



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 11, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

NEW MARTIN LUTHER KING, JR. (MLK) HOSPITAL - NOTICE OF GRANT AGREEMENT WITH L.A. CARE

On April 13, 2010, on motion by Supervisor Ridley-Thomas, your Board delegated authority to the Chief Executive Officer (CEO) to execute an agreement with L.A. Care accepting a grant in the amount of \$500,000, and other agreements with philanthropic organizations, to accept grants and/or donation funds to support the MLK Hospital Project Management Team. The CEO was further instructed to notify your Board of any additional grants and/or donations from philanthropic organizations so that it is a matter of public record. Supervisor Yaroslavsky further amended Supervisor Ridley-Thomas' motion by instructing the CEO to notify your Board prior to the acceptance of any additional grants and/or donations.

This is to notify your Board that we have completed negotiations of the grant agreement, in the amount of \$500,000, with L.A. Care. County Counsel reviewed and approved as to form the grant agreement which has been fully executed (attached). We continue to work with other philanthropic organizations and will keep your Board apprised of our efforts, including notification prior to the acceptance of any grants and/or donations.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

Each Supervisor
May 11, 2010
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Please contact me if you have any questions, or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:BC:SAS
MLM:gl

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services

051110_HMHS_MBS_LA CARE

L.A. Care Health Plan
Community Benefit Programs
GRANT AGREEMENT
April 27, 2010

A twelve-month grant has been approved in the amount of **\$500,000** (five hundred thousand dollars) to the **Los Angeles County Chief Executive Office (CEO)**, (“**Grantee**”). The grant period is from **April 1, 2010 through April 1, 2011** as part of L.A. Care Health Plan's ("L.A. Care") Responsive Grant Making (“Ad Hoc”) Program for the purposes set forth in Section I below. This grant is made in accordance with the following terms and conditions:

I. Purpose of the Grant

L. A. Care Health Plan (L.A. Care) is making grant monies available to further its mission as a community health plan serving vulnerable and underserved populations in Los Angeles County.

As one component of this mission, L.A. Care is supporting projects that address issues related to improving public health and reduce health disparities such as access to coverage and care. As such, this grant will support Grantee to engage in planning and other management functions to open the Martin Luther King Jr. Hospital (MLK Hospital). Part of the plan and management functions is for Grantee to create a separate, independent entity from LA County, with its own governance structure to operate the new hospital. This new entity will be accountable to the community and will appropriately integrate the hospital as a central component of the care delivery system in South Los Angeles. Grantee shall fulfill all the objectives outlined and incorporated in the attached workplan (Exhibit A) in a manner consistent with the Grant Budget (Exhibit B) attached hereto on or before April 1, 2011. Recognizing that federal and state anti-kickback laws preclude the exchange of remuneration between health care providers under certain circumstances, the parties acknowledge and agree that the provision and acceptance of grant funds under this agreement is not intended for a purpose prohibited by these statutes.

II. Conditions and Terms of the Grant

As a condition of payment, Grantee asserts that it is a licensed free or community clinic, a Federally Qualified Health Center, public agency, or a tax-exempt 501 (c) (3) that serves people in Los Angeles County.

Grantee shall forward three (3) reports to L.A. Care due within 30 days from the dates indicated below:

1. The first reporting period ends on October 1, 2010;
2. The second reporting period ends on April 1, 2011; and
3. The closing reporting period ends on April 1, 2012, a year after this agreement ends.

The report should document progress made during those reporting periods in accordance with the attached workplan. Grantee will also report on activities carried out in compliance with the acknowledgement and communication requirements noted in Section VIII. Failure to submit timely and complete reports may impact receipt of payment under this grant and may disqualify Grantee for future grants from L. A. Care.

III. Disbursement of Grant Funds

This grant award will be disbursed in two (2) payments as indicated below. L.A. Care will make the first payment of grant funds for \$250,000 within thirty (30) days of receipt of:

- **Two (2) original copies of this Grant Agreement signed by authorized representatives of Grantee**
- **If applicable, one copy of Grantee's W-9 form, if not previously provided to L.A. Care.**

L.A. Care shall receive two original signed Grant Agreements on or before April 30, 2010. One original executed copy will be sent to the Grantee.

The second and final payment of \$250,000 will be disbursed upon receipt of the first report due on October 1, 2010, provided that Grantee shall also have conducted at least one dutifully held official meeting of the Board of Directors of the new non-profit entity by that date. If the Board of Directors' meeting has not occurred by October 1, 2010, the second payment shall not be made until after such meeting has occurred.

Grantee understands that L.A. Care has no obligation to provide additional support to Grantee for this or any other purpose. Expenditure of grant funds must be consistent with the approved Grant Budget, attached as Exhibit B. Revisions of the Grant Budget must be requested in writing when changes, in any line item, are projected to be above 10 percent of the approved budget. L.A. Care reimburses a maximum of 10 percent for indirect costs.

Notwithstanding the above stated provisions in Section III, L.A. Care will not make any disbursement of the grant unless Grantee is in compliance with all of the terms and conditions applicable to the award contained in this Grant Agreement, and only as long as the disbursement of the grant 1) will not violate any provision of law, regulation, or administrative ruling to which L.A. Care is subject, and 2) will not subject L.A. Care to any tax, penalty or fine.

IV. Default, Termination, Repayment

L.A. Care will not be obligated to disburse any grant funds, if, at the time of the disbursement, Grantee is in default under the terms of any agreement provided funding from L.A. Care. At L.A. Care's sole discretion, L.A. Care may terminate the grant and L.A. Care will be under no further obligation to extend funding should grant proceeds be used for any purpose other than those specified under this Grant Agreement. L.A. Care, at its sole discretion, may terminate the grant at any time without any further obligation to the Grantee, if 1) in L.A. Care's judgment, the Grantee becomes unable to carry out the purposes of the grant, 2) the Grantee fails to comply with the conditions of the grant, or 3) L.A. Care's anticipated funds designated to support this grant are substantially reduced or discontinued. If the grant is terminated prior to the end of the grant term due to the occurrence of items 1-2, above, the Grantee shall reimburse L.A. Care the unexpended monetary value of the grant as specified in this Grant Agreement.

V. Monitoring

L.A. Care reserves the right to monitor and conduct an evaluation of the project operations funded by the grant. This monitoring may include a site visit by L. A. Care personnel at a reasonable time to review the progress, pertinent records and/ or subcontracts, and other material related to grant activities. L.A. Care reserves the right to audit all financial records pertaining to grant activities.

VI. Copyright Ownership

All copyright interests in material produced as a result of this grant are owned by the Grantee. Grantee hereby gives to L.A. Care a nonexclusive, irrevocable, perpetual, royalty-free license to reproduce, publish, copy or otherwise use any and all such materials.

VII. Indemnification

Grantee agrees to indemnify and hold L.A. Care harmless from and against all loss, damage, or claims arising as a result of Grantee undertaking grant award activities pursuant to this Grant Agreement including any loss due solely to the acts or omissions of Grantee in the performance of this Grant Agreement.

VIII. Acknowledgement and Communication

1. In consultation with L.A. Care Health Plan, Grantee will place a significant plaque acknowledging this contribution in a prominent and visible area acknowledging L.A. Care's contribution and with language approved by L.A. Care.
2. During the term of this grant, Grantee must name L.A. Care Health Plan as grantor in all communications relating to this project and if applicable must acknowledge L.A. Care at all fundraising and press events related to this specific project. When appropriate, the Grantee shall include the following statement: "*This project is funded in part by L.A. Care Health Plan and will benefit low-income and uninsured residents of Los Angeles County.*"
3. For all outreach and fundraising events related to this project, an L.A. Care banner will be provided to Grantee for appropriate display;
4. L.A. Care and Grantee organizations will prepare and issue joint press releases that recognize L.A. Care's contribution and its importance in addressing community need, should either party take the initiative;
5. If any press conferences, ribbon cuttings, groundbreakings, or other events are held and relates to the project, Grantee will ensure that an L.A. Care spokesperson is included and has a prominent role;
6. L.A. Care will post information regarding this grant on its website;
7. Grantee will report on all the above listed activities in the reports required by and in accordance with the schedule set forth in Section II.

IX. No Right of Assignment or Delegation

Grantee may not assign or otherwise transfer its rights or delegate any of its obligations under this Grant Agreement, with the exception of any needed subcontractors, which shall agree to be bound by all terms and conditions of the grant.

X. Validity and Amendment

If any term or part of any term or condition of this Grant Agreement is determined to be invalid it shall not affect the validity of the other terms and conditions. This Grant Agreement can be modified by an amendment authorized by representative of L.A Care and Grantee.

XI. Authorized Signature

This Grant Agreement correctly sets forth Grantee's understanding of the terms and conditions of the Grant. Grantee accepts this Grant Agreement by having an authorized individual sign and date in the spaces provided below and causing the Grant Agreement to be returned to:

Elaine Batchlor, MD, MPH, Chief Medical Officer
Community Benefit Programs
L. A. Care Health Plan
555 W. Fifth Street, 29th Floor
Los Angeles, CA 90013
Tel: 213.694.1250 Ext. 4191
Fax: 213. 438.5729
Email: ebatchlor@lacare.org

The terms of the Grant accepted and agreed to:

LOCAL INITIATIVE HEALTH
AUTHORITY FOR LOS ANGELES
COUNTY, d.b.a. L.A. CARE HEALTH
PLAN ("L.A. Care")

COUNTY OF LOS ANGELES –
CHIEF EXECUTIVE OFFICE
("Grantee")

By: _____
Name: Howard A. Kahn
Title: Chief Executive Officer

By:  _____
Name: William T Fujioaka,
Title: Chief Executive Officer

Date: May _____, 2010

Date: May _____, 2010

T.I.N.: 95-9000927

County of Los Angeles
500 West Temple Street, Room 713
Los Angeles, CA 90012