



Los Angeles County
Board of Supervisors

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Fifth District

June 16, 2015

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:

**AMENDMENT TO MEDICAL SCHOOL AFFILIATION AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND
THE UNIVERSITY OF SOUTHERN CALIFORNIA**

**(1st AND 4th SUPERVISORIAL DISTRICTS)
(3 VOTES)**

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
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www.dhs.lacounty.gov

SUBJECT

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

Request approval of an amendment to the Medical School Affiliation Agreement with the University of Southern California to adjust staffing levels and increase the maximum contract amount by \$1,150,289 for the provision of physician medical education and patient care services, and other patient care services at LAC+USC Medical Center, commencing July 1, 2015, and request for delegated authority for the Director of Health Services, or his designee, to execute a new Part-time/Intermittent Specialty Medical Services Agreement with the University for the provision of specialty physician services at Rancho Los Amigos National Rehabilitation Center, at an estimated annual cost of \$1,299,550.

IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding as required by Los Angeles County Code section 2.121.420 that physician and non-physician services provided under the Medical School Affiliation Agreement No. 75853 (MSAA) at LAC+USC Medical Center (LAC+USC MC) and Rancho Los Amigos National Rehabilitation Center (RLANRC), as described herein, can continue to be performed more



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feasibly and economically, respectively, by contracting with the private sector.

2. Approve and instruct the Mayor to execute the attached Amendment No. 9 (Exhibit I) to the MSAA with the University of Southern California (USC) for the provision of physician medical education and patient care services, and other patient care services, effective upon Board approval, to: a) add additional purchased services for various clinical departments at LAC+USC MC; b) reduce purchased services for the Department of Medicine at LAC+USC MC; c) increase the maximum annual obligation of the MSAA from \$137,352,944 to \$138,503,233 for the period beginning July 1, 2015; and d) compensate USC up to an additional \$8,500 if necessary with respect to additional pacemaker surveillance services to account for any increase in patient volume.

3. Delegate authority to the Director of Health Services, or his designee, to execute a new Part-Time/Intermittent Specialty Medical Services Agreement with USC to provide specialty physician services at RLANRC, at an estimated annual cost of \$1,299,550, effective July 1, 2015 to June 30, 2016, and extend such agreement for two additional one-year periods thereafter, subject to review and approval by County Counsel, with notice to the Board and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation is necessary to comply with Los Angeles County Section 2.121.420, as amended on November 21, 2006, whereby contracting for services is allowed upon a Board determination that the use of independent contractors is more feasible than the use of County employees for physician services, and is more economical for non-physician services. The Department has evaluated the Agreement's physician services, and recommends the Board's determination thereof. The Department has also evaluated the addition of a non-physician doctoral scientist at LAC+USC MC to provide clinical laboratory services and determined that such non-physician services are more cost-effective than the use of a County employee, and recommends the Board's determination thereof.

Approval of the second recommendation will enable the Director to amend the MSAA to add additional services by adjusting the volume of physician services and staffing levels and costs based on current service needs, as described below:

Department of Pathology LAC+USC MC will add Purchased Services to replace a retired doctoral scientist (1.0 FTE) for clinical laboratory services at an annual amount of \$157,973 for FY 2015-16. .

Department of Pediatrics County currently contracts with individual University pediatricians to provide nighttime and weekend coverage for the Violence Intervention Program (VIP) e-CARE Project at LAC+USC MC. This project provides 24/7 coverage for children presenting to the clinic for an initial screening exam as a result of rape, domestic abuse or out-of-home placement. USC has informed the County that it does not want to extend these individual agreements which expire on June 30, 2015. As a result, approval of this Amendment will help to consolidate the services performed by USC under one agreement and continue such part-time and intermittent services by adding pediatricians (0.82 FTE) to the MSAA at an annual FY 2015-16 cost of \$172,044, which is based on actual utilization, and is below the combined maximum obligation of \$397,874 set forth under the current agreements for such services. The contract costs include an increase of 32.75% to account for fringe benefits.

Department of Psychiatry As a result of a transfer of a County item from the Department of Psychiatry to administration at LAC+USC MC, one physician specialist (1.0 FTE) will be added to the MSAA at an annual FY 2015-16 cost of \$265,500 to maintain the current level of services provided by the Psychiatric Department.

Department of Medicine LAC+USC MC will add Purchased Services in the amount of \$85,000 for as-needed pacemaker surveillance monitoring services. The Addendum also allows County to compensate USC up to an additional ten (10) percent or \$8,500, should LAC+USC MC need to refer additional patients for this service. Cardiac pacemakers and defibrillators require regular follow up clinic visits to assess routine issues of battery depletion, component failure, electrical lead malfunctions and troubleshooting suspected abnormalities and intervening remotely to correct the abnormalities. The goals of the service are to obtain maximum device longevity and patient safety while treating the patient's cardiac conditions.

This Amendment reflects replacement of a pre-existing, longstanding contract that has been outside of the MSAA by incorporating the cost and service into the MSAA at the same cost to maintain the same services. On June 4, 2014, when DHS obtained Board approval to extend for one year the term of the pacemaker surveillance monitoring services agreement with USC, DHS advised the Board that it would assess whether it would bring such services in-house at LAC+USC MC (While other DHS facilities use in-house staff to perform pacemaker surveillance services, LAC+USC MC refers patients to USC's cardiac clinic for such services). The Department's cost analysis reveals that it is more cost-effective to utilize USC and its cardiac clinic rather than hiring in-house staff and re-furbishing existing space at LAC+USC MC to establish a cardiac pacemaker clinic. Additional administrative savings are realized by continuing these services through the MSAA rather than maintaining the current contract, which expires on June 30, 2015.

Attrition. The MSAA provides that upon the attrition of a County-employed physician, the Director may either hire a replacement or direct USC to provide such services using University physicians. During Fiscal Year (FY) 2014-15, LAC+USC MC directed USC to provide such services for various specialties for the remainder of the contract year. Approval of this Amendment will provide ongoing funding for the purchased service of various specialists, 3.0 Full Time Equivalents (FTEs), at an annual cost of \$835,662.

In addition, approval of this recommendation will enable the Director to reduce the volume of physician services provided by USC by 2.0 FTEs in the Department of Medicine, and enable LAC +USC MC to hire County physicians to increase service capacity in its Department of Family Medicine. Such reduction will decrease the contract funding by \$365,890 for FY 2015-16.

Finally, this recommendation will also enable the Director, or his designee, to compensate USC for pacemaker surveillance monitoring activities performed under the MSAA for additional patients if medically necessary.

Approval of the third recommendation will allow the Director, or his designee, to enter into an agreement with USC for the provision of part-time and intermittent specialty care at RLANRC. This facility requires specialty services such as ophthalmology, orthopedic surgery, vascular surgery, neurosurgery and other specialties in order to provide comprehensive care for the patients served by RLANRC, but only needs these services on a part-time and intermittent basis. Currently, a portion of such care is provided through agreements with USC on behalf of each USC-employed physician. However, USC has informed DHS that it does not wish to extend these agreements which expire on June 30, 2015.

The new agreement will continue the care currently provided by the individual agreements, and add additional specialty care at RLANRC, not to exceed the maximum rates set forth by the Board for the individual agreements, on a part-time and intermittent basis to ensure adequate patient coverage and provide professional expertise when needed. The new agreement will also include provisions substantially similar to those in the Inmate Care Services Agreement between the County and USC executed on July 2, 2013 with respect to indemnification, insurance and the County's standard terms and conditions, including provisions allowing either party to serve upon the other a notice of non-renewal at least ninety (90) days prior to the end of the initial twelve month term, and if applicable, any 12-month extension thereafter.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum annual County obligation for LAC+USC MC under the amended Agreement will be increased from \$137,352,944 to \$138,503,233, commencing in FY 2015-16. Funding is included in DHS' FY 2015-16 Recommended Budget. The cost of the additional purchased services and attrition will be fully offset by the reductions in salary funding and services and supplies funding. Funding for future years will be requested as necessary.

The estimated annual cost for the Part-time and Intermittent Specialty Physician Services at RLANRC is \$1,299,550. Funding is included in DHS' FY 2015-16 Recommended Budget, and will be requested in future years, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS entered into the current MSAA with USC August 1, 2006 through June 30, 2007, with a one-year automatic extension at the end of each contract year. The term of the current Agreement is for a rolling five-year term unless either party serves notice of non-renewal to the other party, in which case the MSAA would expire in four years. The MSAA was subsequently amended to accommodate the Replacement Facility for the LAC+USC MC, adjust staffing levels and provide additional compensation to retain current physician staffing, and add additional purchased services and funding to meet LAC+USC MC patients' needs and ensure full compliance with accreditation standards.

On June 14, 2011, the Board approved form agreements for the provision of as-needed and part-time specialty medical services to address critical staffing shortages, peak workloads, unexpected emergencies, and vacation coverage at DHS facilities, and delegated authority to the Director or his designee, to execute agreements using the appropriate template agreement with individual physicians or physician registries. Subsequently, DHS exercised its delegated authority, and executed individual physician agreements with USC on behalf of each USC-employed physician to perform pediatric services at LAC+USC MC and provide certain specialty care at RLANRC. Since these agreements are executed with USC, USC prefers that these services be rolled into the MSAA between County and USC, while the various specialty care services provided at RLANRC be continued under a single agreement with USC,

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

Given the nature and scope of the services provided by USC under the Agreement, as well as the historic and longstanding relationship between the County and USC, the Department determined that it was not feasible to competitively bid this contract.

County Counsel has advised that the portion of the MSAA related to academic services are not subject to the provisions of County Code Chapter 2.121, Contracting with Private Business (Proposition A). Furthermore, the services provided under the agreements for specialty care and pacemaker monitoring surveillance services are part-time and intermittent, and therefore, not subject to Proposition A requirements. As such, these services can be consolidated under the MSAA for LAC+USC MC, while specialty care can be consolidated under a single agreement for RLANRC.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable the continued provision of physician medical education and patient care services at LAC+USC MC and RLANRC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, somewhat stylized font.

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

AFFILIATION AGREEMENT

Amendment No. 9

THIS AMENDMENT is made and entered into this _____ day
of _____, 2015,

by and between

COUNTY OF LOS ANGELES
(hereafter "County")

and

THE UNIVERSITY OF SOUTHERN
CALIFORNIA (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated August 29, 2006, as amended by Amendment dated November 14, 2008, Amendment No. 1 dated November 25, 2008, Amendment No. 3 dated April 19, 2011, Amendment No. 4 dated June 28, 2011, Amendment No. 5 dated November 13, 2012, Amendment No. 6 dated June 14, 2013, Amendment No. 7 dated July 22, 2014, and Amendment No. 8 dated September 23, 2014, further identified as County Agreement No. 75853 (collectively, hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend the Agreement and add Addendum A-7 as described hereafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties; and

WHEREAS, the University warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon Board approval.

2. Agreement, Paragraph 6.1, Payment to University for Purchased Services, is deleted in its entirety and replaced as follows:

"6.1. Payment to University for Purchased Services. Unless otherwise noted herein, County shall compensate University in advance, on the first day of each calendar quarter, for the provision of Purchased Services at the rates set forth in Addendum A. In no event shall the compensation provisions be revised more frequently than every twelve (12) months. For each Contract Year, Parties shall reconcile County's payments to University with the actual volume of Purchased Services rendered, within four (4) months after the Contract Year ends."

3. Addendum A-5-b shall be added to the Agreement, attached hereto and incorporated herein by reference.

4. Addendum A-7 shall be added to the Agreement, attached hereto and incorporated herein by reference.

5. Any reference in the Agreement to Addendum A, A-1, A-2, A-3, A-4, A-5, A-5-a, A-5-b, and A-6 shall also refer to Addendum A-7, as appropriate.

6. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

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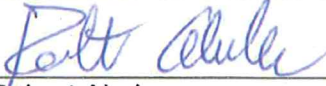
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IN WITNESS WHEREOF, Contractor has executed this Amendment, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR:

UNIVERSITY OF SOUTHERN CALIFORNIA

By 
Robert Abeles
Sr. Vice President, Finance & CFO

Name and Title

COUNTY OF LOS ANGELES

By _____
Mayor, Board of Supervisors

ATTEST:
PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By _____

APPROVED AS TO FORM:
Mark J. Saladino
County Counsel

By 
Principal Deputy County Counsel

**USC ADDENDUM A-7
Purchased Services**

Contract Year Ending June 30, 2016

A.1 General. Payment for Purchased Services will be made by County to University in the amounts set forth in Section A.3 below. Payment for Purchased Services shall be made in quarterly installments, each payable on the first business day of each Contract Year quarter unless otherwise noted herein. In addition, if County requests increases in the volume of any Purchased Services identified in this Addendum, County will pay for such services in advance on a quarterly basis unless otherwise noted herein. University is not obligated to provide such supplemental services until University receives payment from County for those services. Except with regard to additional Purchased Services provided by University pursuant to Section A.2.4.3 *Attrition of County-Employed Physicians*, any new services which the Parties agree to commence during the Contract Year, of a nature not set forth in this Addendum A, Addendum A-5-a, and A-5-b will be provided pursuant to an amendment or separate agreement between the Parties, subject to the approval of the Governing Board; such new services will be taken into account in revising Addendum A for the next Contract Year. Any such revisions to this Addendum A, Addendum A-5-a, and Addendum A-5-b shall not take effect without a properly executed amendment.

A.2 Purchased Services. University shall provide the following Purchased Services during the Contract Year beginning July 1, 2015 and ending June 30, 2016. The type and volume of Purchased Services provided during the Contract Year shall continue on an annualized University Personnel FTE basis, unless otherwise noted, as provided by University Personnel during the prior Contract Year. All Purchased Services shall be provided at the same overall level during the prior Contract Year unless otherwise expressed in this Addendum A.

A.2.1 Clinical Services. Except for those services which may be provided by persons other than University Personnel, University shall provide those clinical services sufficient to address the goals and responsibilities set forth in §5.4.

A.2.2 Non-Clinical Academic and Administrative Services. Except as provided by persons other than University Personnel, University shall provide academic and management services sufficient to address the goals and responsibilities set forth in §§ 5.3 and 5.5, respectively, including services set forth in Addendums A-5-a and A-5-b.

A.2.3 Research. The Parties understand and agree that no funds paid under this Agreement shall be used to pay for non-clinical research. If it is determined that any funds are used to pay for non-clinical research, University shall reimburse County such amount.

A.2.4 Volume of Purchased Services. Until measures are developed to more accurately define the volume of Purchased Services, the Parties agree that the volume of all services will be measured on the basis of full time equivalents (FTEs) for physicians and other University Personnel, unless otherwise noted herein.

A.2.4.1 Intentionally omitted.

FTE COUNT

	Physician and Dentist FTEs*	Non- Physician FTEs**	Total FTEs
Base Contract as of Contract Year ending June 30, 2015	636.32	83.75	720.07
New Contract Year ending June 30, 2016	2.82	1.0	3.82
Total	639.14	84.75	723.89

* The FTEs include a fraction of the effort of 8 direct County-paid physicians who receive a stipend from University (to be verified by the Hospital).

**The FTEs include Intra-Operative Monitoring (IOM) Technicians. University shall continue to provide IOM Technicians effective July 1, 2013 at the same rates set forth in Amendment No. 5 of this Agreement, and annually thereafter, unless University provides written notice to Director by February 15 to request changes effective July 1 of that same calendar year. County may terminate the FTEs related to IOM Technicians upon 90 days prior written notice.

A.2.4.2 *Allocation of FTEs.* The allocation of University Personnel FTEs among Departments may be changed upon written agreement of the Chief Medical Officer, CEO and University Representative that such reallocation optimizes the use of personnel in the performance of this Agreement.

A.2.4.3 *Attrition of County-Employed Physicians.* Upon attrition of a County-employed physician in Primary County Facilities, Director may (1) hire a replacement or (2) direct University, for the remainder of the Contract Year to provide the services previously provided by such County physician through University-employed physicians, which shall constitute additional Purchased Services under this Agreement for which University shall be compensated during the Contract Year in addition to the contract maximum amount set forth in this Addendum A.

A.4.3 *Pacemaker Surveillance Monitoring Services.* County may increase the number of patients referred to University for pacemaker surveillance monitoring services, and compensate University in accordance with Addendum A-5-b, provided that such compensation does not exceed ten (10) percent of the amount shown in this Addendum. Any increase in compensation shall be in addition to the contract maximum set forth in this Addendum A.

A.3 Payment for Purchased Services. County shall compensate University as set forth below.

CY ending June 30, 2016

Contract Maximum Amount (CY ending June 30, 2015)

137,352,944

ADDITIONAL PURCHASED SERVICES

1.	Clinical Pathologist (PhD) (1.0 FTE) at LAC+USC for the Dept. of Pathology	157,973
2.	Various University Pediatricians (0.82 FTE) for night time and weekend coverage for the Violence Intervention Program e-CARE Project	172,044
3.	Department of Psychiatry (1.0 FTE)	265,500
4.	Department of Medicine Pacemaker Surveillance Monitoring	85,000*
5.	Various University Physicians to replace County-employed Physicians as a result of attrition (3.0 FTE)	835,662**

* Payment in arrears for each patient visit in accordance with Addendum A-5-b

** Funding will be prorated based on date of coverage by USC. Specialties include Emergency Medicine (2.0 FTEs) and Pulmonary Medicine (1.0 FTE).

REDUCTED PURCHASED SERVICES

1.	Deletion of General Medicine Physicians (-2.0 FTE)	(365,890)
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Subtotal (3.82 FTE) \$1,150,289

Contract Maximum Amount (CY ending June 30, 2016) \$138,503,233

A.4 Volume of Purchased Services.

A.4.1. Academic Purchased Services. During the term of this Agreement, Academic Purchased Services will be performed by Faculty in accordance with the requirements of this Agreement. The parties agree during the Contract Year to work together to develop a new methodology for determining payments for the provision of Academic Purchased Services under this Agreement.

A.4.2. Academic and Clinical Administrative Purchased Services. During the term of this Agreement, University shall provide Academic and Clinical Administrative Purchased Services as needed to support the Training Programs in accordance with the requirements of this Agreement. The Parties agree during the Contract Year to work together to develop a new methodology for determining payments for the provision of University Academic and Clinical Administrative Purchased Services under this Agreement.

A.4.3. Mission Support. County is committed to promoting medical education in its community, as reflected through County's affiliation with University and County's participation in graduate medical education training programs accredited by the Accreditation Council for Graduate Medical Education. The Parties agree during the Contract Year to work together to develop a methodology for providing mission support to University.

A.5 Community-Based Health Services Planning. University agrees to participate in the

County's community based planning efforts. These planning efforts include but are not limited to: resizing the breadth and depth of primary and specialty care programs to meet local community needs, disease burden and public health initiatives; resizing the breadth and depth of tertiary and quaternary services to fit effectively within system-wide DHS clinical programs; expansion of outpatient diagnostic and therapeutic programs at Hospital and other community-based sites; sizing ACGME, ADA and other allied health programs in concert with service delivery planning; and developing, implementing and reporting evaluation metrics for the quality and efficiency of the service delivery program.

A.6 .[Intentionally Deleted]

A.7 Faculty Teaching Incentive Fund. Facility JPO Committee will establish annual awards for excellence in teaching to be awarded to Faculty. Faculty awardees and the amount of the awards will be determined by the Facility JPO based on written criteria to be jointly developed by University and County. In developing written criteria, University and County shall include resident and medical student participation as necessary criteria. Parties agree to equally finance this Incentive Fund, with each party contributing \$25,000 annually.

A. 8 Primary County Facilities. Those facilities listed in Exhibit 2 shall constitute the Primary County Facilities where Purchased Services may be performed.

A.9 Information Physician Workload and Productivity. The Parties shall work collaboratively to achieve both the clinical and operational goals as identified in the Hospital's mission and strategic plan. These include both short and long range goals, which will be refined and updated on an annual basis as part any revisions to this Addendum. To address a long range goal of improving information on attending staff workload and productivity, the parties agree to implement an initial two part solution:

A.9.1 Amion Physician Scheduling. The Hospital shall provide the Amion electronic attending staff scheduling program for use by University. Within six months of providing the University access to Amion, or within six months of the execution of this Addendum, whichever is later, and in accordance with a timetable established by University and accepted by County, the University shall install and operate the Amion electronic attending staff scheduling program in a manner that identifies physicians in all clinical departments providing Purchased Services at Hospital each day (the "Hospital Schedules"). Hospital will have online access to the Hospital Schedules through Amion.

A.9.1.1 The University shall be responsible for the input, security and access of all data into Amion. To ensure accuracy, the University shall update physician scheduling data into Amion on not less than a daily basis and will periodically validate Hospital Schedules.

A.9.1.2 Upon request of the County, the University shall verify the accuracy of physician schedules in Amion as compared to actual physicians who have worked and the amount of hours worked by such physicians. The above verification may include one, several or all departments/services in the Hospital.

A.9.2 The parties acknowledge that the Hospital and University have completed three Memoranda of Understanding to measure performance and productivity of Purchased Services for the Harris-Rodde Specialty Clinics Coverage, Echocardiography and Radiation Oncology, anticipated to be executed by the parties within one month of execution of this Addendum. Hospital and University mutually agree to work together to develop additional Memoranda to measure performance and productivity for other major clinical Purchased Services as agreed by the Parties. The Parties shall use good faith efforts to complete and execute such Memoranda within twelve months of execution of this Addendum.

The Parties shall develop a mutually agreed upon system to track compliance with the performance and productivity goals identified in each Memorandum of Understanding (the "Tracking System"). When Hospital has reasonably determined that the performance and productivity goals under one (or more) Memorandum have not been met by University based on the data from the Tracking System, the Hospital shall notify the University in writing within twenty (20) days of such determination (the "Notice"). The Notice shall be delivered to the Office of the Dean of the Keck School of Medicine, with a copy to the Office of the General Counsel. The Notice shall identify the specific performance and productivity goal by type and amount of unmet services, as compared to the performance and productivity goal(s) under the applicable Memorandum as well as Hospital's efforts to correct any Hospital issues related to the performance and productivity goal(s) at issue.

Within thirty (30) business days of receiving the Notice from the Hospital, the University shall submit a corrective action plan to the Hospital which sets forth the specific action(s) to be taken to meet the performance and productivity goal(s) and time period for completion of the corrective action plan. The Parties will work together to modify the corrective action plan to address each Party's concerns.

Disputes about each Party's compliance with the corrective action plan will be reviewed by an independent arbitrator selected by the Parties. The arbitrator's fees will be equally borne by the Parties. If the arbitrator determines that, solely due to the acts or omissions of University, University has not implemented in good faith the material elements of the corrective action plan within the time period specified in the corrective action plan agreed to by the Parties, the Hospital may deduct from payment to be made to the University the Hospital's actual and reasonable additional cost to provide the unmet services that directly result from such failure to meet the performance and productivity goals (except with respect to any goal established for new patients or new visits) through an alternative arrangement.

To the extent that the Parties desire University to provide services in excess of those established by the performance and productivity goals, they may increase those goals and provide for additional payment related to such services to University through an administrative amendment signed by both Parties, provided that such additional payment does not exceed the Contract Maximum Amount provided in Section A.3 of Addendum A. To the extent that payment for such additional services would cause total payments due under this Addendum to exceed the Contract Maximum Amount, the Parties acknowledge that compensation may only be made for such additional services after the Governing Board approves a formal amendment to this Addendum A authorizing such supplemental services.

A.9.3. Medical Record Documentation Performance Goals. The parties acknowledge the importance of accurate and timely documentation of patient medical information to facilitate patient treatment, care and services, particularly in the postgraduate physician teaching

environment of the Hospital. Such proper documentation is reflected in policies and standards applicable to the University, including, without limitation, the standards set forth by the Joint Commission (formerly defined as "JCAHO"), and policies issued by the County Department of Health Services. In addition to other compliance obligations, the parties seek to emphasize compliance with the following:

A.9.3.1 *Joint Commission*. The Parties agree to work together to maintain a medical record delinquency rate at or better than the full compliance threshold set forth by Joint Commission (IM 6.10; EP 11 "The medical record delinquency rate averaged from the last four quarterly measurements is not greater than 50% of the average monthly discharge (AMD) rate and no quarterly measurement is greater than the AMD rate."). To that end, the University agrees to work with County toward compliance by ensuring that physicians meet this compliance threshold with respect to the physician components of the medical record. For purposes of this section, a delinquent medical record is defined as a medical record available to the Physician for review and is further defined by Hospital Medical Staff Rules and Regulations.

A.9.3.2 *DHS Policy*. The University agrees to work toward a 90% threshold compliance rate for the following components of DHS Policy 310.2, Supervision of Residents, or as subsequently amended by DHS, by ensuring that physicians meet this compliance threshold regarding the physician components of the medical records and activities which are set forth below. References to the specific provision of DHS Policy 310.2 are in parentheses.

(4.1) An attending physician shall see and evaluate each patient prior to any operative procedure or delivery and shall document this evaluation in the medical record.

(4.2) An attending physician is responsible to assure the execution of an appropriate informed consent for procedures and deliveries with consent form and progress note documenting the consent discussion in the medical record.

(4.4.1) If the attending is present for the operative or invasive procedure or delivery, he/she must document in the medical record that he/she has evaluated the patient and authorizes the procedure.

(4.4.2) If the attending physician is not present for the operative or invasive procedure or delivery, the supervisory resident shall document in the medical record that he/she has discussed the case with the attending and the attending authorizes the resident to proceed.

(4.5) An attending physician must assure an operative or procedure note is written or dictated within 24 hours of the procedure and shall sign the record of operation ("green sheet") in all situations for which direct attending physician supervision is required.

(5.1) An attending physician is responsible for supervision of the resident and appropriate evaluation of the patient for each emergency department visit.

(5.2) An attending physician or supervisory resident shall review and sign the patient's record prior to disposition.

(7.1) An attending physician shall see and evaluate each inpatient within 24 hours of admission and shall co-sign the resident's admission note or record his/her own admission note within 24 hours.

(7.2) An attending physician shall see and evaluate the patient at least every 48 hours and shall ensure that the resident includes in the progress note that he/she has discussed the case with the attending or the attending physician shall record his/her own note at least every 48 hours.

(7.3) An attending physician shall discuss the discharge planning with the resident. The resident shall document in the medical record the discussion of the discharge plan and the attending physician concurrence with the discharge plan prior to the patient's discharge, or the attending shall record his/her own note.

(8.1) An attending physician or supervisory resident shall discuss every new patient with the resident physician within 4 hours of admission of each such patient to the Intensive Care Unit. The resident shall document this discussion with the attending physician.

(8.2) An attending physician shall see and evaluate the patient within 24 hours after admission to the Intensive Care Unit, discuss this evaluation with the resident and document this evaluation and discussion in the medical record.

(8.3) An attending physician shall see and evaluate all admitted patients at least daily following admission and discuss this evaluation with the resident. The attending physician shall ensure that the resident includes in the progress note that he/she has discussed the case with the attending, or the attending physician shall record his/her own note to that effect.

The parties acknowledge that resident compliance of DHS policy requires that each party satisfy their respective obligations, with the Hospital employing residents, and the University employing the Faculty responsible for the oversight/teaching of residents. To that end, the responsibilities of the University under this Agreement shall include proper teaching/instruction of the requirements of DHS policy as set forth in this section and appropriate incorporation of the requirements of this section with resident competency evaluation.

A.9.3.3 Monitoring and Corrective Action Regarding Compliance with DHS Policy. Monitoring and corrective action to determine and maintain compliance with Performance Goals set forth above shall be performed through the Hospital's existing quality assurance/quality improvement structure and committees, or as modified in accordance with Hospital bylaws, and rules and regulations.

In addition, within six months of the execution of this Addendum, the Hospital shall work with the University to establish a process for the University to monitor compliance with the Performance Goals set forth above.

A.9.4 Operative Procedures for Residents. The University shall ensure that each department develops within 60 days of execution of this Addendum, and updates as needed to reflect any changes, or on an annual basis, whichever is more, the following:

a list of residents designated as supervisory residents.

a list of operative procedures that may be conducted by a supervisory resident to be approved by the Medical Executive Committee and Network Executive Committee.

A.9.4.1 Clinical Core Measures. The Parties agree that quality patient care is critical to the missions of the University and the County. To that end, the University shall use best efforts to achieve 90% compliance with the following clinical core measures:

Heart Failure-3: ACEI or ARB for LVSD

Heart Failure-2: Evaluation of LVS function

Pneumonia 3b: Blood cultures performed in the Emergency Department prior to initial antibiotic received in the Hospital.

Pneumonia 6b: Initial antibiotic selection for community acquired pneumonia in immunocompetent patients – non ICU patients.

Pneumonia 6a: Initial antibiotic selection for community acquired pneumonia in immunocompetent patients – ICU patients

Acute MI - 1: Aspirin on arrival.

Acute MI - 2: Aspirin prescribed at discharge.

8 Acute MI - 3: ACEI or ARB for LVSD.

Acute MI - 5: Beta blocker prescribed at discharge.

Acute MI - 6: Beta blocker on arrival.

Acute MI - 8a: Median time to primary PCI received within 90 minutes of hospital arrival.

SCIP 1a: Prophylactic antibiotic received within one hour prior to surgical incision, overall rate.

SCIP 2a: Prophylactic antibiotic selection for surgical patients, overall rate.

SCIP 3a: Prophylactic antibiotics discontinued within 48 hours after surgery end time, overall rate.

A.9.4.2 Monitoring and Corrective Action Regarding Compliance with Clinical Core Measures. Monitoring and corrective action to determine and maintain compliance with Performance Goals set forth in Paragraph A.9.4.1 above shall be performed through the Hospital's existing quality assurance/quality improvement structure and committees, or as modified in accordance with Hospital bylaws, and rules and regulations.

USC ADDENDUM A-5-b

PACEMAKER SURVEILLANCE MONITORING SERVICES

Effective July 1, 2015

1.0 DESCRIPTION OF SERVICES:

1.1 County patients with Cardiac Implantable Rhythm Management (CIRM) devices, namely cardiac pacemakers and cardiac defibrillators, will be seen at the LAC+USC Medical Center and at the following County clinics:

- El Monte Comprehensive Health Center,
- H. Claude Hudson Comprehensive Health Center
- Edward R. Roybal Comprehensive Health Center

Patients are referred by their cardiologist for follow-up at the USC Cardiac Clinic at 1520 San Pablo Street, Los Angeles, California.

1.2. Follow-up Clinic Visits

These services include assessment of patients with a CIRM device, evaluation, interrogation, and programming of implanted devices for optimal pacing and detection of cardiac arrhythmias.

1.3 Electronic testing on CIRM devices subsequent to removal from patients as specified by County.

1.4. Specialized analysis of CIRM device monitoring as determined by County's physicians.

1.5 Specialized services during implantation procedures as required by County's physicians.

2.0 UNIVERSITY RESPONSIBILITIES:

University shall provide:

2.1 Services to County patients with CIRM devices from listing kept current by Hospital's cardiology department.

2.2 Medical and technical reports.

2.3 Remote monitoring devices when:

2.3.1 Transmitters are provided to the patients for home use.

2.3.2 Interrogation of the CIRM devices are reviewed by the USC Cardiac Clinic staff via the internet daily or more often if needed.

2.3.3 Routine patients are followed daily by remote interrogation and seen in the USC Cardiac Clinic every six (6) months, which includes maintenance of each patient's remote transmitter.

2.4 A 24-hour on-call answering service for patients.

2.5 After implantation of the pacemaker or implantable defibrillator, patients will be seen as follows:

2.5.1 One (1) week following implantation for wound check and device check.

2.5.2 If remotely followed for pacemakers and defibrillators, patients will be seen within two (2) months, and thereafter, every six (6) months up to five (5) years, and thereafter, every six (6) months until replacement of the device.

2.5.3 If not remotely followed, patients will be seen within three (3) months, and thereafter, every three (3) months up to five (5) years, and thereafter, every three (3) months until replacement of the device.

3.0 BILLING AND PAYMENT:

3.1 Notwithstanding Section 6.1, Payment to University for Purchased Services, County shall compensate University monthly in arrears.

3.2 County shall compensate University at an all-inclusive rate of \$85 per visit per patient.

3.3 University shall submit its billings on a monthly basis for services provided under this Exhibit A-5-b to:

LAC+USC Medical Center
c/o Contract Invoice Processing
2064 Marengo Street
Los Angeles, California, 90033

3.4 University shall submit to County on a monthly basis a list of the names of all patients who received services for which the invoice was submitted.

4.0 PRICE GUARANTEE:

In the event of a price decline, or should University at any time during the life of this Agreement sell the services or similar services at prices below those quoted herein, such lower prices shall immediately be extended to the County.

5.0 INDEMNIFICATION

Notwithstanding any other provision in this Agreement, University shall indemnify, defend and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees,

costs, and expenses (including attorney and expert witness fees), arising from or and/or relating to the subject matter covered in this Addendum.