Health Services
LOS ANGELES COUNTY

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 August 9, 2016

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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.

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August 09, 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 AMENDMENTS TO
PROSTHETIC AND ORTHOTIC APPLIANCE SERVICES
MASTER AGREEMENTS AND ORTHOTIC SERVICES AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Request approval to execute Amendments to Master Agreements with multiple vendors for Prosthetic and Orthotic Appliance Services at Department of Health Services facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Director of Health Services (Director), or his designee, to execute Amendments, effective upon execution, to extend Prosthetic and Orthotic Appliance (P&O) Services Master Agreements with each of the contractors listed on Attachment A, for the period September 1, 2016 through August 31, 2017, with the option to extend the Master Agreements for up to an additional one year period, at an estimated annual net County cost of $2,835,278 for the continued provision of P&O Services to County patients.

2. Delegate authority to the Director, or his designee, to execute amendments to the P&O Master Agreements to exercise an additional one year extension option, through August 31, 2018, subject to prior review and approval by County Counsel, with notification to the Board and Chief Executive Office (CEO).

3. Delegate authority to the Director, or his designee, to execute P&O Master Agreements with new qualified vendors who have been identified and selected through a Request for Statement of Qualifications (RFSQ) process during the term of the P&O Master Agreement, effective on execution and expiring on the date that is coterminous with the P&O Master Agreements, subject to prior review and approval by County Counsel, with notification to the Board and CEO.

4. Delegate authority to the Director, or his designee, during the extension periods, to execute amendments to the P&O Master Agreements to: i) add, delete and/or change non-substantive terms and conditions in the Master Agreements as required by the Board, and/or comply with Federal and/or State law; and ii) to add or delete DHS facilities.

5. Approve and instruct the Director, or his designee, to execute Amendment No. 4 to Agreement H-702969 with Rancho Research Institute (RRI), for the continued provision of Orthotic Services at Rancho Los Amigos National Rehabilitation Center (RLANRC), for the period September 1, 2016 through February 28, 2017 or until such time as a successor agreement is executed, whichever is less, at an estimated net County cost of $634,247 for the period of 6 months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute Amendments, substantially similar to Exhibit I, to the Master Agreements with existing Contractors, for the continued provision of P&O Services, on an as-needed basis, at Department of Health Services (DHS) facilities. The County has historically contracted for P&O Services to provide a variety of prosthetic and/or orthotic appliances to DHS patients based on DHS physician orders or instructions. The Contractors provide certified prosthetists and orthotists, whose duties include, but are not limited to measurement, fitting, adjustment and delivery of appliance(s), and training patients in the use of such appliance(s). The current Master Agreements expire August 31, 2016. During the recommended extension period, a DHS workgroup will review the usage of P&O Services and make recommendations that will inform the future competitive solicitation for successor Agreements.

Approval of the second recommendation will allow the Director, or his designee, to: execute Amendments to the Master Agreements to extend the term for one additional year in the event additional time is necessary to complete the process to obtain successor agreements.

Approval of the third recommendation will allow the Director, or his designee, to execute agreements with newly qualified vendors identified through the RFSQ process. In order to ensure there is a sufficient pool of P&O Contractors, DHS has left the RFSQ open for additional qualified vendors to apply for a Master Agreement.

Approval of the fourth recommendation will allow the Director, or his designee to execute amendments to add, delete and/or change non-substantive terms and conditions in the Master Agreement as required by the Board, and/or to comply with Federal and State law or regulation, and to add or delete DHS facilities.
Approval of the fifth recommendation will allow the Director, or his designee, to execute an Amendment, substantially similar to Exhibit II, to the Orthotic Services Agreement with RRI for the

continued provision of both standard and highly-specialized, technically-complex orthotic services at RLANRC, to assist patients with foot ulceration prevention; preventing foot drop and falling after a stroke; as well as making an arm more functional after a brain injury. This amendment is necessary to continue the required highly specialized expertise in evaluation, fabrication and modification of orthotic devices at RLANRC. Because of the dynamic nature of neurologic and motor recovery (e.g. patients with progressive neurologic disorders or with chronic neurologic conditions who are undergoing recovery), highly specialized, immediate evaluations and modifications are required. RRI has unique chronic disability expertise necessary to meet the needs of RLANRC's patient population, which is essential for the success of the rehabilitation program. In addition to the provision of orthotic devices, RLANRC also receives in-kind services from RRI that includes collaboration with RLANRC clinician teams to provide over 230 annual clinic hours and quarterly lectures on research development. During the extension period DHS will be working on a successor agreement with RRI.

Approval of the recommended actions will ensure timely response to critical patient needs throughout the County while DHS Contracts and Grants completes the solicitation process and establish successor agreements.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, and Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year (FY) 2016-17 Adopted Budget and will be requested in future fiscal years as necessary.

The County reimburses both the P&O Master Agreement Contractors and RRI for services provided to County-responsible patients at current rates for prosthetics and orthotics listed on the Medi-Cal Schedule of Maximum Allowance (SMA). P&O Contractors and RRI bill third party payers (Medi-Cal, Medicare, private insurance, etc.) directly for reimbursement of all services/devices provided to County patients with those payor sources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

P&O Master Agreements

The current P&O Master Agreements were approved by the Board for the period March 1, 2009 through February 28, 2014, with provisions to extend the Agreement term for up to two additional one-year periods and month-to-month extensions for up to six months through August 30, 2016. All of the extension options have been exercised.

RRI Agreement

The County has contracted with RRI to provide highly specialized orthotic services housed on RLANRC grounds. RRI was started 52 years ago to provide the specialized orthotic services that RLANRC's unique patient population requires as well as to provide medical research and education under a separate agreement. RRI's active research program provides an additional highly

specialized level of product development for Orthotic Services. The current agreement expires August 31, 2016.

All Agreements

P&O Services provided under the Master Agreements and Orthotic Services provided by RRI are not subject to the provisions of Proposition A based upon the extraordinary nature of the services, and cannot be otherwise provided by County personnel. The services are intermittent and as needed, and are not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

The P&O Master Agreements and RRI Agreement may be terminated for convenience by the County upon 10-days prior written notice.

The current Agreements contain the same terms and conditions and include all of the standard provisions mandated by your Board. Rates are standardized throughout all County facilities.

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

CONTRACTING PROCESS

On October 21, 2008, DHS released a RFSQ for Prosthetic and Orthotic Appliance Services, posting it on the DHS Contracts and Grants website and the County “Doing Business with Us” website. The RFSQ is open continuously for responses, and Statement of Qualifications will continue to be accepted and reviewed in accordance with the process. If qualified, additional firms will be offered a Master Agreement, the terms of which are non-negotiable.

Approval of a Master Agreement does not guarantee a Contractor any minimum amount of business.

RRI Agreement

RRI is a non-profit organization which was created over 50 years ago for the sole purpose of providing the specialized orthotic services that the RLANRC unique patient population requires. RRI also conducts research under a separate agreement that often influences the creation of specialty orthotic appliances and the provision of orthotic services to DHS patients under the Orthotic Services Agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the continued provision of P&O Services to meet patient needs at DHS facilities.

Respectfully submitted,

Mitchell H. Katz, M.D.

Director

MHK:sns

Enclosures

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

Attachment A

PROSTHETIC AND ORTHOTIC APPLIANCE SERVICES VENDORS

1. Alpha Orthopedic Appliance Company, Inc.
   5940 East Washington Boulevard
   Commerce, CA 90040
   Contact: Mark S. Yamada
   Phone: (323) 721-6706
   Email: alphaprosthetics@yahoo.com

2. Dynamic Orthotics & Prosthetics, Inc.
   1830 W. Olympic Boulevard, Suite 123
   Los Angeles, CA 90006
   Contact: Peter J. Sean
   Phone: (213) 383-9212
   Email: sharonc@walkagain.com

3. Hanger Prosthetics & Orthotics
   4155 East La Palma Avenue, Suite B400
   Anaheim, CA 92807
   Contact: Claire Conti
   Phone: (562) 233-4481
   Email: cconti@hanger.com

4. Ocular Prosthetics, Inc.
   321 N. Larchmont Boulevard, Suite 711
   Los Angeles, CA 90004
   Contact: Stephen E. Haddad
   Phone: (323) 642-6004
   Email: haddadbco@ocularpro.com

5. Ortho Engineering, Inc.
   5759 Uplander Way
   Culver City, CA 90230
   Contact: Jirayr Ashkharikian
   Phone: (310) 559-5996
   Email: georgejr@orthoengineering.com

6. Performance Prosthetic and Orthotic Center, Inc.
   2820 Santa Monica Boulevard
   Santa Monica, CA 90404
   Contact: Albert Rappoport
   Phone: (310) 829-2322
   Email: performance@pobox.com

7. Precision Orthotics & Prosthetic, Inc.
   2550 Beverly Boulevard, Suite 201
   Los Angeles, CA 90057
   Contact: Kwon Yi
   Phone: (213) 388-5847
   Email: davideridson.popi@gmail.com

8. Valley Institute of Prosthetics and Orthotics, Inc.
   1524 21st Street, Suite B
   Bakersfield, CA 93301
   Contact: Joanna Chavez
   Phone: (800) 439-1005
   Email: jchavez@vipoinc.com

9. 8374 Corporation, dba Lerman and Son
   8710 Wilshire Boulevard
   Beverly Hills, CA 90211
   Contact: Denise Leiter
   Phone: (310) 659-2290
   Email: leiter@aol.com

EXHIBIT I

Agreement No.: _____

AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES
AND _____ FOR
PROSTHETIC AND ORTHOTIC APPLIANCE SERVICES

Amendment No. 4

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

By and between COUNTY OF LOS ANGELES (hereafter "County"),

And Contractor (hereafter "Contractor")

Business Address:
_____
_____

WHEREAS, reference is made to that certain document entitled **"**Prosthetic and Orthotic Appliance Services," 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 extend the term in accordance with Paragraph 4.0, Term of Master Agreement and to provide for the other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 9.1, Amendments may be made in the form of an Amendment which is formally approved and executed by the parties; and

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon execution.

2. Agreement, Paragraph 4.0, Term of Agreement, is deleted in its entirety and replaced as follows:

"4.0. <u>TERM OF AGREEMENT</u>:

4.1 This Agreement shall commence on _____. This Agreement shall expire on August 31, 2017, unless sooner extended or terminated, in whole or in part, as provided herein.

4.2 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used to a variety of purposes, including determining whether the County will exercise a contract term extension option."

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

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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 on 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

Contractor's Name

By:_____
Signature

_____
Printed Name

_____
Title

APPROVED AS TO FORM
Mary C. Wickham
County Counsel

By _____
James Johnson
Deputy County Counsel

EXHBIT II

Agreement No.: H-702969

Contract By And Between County of Los Angeles
And Los Amigos Research And Education Institute, Inc.
For Orthotic Services At Rancho Los Amigos National Rehabilitation Center

Amendment No. 5

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

By and between	COUNTY OF LOS ANGELES (hereafter "County"),
And	RANCHO RESEARCH INSTITUTE, INC. (hereafter "Contractor")
	Business Address: PO BOX 3500 Los Amigos Station Downey, CA 90242

WHEREAS, reference is made to that certain document entitled **"**Orthotic Services At Rancho Los Amigos National Rehabilitation Center," dated October 1, 2007, and further identified as Agreement No.: H-702969, 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 the term in accordance with Paragraph 1, Term and to provide for the other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 26, Alteration of Terms may be made in the form of an Amendment which is formally approved and executed by the parties; and

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon execution.

2. Agreement, Paragraph 1, Term, is deleted in its entirety and replaced as follows:

"1. Term:

A. This Agreement shall commence on October 1, 2007 and expire on February 28, 2017. In any event, either party may cancel or terminate this Agreement at any time, with or without cause, by giving at least thirty (3) calendar days' prior written notice to the other.

Notwithstanding any other provisions of this Paragraph, the failure of Contractor, its officers, agents, or employees to comply with any of the terms of this Agreement shall constitute a material breach of contract for which the director or his/her designee may immediately terminate the Agreement. Failure to exercise this right of termination shall not constitute waiver of such right, which may be exercised at any subsequent time."

B. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

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

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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 on 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

RANCHO RESEARCH INSTITUTE, INC.

By:_____
Signature

_____
Printed Name

_____
Title

APPROVED AS TO FORM
Mary C. Wickham
County Counsel

By _____
James Johnson
Deputy County Counsel