



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32 May 3, 2016

LORI GLASGOW
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

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First District

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May 03, 2016

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 AMENDMENT TO AGREEMENTS FOR
TRAUMA CENTER SERVICES AND APPROPRIATION ADJUSTMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Chief Operations Officer

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

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www.dhs.lacounty.gov

*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.*

SUBJECT

Request approval of an amendment to the payment terms of the existing Trauma Center Services Agreements with twelve non-County trauma centers for the period July 1, 2014 through June 30, 2015, an Appropriation Adjustment to make the funds available to the Department of Health Services, and an amendment to extend the Trauma Centers Services Agreement with the two County trauma centers.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment to the payment terms of the existing Los Angeles County (County) Department of Health Services (DHS) Trauma Center Services (TCS) Agreements with twelve non-County trauma centers effective upon Board approval for the period July 1, 2014 through June 30, 2015.
2. Approve an Appropriation Adjustment to realign approximately \$0.4 million within Measure B Fund from Services and Supplies to Other Charges to cover additional intergovernmental transfer of funds totaling approximately \$12.6 million to California Department of Health Care Services for final Fiscal Year 2014-15 payment to non-County trauma centers.



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3. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment to extend the term with two County designated trauma centers, effective upon Board approval for the period July 1, 2016 through December 31, 2016.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 4, 2014 and November 18, 2014, the Board approved two six-month extensions to the TCS Agreements, respectively, with twelve non-County trauma centers, through June 30, 2015. These extensions together provided an estimated aggregate maximum County obligation of \$44.2 million distributed to all non-County trauma centers to reimburse for the costs of indigent and other trauma services as follows:

Claims Based Funding	\$11.2 million
Lump Sum Funding	\$26.8 million
Base Station Services	\$4.5 million
Richie Fund/Pediatric Trauma Allocation	\$1.7 million

Under the terms of the TCS Agreements, the funds designated for Base Station Service and Pediatric Trauma are divided among the non-County trauma centers in specific amounts set forth in the Agreements' terms.

With respect to the Claims Based Funding and Lump Sum Funding, a different allocation methodology is used. The non-County trauma centers must submit their claims for care provided to indigent patients. As a first step, the County pays these claims at specified rates using the Claims Based Funding until those funds are depleted. The County then calculates how much each non-County trauma center is entitled to receive as its share of the Lump Sum Funding, based upon the proportion/percentage of the unpaid claims of each non-County trauma center as compared to the aggregated unpaid claims of all non-County trauma centers. (Note: Children's Hospital is an exception to this allocation methodology as it receives a fixed allocation of \$0.8 million, since its minor patients almost always have some form of private or Government-sponsored insurance.) For actual disbursement of Base Station Services funds and Lump Sum Funding, the County utilizes a Federally-approved State Plan Amendment (SPA) to increase payments to private trauma hospitals within Los Angeles County, by sending an intergovernmental transfer (IGT) of funds to the California Department of Health Care Services (CDHCS) to draw down Federal matching dollars for issuing enhanced Medi-Cal payments to the private trauma hospitals (i.e., ten non-County trauma centers), with payment of the IGT and matching dollars paid by CDHCS directly to each non-County trauma center. Since the State considers Ronald Reagan UCLA Medical Center (UCLA) and Antelope Valley Hospital (AVH) to be public hospitals which are ineligible to receive enhanced Medi-Cal payments under the SPA, the County issues a payment of Base Station Services funds and their share of Lump Sum Funding directly to UCLA and AVH.

Due to the implementation of the Affordable Care Act, all non-County trauma centers have experienced a significant decline in trauma claims for indigent patients in FY 2014-15. Based on this, DHS analyzed the Lump Sum Funding allocation methodology and determined that any methodology based on these claims would result in significant funding changes to some non-County trauma centers. DHS is cognizant of the fact that many non-County trauma centers have already used the amount that they received for FY 2013-14 as the base to accrue their estimated revenues for FY 2014-15, and any material variance from the FY 2013-14 Lump Sum Funding amount would require some of these hospitals to adjust their FY 2014-15 published accounting profits downward.

As a result, DHS is proposing that for FY 2014-15 each non-County trauma center receive the same

amount of funding that it received for FY 2013-14. In addition, the funding amount for FY 2014-15, as compared to FY 2013-14, increased by \$3,092,023 due to refunds of prior year claim payments. To allocate this increased amount, DHS is proposing the following: provide a County match of the Lump Sum Funding for AVH and UCLA (an aggregate payment of \$1,710,463) because these two hospitals do not receive Federal matching dollars due to their public hospital status; and allocate the remaining funds (\$1,381,560) equally among all twelve non-County trauma centers, with each facility receiving a payment of \$115,130.

The proposed FY 2014-15 payments to non-County trauma centers are summarized in Attachment I. DHS has met with all non-County trauma centers to discuss this proposed method for FY 2014-15 Lump Sum allocation, and all parties have indicated they will sign the proposed amendment to the TCS Agreement as described in this letter.

Approval of the first and second recommendations will authorize the Director, or his designee, to execute amendments to the existing non-County TCS Agreements for FY 2014-15 substantially similar to Exhibit I, and send the final IGT to CDHCS to draw down Federal matching dollars for ten private hospitals and issue the final payment to AVH and UCLA for FY 2014-15.

Approval of the third recommendation will authorize the Director, or his designee, to execute amendments to the existing County TCS Agreements to extend the term through December 31, 2016 substantially similar to Exhibit II. Approval of the delegated authority to extend the non-County TCS Agreements through December 31, 2016 was previously approved by the Board on December 8, 2015.

Implementation of Strategic Plan Goals

The recommendations support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

An Appropriation Adjustment is required, Attachment II, to realign \$0.4 million within Measure B Special Tax Fund from Services & Supplies to Other Charges to cover a total of \$12.6 million Final IGT payment to CDHCS for FY 2014-15.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the authority granted under California Health and Safety (H&S) Code Section 1798.160, the County maintains trauma facilities as part of the regional trauma care system for treatment of potentially seriously injured persons. Division 2.5 of the H&S Code authorizes the local Emergency Medical Services Agency to designate trauma centers as part of the regional trauma care system. There are currently twelve non-County and two County-operated trauma centers in the County. The FY 2014-15 TCS Agreements provide funding to twelve non-County trauma centers under various payment terms that are funded by the following sources.

Measure B Funds

Measure B, passed by the voters on November 5, 2002, authorized the County to levy a tax on structural improvements within the County, in part, to provide funding to strengthen the Los Angeles County trauma network, particularly those trauma hospitals operated by the County, and if possible

expand it. Subsequent to Measure B's passage, the Board approved a proposal to allocate Measure B funds among the non-County trauma hospitals in proportion to the value of trauma-related care for uninsured patients. In addition, a payment to reimburse trauma hospitals for costs associated with serving as a base hospital in the Emergency Medical Services system was also approved.

On May 15, 2014, DHS sent an Initial IGT for FY 2014-15 in the amount of \$15.8 million to CDHCS to draw down Federal matching dollars for ten private hospitals. At the close of FY 2014-15, an encumbrance of \$12.2 million remained in the Measure B Fund for payment of the Final IGT to CDHCS for FY 2014-15. An Appropriation Adjustment is required to realign \$0.4 million within the Measure B Fund from Services & Supplies to Other Charges to cover the \$12.6 million Final IGT payment for FY 2014-15.

Maddy Funds and Richie Funds

The County has been receiving funds which are derived from additional penalties assessed on fines and bail forfeitures that the court collects for certain criminal offenses and motor vehicles violations. As permitted by California Government Code Section 76000.5 and H&S Code Section 1797.98a, these funds are placed in the County's Maddy Emergency Medical Services Fund (Maddy Fund) and used by DHS for trauma and emergency services. A portion of the money in the Maddy Fund is designated by statute for the support of pediatric trauma programs and are segregated in the Richie's Fund. The other Maddy Fund dollars are available to support trauma and emergency services provided by hospitals and physicians.

In accordance with state law, Maddy Fund dollars will be paid to offset a portion of unreimbursed indigent trauma days, and Richie's Fund dollars will be used to enhance pediatric trauma care.

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

CONTRACTING PROCESS

Not applicable as these are extensions of current agreements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will provide the cash flow and funding to the non-County trauma centers to cover the costs of providing necessary trauma services and continue their participation in the trauma network.

The Honorable Board of Supervisors

5/3/2016

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:jw

Enclosures

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

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
TRAUMA CENTER SERVICE AGREEMENT (TCSA)
PROPOSED PAYMENTS FOR FY 2014-15

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Proposed Payments For FY 2014-15							
	<u>Claims</u> <u>Based</u>	<u>Base</u> <u>Station</u>	<u>Lump</u> <u>Sum</u>	<u>Federal</u> <u>Match</u>	(1)+(2)+(3)+(4) <u>Subtotal</u> <u>(tie to FY 13-14</u> <u>Payment)</u>	<u>County</u> <u>Supplemental</u> <u>Match</u>	<u>Supplemental</u> <u>Payment</u>	(5)+(6)+(7) <u>Grand</u> <u>Total</u>
<u>Private Hospitals</u>								
California Hospital Medical Center	\$ 941,538	\$ 346,759	\$ 5,913,462	\$ 6,260,221	\$ 13,461,980		\$ 115,130	\$ 13,577,110
Cedars-Sinai Medical Center	726,246	346,759	2,419,704	2,766,463	6,259,172		115,130	6,374,302
Children's Hospital LA	-	-	816,366	816,366	1,632,732		115,130	1,747,862
Henry Mayo Newhall Memorial	133,913	346,759	844,624	1,191,383	2,516,679		115,130	2,631,809
Providence Holy Cross Medical Center	2,667,036	346,759	4,968,497	5,315,256	13,297,548		115,130	13,412,678
Huntington Memorial Medical Center	938,881	346,759	260,477	607,236	2,153,353		115,130	2,268,483
Long Beach Memorial Medical Center	1,795,882	346,759	2,796,154	3,142,913	8,081,708		115,130	8,196,838
Northridge Hospital Medical Center	765,039	346,759	1,086,654	1,433,413	3,631,865		115,130	3,746,995
St. Francis Medical Center	2,160,057	346,759	4,356,227	4,702,986	11,566,029		115,130	11,681,159
St. Mary Medical Center	248,430	346,759	1,228,997	1,575,756	3,399,942		115,130	3,515,072
Subtotal	\$ 10,377,022	\$ 3,120,831	\$ 24,691,162	\$ 27,811,993	\$ 66,001,008	\$ -	\$ 1,151,300	\$ 67,152,308
<u>Public Hospitals</u>								
Antelope Valley Hospital	\$ 271,226	\$ 693,517	\$ 409,354	\$ -	\$ 1,374,097	\$ 409,354	\$ 115,130	\$ 1,898,581
Ronald Reagan UCLA Medical Center	38,550	693,517	1,301,109	-	2,033,176	1,301,109	115,130	3,449,415
Subtotal	\$ 309,776	\$ 1,387,034	\$ 1,710,463	\$ -	\$ 3,407,273	\$ 1,710,463	\$ 230,260	\$ 5,347,996
Grand Total	\$ 10,686,798	\$ 4,507,865	\$ 26,401,625	\$ 27,811,993	\$ 69,408,281	\$ 1,710,463	\$ 1,381,560	\$ 72,500,304

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S.
NO. 110

May 3, 2016

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2015-16

3 - VOTES

SOURCESUSES

HEALTH SERVICES - MEASURE B - PRIVATE FACILITIES
BW9-HS-2000-41010-41016
SERVICES & SUPPLIES
DECREASE IN APPROPRIATION \$400,000

HEALTH SERVICES - MEASURE B - ADMINISTRATIVE
BW9-HS-5500-41010-41017
OTHER CHARGES
INCREASE IN APPROPRIATION \$400,000

SOURCES TOTAL: \$

400,000

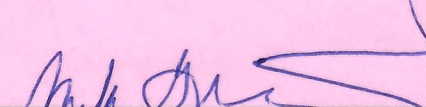
USES TOTAL: \$

400,000

JUSTIFICATION


To realign \$0.4 million within Measure B Special Tax Fund from S&S to Other Charges to cover additional Inter-governmental Transfer (IGT) of funds totaling approximately \$12.6 million to California Department of Health Care Services (CDHCS) for Final FY 2014-15 payments to non-County trauma centers. This IGT will draw down Federal matching dollars of approximately \$12.6 million under the current State Plan Amendment for a total of \$25.1 million of enhanced Medi-Cal payments to be issued directly by CDHCS to ten non-County trauma centers.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES


AUTHORIZED SIGNATURE Mela Guerrero, Controller, DHS

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

32 MAY 03 2016


LORI GLASGOW
EXECUTIVE OFFICER

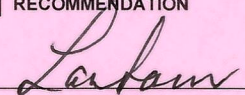
REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

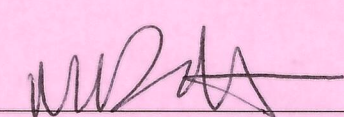
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April 15 20 16

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY


APRIL 22 20 16

Agreement No.: _____

TRAUMA CENTER SERVICE AGREEMENT

Amendment No. _____

THIS AMENDMENT is made and entered into this ____ day of April, 2016,

By and between

COUNTY OF LOS ANGELES
(hereafter "County")

And

Business Address:

WHEREAS, reference is made to that certain document entitled "Trauma Center Service Agreement," dated _____, and further identified as Agreement No. _____, and any amendments thereto (all hereafter referred to as "Agreement") and,

WHEREAS, it is the intent of the parties hereto to amend Agreement to modify certain of its payment provisions; and

WHEREAS, Agreement provides that changes in accordance to Additional Provisions, Paragraph 24, Merger Provision may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor 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 HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective for services provided on or after July 1, 2014.
2. Exhibit B-1 shall be substituted for Exhibit B, and Exhibit B shall be deleted in its entirety. All reference in Agreement to Exhibit B shall be deemed to be references to Exhibit B-1.
3. The Parties acknowledge and agree that none of the financial provisions in the Agreement apply to services provided on or after July 1, 2015.
4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services or his authorized delegate and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, on the day, month, and year written above.

COUNTY OF LOS ANGELES

By: _____
Mitchell Katz
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
EDWARD A. MORRISSEY
Principal Deputy County
Counsel

TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B-1
PROVISIONS FOR REIMBURSEMENT

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TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B-1
PROVISIONS FOR REIMBURSEMENT

I. ELIGIBLE INDIGENT CARE FUNDING

A. GENERAL REIMBURSEMENT CONDITIONS: The reimbursement term described in this Exhibit is only applicable to non-County trauma hospitals. County has allocated certain monies as set forth herein to be used to pay Contractor for trauma care provided to eligible patients during the term of this Agreement. For the term of this Agreement, funds and Hospital Services Account funds shall be deposited to the County administered Special Revenue Funds referenced in Paragraph I.C.2. of Exhibit B-1. These deposits, together with other funds, which County may at its sole discretion allocate to the account from time to time, shall be used to pay Contractor for trauma patient care.

Reimbursement to Contractor shall be provided from the Special Revenue Funds by County for the hospital component of treatment of trauma patients hereunder who are unable to pay for the treatment and for whom payment for such services has not been made and will not be made through private coverage or by any program funded in whole

or in part by the federal and/or State government. Contractor will determine and document persons who are eligible for services coverage hereunder. Only eligible patients (i.e., (1) those unable to pay for services, and (2) for whom there is no third-party coverage in part or in whole for trauma services provided), qualify under this funding program. No reimbursement shall be provided for patient care if the patient has the ability to pay for the service, but refuses or fails to pay for same. Nor is County responsible nor shall it pay for services hereunder if Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). Nor shall reimbursement be due Contractor or paid by County hereunder for any patient care which is covered in, or the subject of reimbursement in, any other contract between Contractor and County.

To bill County, Contractor must at a minimum document that it has made reasonable efforts to secure payment from the patient by billing (at least monthly) for an additional period of no less than two (2) months after the date of discharge. Contractor must document that the person cannot afford to pay for the services provided by the Contractor;

and, it must also document that payment for the services will not be covered by third-party coverage or by any program funded in whole or in part by the federal government; and, that Contractor has not received payment for any portion of the amount billed.

County reimbursement is limited to trauma patients without the ability to pay for the services and for whom Contractor has made a reasonable, good faith effort to determine if there is a responsible private or public third-party source of payment, and there is no source of payment.

Contractor will continue to determine and document persons who are eligible for trauma care coverage hereunder in accordance with the procedures set forth in Attachment "B-1", Trauma Service County Eligibility ("TSCE") Protocol, attached hereto and incorporated herein by reference.

Attachment "B-1.1", Trauma Service County Eligibility ("TSCE") Agreement form shall be utilized by Contractor as the sole means for determining each patient's eligibility for trauma care coverage during the term of this Agreement. The TSCE Agreement form must be completed and signed by the patient or the patient's responsible relative(s). If a TSCE Agreement form cannot be secured because the patient

or the patient's responsible relative(s) is (are) unable to cooperate in providing the necessary financial information, then a Contractor certification to that effect (Attachment "B-1.2", Hospital Certification of Inability to Cooperate form) must be completed. The original (or electronic scan) of each such form must be maintained by Contractor as part of its financial records. Contractor shall submit a copy of the applicable form to the County Emergency Medical Services (EMS) Agency as stated in Attachment "B-4", Instructions for Submission of Claims and Data Collection.

Documentation to establish that Contractor has complied with the aforementioned patient eligibility requirements must be maintained by Contractor and made available upon request, pursuant to Paragraph 5, of the Additional Provisions Exhibit of this Agreement, to authorized County or State representatives for inspection, audit, and photocopying.

During the term of this Agreement, as required by Section 16818 of the Welfare and Institutions Code, (W&IC) Contractor shall continue to provide, at the time treatment is sought by a patient at its facility, individual notice of the availability of reduced cost hospital care under this Agreement. Additionally, Contractor shall post, in

conspicuous places in its emergency department and patient waiting rooms, notices of the procedures for applying for reduced cost hospital care hereunder. The approved "Notice" language is reflected in English in Attachment "B-2" and in Spanish in Attachment "B-3".

B. PAYMENT FOR CONTRACTOR SERVICES:

1. County agrees under the following conditions to reimburse Contractor for the hospital component of trauma services to eligible trauma patients described in Paragraph I.A. of Exhibit B-1, within forty-five (45) days of receipt of a valid claim:

a. Reimbursement by County shall be limited to payment for the hospital component of trauma services provided to eligible indigent patients for whom Contractor is required to complete a Trauma Patient Summary ("TPS") form, Attachment "D-2", of Agreement.

b. Contractor shall submit required reports as set forth in Attachment "B-4", Instructions for Submission of Claims and Data Collection, attached hereto and incorporated herein by reference to County's Emergency Medical Services Agency, 10100 Pioneer Boulevard, Suite

200, Santa Fe Springs, California 90670, for trauma care provided under the terms of this Agreement, and this care shall be reimbursed by County pursuant to subparagraphs I.B.1.d. and f. of Exhibit B-1.

c. Reimbursement by County shall be limited to the hospital component of trauma services provided to eligible indigent patients during the term of this Agreement. Reimbursement shall only be made on claims for which all required data is in the Trauma and Emergency Medicine Information System (TEMIS) and which has been submitted as required by reporting procedures reflected in Attachment "B-4". Reimbursement to Contractor and other County contract trauma service hospitals shall be made from the Special Revenue Funds. All Contractor claims for services provided during the second six months of the County Fiscal Year (FY) (January 2015 - June 2015) must be received by County within four (4) months after the close of this contract period (June 30, 2015), no later than the last working day of October 2015.

d. Following receipt of all of the required reports and billings from Contractor and other contract trauma service hospitals and subject to the funding provision below, County payment hereunder for the hospital component of trauma services provided by Contractor to eligible trauma patients, as defined hereunder, shall be based on the following all-inclusive rates:

FY 2014-15
(July 1, 2014 - June 30, 2015)

\$ 6,425 per emergency department visit and assessment. (No such fee will be paid if the patient is admitted to the hospital as an inpatient from the emergency department.)

\$12,471 for the first inpatient day; and

\$ 5,417 for the second inpatient day; and

\$ 4,283 for the third inpatient day; and

\$ 4,283 for the fourth inpatient day; and

\$ 3,023 for each day thereafter.

These payments will be the maximum amounts payable to Contractor for care hereunder, with aggregate payment for all Contractors for services provided during the term of

this Agreement until the allocated funds set forth in Paragraph I.C. of this Exhibit are exhausted.

e. Once the medical condition of a trauma patient has stabilized, Contractor may contact the County's Medical Alert Center or other personnel as designated by County to request transfer of the trauma patient in accordance with County patient transfer procedures and priority criteria as approved by Director. Until the transfer occurs, County's responsibility for reimbursement to Contractor for medically necessary services shall continue as described herein.

f. Any and all payments received by Contractor from a trauma patient or from third-party payers, or both, for claims previously billed to the County, must be immediately reported to the County. If Contractor previously received payment from the County for such claims, the Contractor must immediately submit a refund of County's payment to the Special Funds Section, 313 North Figueroa Street, Room 505, Los Angeles, California 90012. A TRAUMA HOSPITAL PAYMENT

REFUND FORM (Attachment B-6) must be completed and submitted for each refund. All such refunds received by County will be deposited to the Special Revenue Funds. If Contractor has not received payment from the County for such claims, the Contractor must withdraw the claim by notifying the EMS Agency Reimbursement Coordinator at 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, California 90670. If County payment is in transit at the time of notification, Contractor shall refund such payment to County.

g. Director, at his/her discretion, may deduct from payments due to Contractor any prior overpayments made under this Agreement which were paid due to County's or to Contractor's clerical error or which resulted from Contractor's subsequent receipt of payment from the patient or third-party payer(s). County shall furnish Contractor with an itemization of such deductions, which will include the identity of the patient(s) for whose care overpayment was made, amounts of overpayment, and the basis for

the finding of overpayment.

h. Upon payment of claim to Contractor by County for a trauma patient's care, and assignment and subrogation to County of any and all rights to collection as set forth herein, Contractor shall cease all current and waive all future collection efforts, by itself and by its contractors/agents, to obtain any payment from the patient.

Contractor shall pursue reimbursement from third party coverage such as Medi-Cal, Medicare, other government programs, or other health insurance if they become aware of coverage. Contractor shall, upon verification of such third party coverage, submit a bill for its services to the third party. As soon as payment is received, Contractor shall reimburse County any payment received under the Trauma Center Service Agreement (TCSA) for that patient. Contractor agrees to assign and subrogate all rights that they may have against any patient, his/her responsible relative, any third party tortfeasor for reimbursement as a result of care and services provided by Contractor for which a claim has been paid by County under the TCSA. At its

sole discretion, County and/or its Contractor may proceed independently against such parties for reimbursement to the extent permitted by law. The rights hereby assigned and subrogated to County under this provision include reimbursement up to the full amount of usual and customary fees, (including, for example, billed charges) for patient care and services regardless of any amount the Contractor has received under the TCSA. In the event Contractor is contacted by other third party's representative (e.g., insurance claim adjuster) or a patient's attorney regarding pending litigation, Contractor shall indicate that the claim for services provided to their client is assigned and subrogated to the County and refer such representative to the designated County contact. Contractor shall reasonably cooperate with County in its collection efforts. In the event Contractor receives payment from a patient's attorney for a lien filed on behalf of the County, Contractor shall reimburse such payment to the County.

Examples of when these County collection efforts might occur would include, but not necessarily be limited to, situations where there are third-party

tortfeasors responsible for a patient's medical expenses.

For trauma patients admitted to Contractor's facility prior to or on the last day during the term of this Agreement, and remaining in the hospital after that date, reports and billings to County shall be submitted only after patient has been discharged, (no partial billings). Payment by County to Contractor for such patients shall be at the rates in effect on the date of admission. Said reports and billings shall be on forms, and completed in such detail and with such attachments in accordance with procedures prescribed in writing by Director in Attachment "B-4".

Contractor hereby acknowledges receipt of such forms, attachments, and procedures. Claims for services provided between July 1, 2014 and December 31, 2014 shall be submitted to the County's EMS Agency by the last working day of April 2015. Claims for services provided between January 1, 2015 and June 30, 2015 shall be submitted to County's EMS Agency no later than the last working day of October 2015.

i. Any funds received by the County, pursuant to Paragraph I.B.1.h., shall be deposited into the Special Revenue Funds.

2. All required reports and billings submitted by Contractor shall be rendered in the name of Contractor as said name appears upon the upper portion of the first page of this Agreement.

3. Contractor shall maintain and upon request make available to State or County representatives records of all of the financial information referenced in this Paragraph, including records of patient and third-party payer payments, all in accordance with Paragraph 5, of the Additional Provisions Exhibit of this Agreement.

4. County may periodically conduct an audit of the Contractor's records. Audits shall be performed in accordance with generally accepted auditing standards. The audit may be conducted on a statistically random sample of claims from the adjudicated universe for a fiscal year. The scope of the audit shall include an examination of patient medical and financial records, patient/insurance billing records, and collection agency reports associated with the sampled claims.

Audited paid claims that do not comply with program requirements shall result in a refund to the Special Revenue Funds. Any audited claim which is in violation of the Contract terms and conditions shall result in the Contractor refunding to the County the claim amount plus a penalty of fifty percent (50%) of the amount paid for that claim. Audit results may be appealed to the EMS Agency Director, or his/her designee.

Audited unpaid claims that do not comply with program requirements shall result in an adjustment in hospital's subsequent year's Lump-Sum Funding allocation.

C. CLAIMS-BASED FUNDING:

1. The Parties agree that the claims based payments in paragraph I.B.1.d above shall be made, in part, using revenue generate by Measure B Trauma property Assessment (TPA) Funds as allocated by the County Board of Supervisors, and the Maddy Fund. The Parties acknowledge and agree that there are adequate amounts of money from these sources which were set aside for this FY to assure that all claims submitted for this FY are paid.

2. All funds collected, including audit claim penalties, shall be deposited to the County Special Revenue Funds and utilized to make payments to all County contract

trauma service hospitals at the rates set forth in subparagraph I.B.1.d. of Exhibit B-1.

3. All County contract trauma hospital claims shall be paid on a first-come, first-validated basis, until all allocated funds are disbursed. All funds shall be disbursed within forty-five (45) days of receipt of validated claims by County for Contractor services performed hereunder during the term of this Agreement, all pursuant to the rate schedule identified in subparagraph I.B.1.d. of Exhibit B-1.

4. "Claims" for purposes of the above means validated claims at the rate defined herein. In no event, however, shall the total disbursement under this Paragraph to Contractor for a claim exceed Contractor's aggregate charges for the services provided (based upon Contractor's customary rates in effect on the dates of service).

D. BILLING AND PAYMENT - PHYSICIAN SERVICES: A copy of the revised Trauma Physician Services Program packet for County Fiscal Years 2013-14 through 2015-16, Attachment "B-5", is attached and incorporated herein by reference. The packet for future Fiscal Years shall be provided to Contractor as soon as available thereafter. To permit its physicians to bill County for the professional component of

un-reimbursed trauma services furnished to Contractor's trauma patients during the term of this Agreement, Contractor shall furnish members of its physician staff providing such services with a copy of said packet.

Upon request, Director shall provide Contractor with reports showing total aggregate payments to trauma physicians reimbursed by County for the professional component of un-reimbursed trauma services provided to Contractor during the term of this Agreement.

E. RECOVERY OF PAYMENT: County shall recover monies paid to Contractor hereunder for any of the reasons which follow:

1. Contractor fails to furnish patient specific data and reports required by this Agreement or by the State, or by both. County shall recover all funds paid to Contractor for that patient.

2. Funds are used for patients deemed ineligible under this Agreement. County shall recover all amounts paid to Contractor for such patients.

3. Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). County shall

recover all amounts paid to Contractor for that patient.

4. Contractor had knowledge of a third party tortfeasor and failed to file a lien against such third party. County shall recover all amounts paid to Contractor for such patients, except as set forth in Paragraph I.B.1.h. of Exhibit B-1.

5. Any funds recovered by the County pursuant to Paragraph I.E. shall be deposited into the Special Revenue Funds.

II. LUMP SUM FUNDING FOR CONTINUED ACCESS TO EMERGENCY CARE
FOR MEDI-CAL BENEFICIARIES

The parties acknowledge that a State Plan Amendment (SPA) effective July 1, 2003, was approved by the United States Department of Health and Human Services, Center for Medicare and Medicaid Services. The SPA enables private trauma hospitals in Los Angeles County to receive enhanced Medi-Cal payments, including federal matching funds upon payment by the County of an intergovernmental transfer (IGT) of funds pursuant to Section 14087.3 of the W&IC. Pursuant to the SPA and a related interagency agreement between the County and the California Department of Health Care Services (CDHCS), the IGT and federal matching funds

are distributed among the County-designated private trauma hospitals in a lump sum amount to ensure continued access by Medi-Cal beneficiaries to trauma and emergency room care in the County.

The parties acknowledge and agree that on-going discussions regarding the impending effect of the Affordable Care Act upon patient care providers may affect the conditions and requirements under the current SPA. The parties agree that the County may not be able to disburse these funds to the providers or submit for enhanced Medi-Cal payments, including federal matching funds.

Except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, it is the intent of the County and the County shall recommend to the State that payment to each Trauma Center be the amounts set forth below, which include both funding from the County's IGT and allowable federal matching funds. Such payment shall be made pursuant to a separate agreement between the Trauma Center and the State or its intermediary, subject to the limitations set forth in the SPA.

The aggregate final amounts to be recommended for each private Trauma Center are as follows:

California Hospital Medical Center	\$11,942,054
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Cedars-Sinai Medical Center	\$ 4,954,538
Children's Hospital LA	\$ 1,747,862
Henry Mayo Newhall Memorial Med. Ctr.	\$ 1,804,378
Providence Holy Cross Medical Center	\$10,052,124
Huntington Memorial Medical Center	\$ 636,084
Long Beach Memorial Medical Center	\$ 5,707,438
Northridge Hospital Medical Center	\$ 2,288,438
St. Francis Medical Center	\$ 8,827,584
St. Mary Medical Center	\$ 2,573,124

The Contractor may have already received part of these funds as interim payments.

Contractor acknowledges that the amounts payable under the SPA are limited to the uncompensated costs of providing outpatient hospital services of all eligible private trauma hospitals in Los Angeles County and is also limited by the State's upper payment limit, as established in 42 C.F.R. Section 447.321. To the extent that either or both limits preclude the State from paying all of the aggregate amounts set forth below, the amount to be recommended by the County for each Trauma Center shall be reduced by the same percentage as the percentage of total allowable supplemental payments is to total recommended supplemental Medical payments to all Trauma Centers.

Due to their status as public institutions, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital may not receive the same enhanced Medi-Cal payments as the private Trauma Centers. Instead the County shall make the following payments directly to those hospitals:

Ronald Reagan UCLA Medical Center	\$2,717,348
Antelope Valley Hospital	\$ 933,838

Such payments shall be made at or about the same time that the IGTs for the private Trauma Centers are sent to the State. A portion of these amounts has already been paid to the public hospitals.

III. FUNDING FOR BASE HOSPITAL SERVICES FOR CONTINUED ACCESS TO
EMERGENCY CARE FOR MEDI-CAL BENEFICIARIES:

To account for the special costs incurred for those Contractors providing base hospital services and to ensure the continued access by Medi-Cal beneficiaries to emergency rooms and emergency room care in the County by maintaining efficient prehospital transport of all patients to the most appropriate emergency room, the County will recommend that to the State that it make a supplemental payment in the amount of \$693,518 per private trauma hospital pursuant to pg. 51a of Attachment 4.19B of the State Plan. (However, no such payment shall be made to

Children's Hospital Los Angeles, which does not provide base hospital services.) This supplemental payment is in addition to the amounts set forth in Paragraph II above. The County has made an IGT of a majority of this amount and the State has, as of March, 2016, made a supplemental payment for base hospital services to the private trauma centers on an interim basis. The County intends to make to the State a full IGT equal to the non-federal share of such recommended payments, subject to Paragraph IV below.

Due to their status as public institutions, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital may not receive these supplemental Medi-Cal payments under the State Plan. Accordingly, the County will directly pay each of those hospitals the amount of \$693,517. A majority of such amount has, as of March 2016 been paid to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital. The remaining balance will be paid at or about the same time as County makes its IGT payment to the State.

IV. POTENTIAL IGT FOR FEDERAL MATCHING FUNDS:

The County may recommend that (1) the Lump Sum Funding stated above in paragraph II hereinabove, and (2) the Base Hospital Services Funding allocations, for the private Trauma Centers be transferred to the State as an IGT, to obtain

enhanced trauma payments to be paid through the Medi-Cal program to include federal matching funds, and funded through an IGT.

The parties acknowledge and agree that some or all of the IGT which the County intends to make to effectuate the provisions of this Agreement may not be capable of drawing down federal matching funds under the SPA. To the extent that is true, the parties agree that the County shall have no obligation to make an IGT of such amounts and shall instead provide such funds directly to the private Trauma Centers. The amount of such direct payment shall not exceed the County funding used to calculate the payment amounts in Paragraphs II and III above.

V. FUNDING FOR PEDIATRIC TRAUMA CENTERS:

The parties acknowledge that Chapter 841 of the Statutes of 2006, authorized the County Board of Supervisors (Board), until December 31, 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses. This authority was subsequently extended to December 31, 2013 by Chapter 288 of the Statutes of 2008. New legislation (SB 191) was chaptered October 5, 2013 and Section 76000.5 of the Government Code was amended extending these provisions through January 1, 2017.

SB 1773 and the subsequent SB 191 further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions (known as Richie's fund) to provide funding to enhance pediatric trauma services by both publicly and privately owned and operated Pediatric Trauma Centers (PTCs) throughout the County.

Since the Board's implementation of SB 1773 in March 2007 and in accordance with the legislation, Richie's Fund was allocated to Northridge Hospital Medical Center (NHMC) which established a PTC in the San Fernando Valley, and the existing (County and Non-County) PTCs for expansion of pediatric trauma care services. Actual FY 2013-14 Richie Fund collections plus interest available for allocation to PTCs in FY 2014-15 are \$1,888,951.02, of which \$1.0 million is allocated to NHMC to help defray the operating losses of its PTC. The remaining balance of \$888,951.02 is allocated to all other PTCs listed below based on the percentage of pediatric trauma volume provided by each PTC, as compared to the aggregate pediatric trauma volume of all County and non-County PTCs in Los Angeles County: LAC+USC Medical Center, \$312,931.31; Harbor-UCLA Medical Center, \$241,506.92; Cedars-Sinai Medical Center, \$19,526.10; Children's Hospital Los Angeles, \$193,205.54; Long Beach Memorial Hospital, \$101,227.37; and The Regents of The

University of California, a California Corporation, on behalf of The University of California Los Angeles (i.e. Ronald Reagan UCLA Medical Center), \$20,553.78.

All PTCs were notified of actual allocations on October 6, 2014, and payments were issued on September 30, 2014.VI. Effective Dates

The provisions of this Exhibit B-1 shall only apply to trauma services provided on or after July 1, 2014 and before July 1, 2015.

Agreement No.: _____

TRAUMA CENTER SERVICE AGREEMENT

Amendment No.

THIS AMENDMENT is made and entered into this _____ day of _____, 2016,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

(hereafter "Contractor")

Business Address:

WHEREAS, reference is made to that certain document entitled "Trauma Center Service Agreement," dated June 17, 2008, and further identified as Agreement No. _____, and any amendments thereto (all hereafter referred to as "Agreement") and,

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term and to provide for the other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance to Additional Provisions, Paragraph 24, Merger Provision may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor 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 HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon Board approval with such date shown on page 1 of this Amendment.
2. Agreement, Paragraph 1, Term, Subparagraph A is deleted in its entirety and replaced as follows:

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

[illegible]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Edward A. Morrissey, Principal Deputy County Counsel