated annual (September 1st through August 31st) cost for all three contractors is $636,500, or a total cost of $1,909,500 for the three year agreement term. Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since August 19, 1997, therapeutic hemapheresis services have been obtained under contract. On August 21, 2001, the Board approved agreements with HemaCare and HaemoStat, effective on the date Board approval through August 31, 2002, with provisions for four one-year automatic renewals through August 31, 2006, including delegated authority for the Director of Health Services, or his designee, to offer and sign similar form agreements to any other licensed and qualified therapeutic hemapheresis service providers, at a total estimated annual net County cost of $535,001. On August 19, 2002, under delegated authority, the Department entered into a therapeutic hemapheresis services agreement with Hemodialysis, effective October 1, 2002 through August 31, 2003, with three one-year automatic renewals through August 31, 2006, at an estimated annual net County cost of $180,167.

Attachment A provides additional information.

County Counsel has approved the Amendments (Exhibits I, II and III) as to form.

CONTRACTING PROCESS:

On April 23, 2001, the Department released a Request for Qualifications (RFQ) for Therapeutic Hemapheresis Services seeking services for Harbor/UCLA, LAC+USC, King/Drew, and Olive View Medical Centers. By May 31, 2001, the RFQ response submission deadline, responses were received from only two firms: HemaCare Corporation and HaemoStat, Inc. On August 21, 2001, the Board
approved awarding agreements to the two firms and any other licensed qualified firm (as determined by Director) under the same terms and conditions as these two agreements.

IMPACT OF CURRENT SERVICES (OR PROJECTS):

Board approval of the three agreements, and any subsequent agreement(s) with qualified contractors, will provide the Medical Centers with a pool of contractors from which to select for the provision of therapeutic hemapheresis services.

When approved, this Department requires three signed copies of the Board’s action.

Respectfully submitted,

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

Attachments (4)

c:  Chief Administrative Officer
    County Counsel
    Executive Officer, Board of Supervisors
    Auditor Controller
SUMMARY OF AMENDMENT

1. **TYPE OF SERVICE:**

   As-needed therapeutic hemapheresis services for Department of Health Services’ medical centers.

2. **AGENCIES ADDRESSES AND CONTACT PERSONS:**

   a. **HemaCare Corporation.**
   
      4954 Van Nuys Boulevard, Suite 201
      Sherman Oaks, California 91403
      Attention: Ms. Tamia Roberts, Associate Director of Marketing
      Telephone: (818) 728-8863
      Facsimile: (818) 386-6522
      Contract No.: H-212909
      electronic mail: troberts@hemacare.com

   b. **Hemodialysis, Inc.**
   
      710 West Wilson Avenue
      Glendale, California 91203
      Attention: Mr. Mark Perez, Acute Mobile Dialysis Supervisor
      Telephone: (818) 240-9970
      Facsimile: (818) 507-5678
      Contract No.: H-207812
      electronic mail: marcosdpere~.cs.com

   c. **HaemoStat, Inc.**
   
      7247 Hayvehurst Avenue, Unit A-1
      Van Nuys, California 91406
      Attention: Ms. Pam Saffire, Area Manager
      Telephone: (818) 376-4033
      Facsimile: (818) 994-2744
      Contract No.: H-213088
      electronic mail: pamela.saffire@fmc-na.com

3. **TERM:**

   Amendment effective upon the date of Board approval through August 31, 2007. Replacement agreement effective on the date approved by the parties through August 31, 2009.

4. **FINANCIAL INFORMATION:**

   The total estimated annual (September 1st through August 31st) cost for all three contractors is $636,500, or a total cost of $1,909,500 for the three year agreement term. Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

5. **PROGRAM INFORMATION:**

   The agreements provide for therapeutic hemapheresis services at LAC+USC, Harbor-UCLA, Martin Luther King, Jr./Drew, and Olive View-UCLA Medical Centers.

6. **APPROVALS:**

   Office Laboratory Consolidation: W. Stephen Matthews, Ph.D.
   LAC+USC Healthcare Network: Pete Delgado, Chief Executive Officer
   Harbor/UCLA Medical Center: Tecla A. Mickoseff, Chief Executive Officer
   King/Drew Medical Center: Antionette Smith Epps, Chief Executive Officer
   Olive View/UCLA Medical Center: Melinda Anderson, Chief Executive Officer
   Contract Administration: Cara O’Neill, Chief
   County Counsel (as to form): Christina Salseda, Deputy County Counsel