



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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

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August 01, 2017

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 August 1, 2017

LORI GLASGOW
EXECUTIVE OFFICER

**APPROVAL TO EXECUTE THREE CONTRACTS
FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST
CONTAINMENT SERVICES
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

This recommendation by the Chief Executive Office (CEO) seeks the Board's approval to execute three contracts with Allied Managed Care, Inc., (Allied), CorVel Healthcare Corporation (CorVel), and Medata, Inc., (Medata) to provide workers' compensation medical and disability management and cost containment services (MMCC services) for the County of Los Angeles (County), for the period of January 1, 2018, through December 31, 2021. The recommended action also authorizes the CEO, or designee, to exercise up to four (4), one-year renewal options and one (1), six-month optional extension.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the CEO, or designee, to execute three contracts, substantially similar to Exhibit I enclosed, with Allied, CorVel, and Medata, to provide MMCC services for the County's Workers' Compensation Program, for a four-year base term, effective January 1, 2018, at a total annual contract cost of \$16,950,000; which is 100 percent offset by the Workers' Compensation Operating Budget.
2. Delegate authority to the CEO, or designee, to execute four (4), one-year contract extensions through December 31, 2025, effective upon amendment execution at the beginning of the applicable agreement term, with funding commensurate with the service delivery, and subject to review and approval as to form by County Counsel. Authorize the CEO, or designee, to execute one (1), six-month optional extension, if needed.

3. Delegate authority to the CEO, or designee, to approve and execute amendments and change notices pursuant to the contracts' provisions; and/or provide an increase or decrease in funding up to 10 percent above or below the total Contract Sum to ensure compliance with Federal, State, or County regulations, or modification to the program requirements upon amendment execution and/or at the beginning of the applicable term, subject to review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the CEO to enter into three new contracts with Allied, CorVel, and Medata, for the continuation of MMCC services for the County's Workers' Compensation Program. These services will control medical and disability costs by providing integrated cost containment services in four primary areas: 1) Medical Bill Review; 2) Medical Case Management/Nurse Case Management; 3) Utilization Review (UR); and 4) Medical Provider Network (MPN) and Preferred Provider Organization (PPO) networks. The County further expects that the successful contractors will aid the County in its return-to-work efforts; thus, increasing productivity, employee well-being, and the quality of the County's Workers' Compensation Program.

Approval of the second and third recommendations will extend the term for up to four (4), one-year extensions and one (1), six-month optional extension, allow for an increase or decrease in funding with respect to service delivery or modifications in regulations, and enable the CEO to execute future amendments to transfer workload between MMCC services contractors upon any disruption of contractors' operation. While the County is under no obligation to pay the contractors beyond what is identified in the original executed agreement, the County may determine that the contractors have provided evidence of eligible costs for qualifying contracted services, and that it is in the County's best interest to increase the maximum contracts' obligation, as it is determined that funds should be reallocated. This recommendation has no impact on net County cost.

Implementation of Strategic Plan Goals

The services provided under these contracts support the County's Strategic Plan Goal III – Realize Tomorrow's Government Today, by providing vital workers' compensation services through an independent contractor to improve the effectiveness of Countywide risk management activities.

FISCAL IMPACT/FINANCING

The funding of \$16,950,000; for the workers' compensation MMCC services under the new contracts with Allied, CorVel, and Medata, is included in the Fiscal Year (FY) 2017-18 Budget. The total maximum obligation for the four-year base term is \$67,800,000; which is 100 percent offset by the Workers' Compensation Operating Budget. The total maximum contract obligation if all option years and the six-month extension are exercised is \$144,075,000. Funding for the four (4), one-year renewal options and one (1), six-month optional extension will also be funded by the Workers' Compensation Operating Budget in future budget cycles, and have no impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CEO finds, pursuant under Section 44.7 of the Los Angeles County Charter, Los Angeles County Code 2.121.250, and as authorized by Government Code 31000.8, that the Board may award contracts for services provided by an independent contractor or private firm.

In 1996, a contracted consulting firm recommended that the County establish a comprehensive medical and disability management program that would integrate medical fee review services with PPO networks, nurse case management, and 24-hour claim reporting. Since 1998, the County has contracted for workers' compensation medical and disability management and cost containment services.

County Counsel has reviewed and approved Exhibit I as to form and concurs with the policies and legal requirements herein, and with these recommendations.

CONTRACTING PROCESS

The Request for Proposals (RFP) for MMCC services that was released on February 4, 2015, was cancelled to make substantial technical modifications in a revised RFP. CEO released the revised MMCC services RFP on April 13, 2016, which was posted in the Internal Services Department website, and advertisements from the Daily Journal Corporation were placed in the Los Angeles Times, San Gabriel Valley Tribune, Daily News Los Angeles, Long Beach Press Telegram, La Opinion, and Los Angeles Sentinel. A Mandatory Proposers Conference was conducted on May 6, 2016, where 22 firms attended. Nine (9) proposals were submitted by the due date of June 14, 2016.

RFP EVALUATION REVIEW PROCESS – OVERVIEW

As specified in the RFP document, the Evaluation Review Process consisted of the following components:

Adherence to Minimum Requirements (Pass-Fail)

This part of the evaluation process was scored on a "Pass" or "Fail" basis, as determined by the Proposer's response to each of the Proposer's Minimum Mandatory Qualifications (MMQ). The Pass/Fail Qualifying Review was conducted by personnel of the CEO's Contracts Unit. The MMQ review was conducted on June 16, 2016, and on June 20, 2016. Three (3) of the nine (9) vendors were disqualified. A Disqualification Review was requested by two of the three vendors and no assertions were made finding CEO's disqualification for non-responsiveness erroneous. All three disqualifications were upheld. CEO determined that the remaining six (6) proposals met the minimum qualification to be assigned a "pass" and advanced to the internal and external evaluation process.

Business Proposal Review – 7,500 Points

This portion of the evaluation was reviewed and scored by high-level County staff consisting of six (6) evaluators, each from various departments that utilize the services (hereafter "external evaluators"), with education, County-tailored training, and work experience in the subject matter. Proposals were evaluated by the external evaluators from the following departments: Fire, Health Services, Human Resources, Probation, Public Social Services, and Sheriff. Each external evaluator was screened accordingly for any potential conflicts of interest prior to being accepted as an external evaluator. Each external evaluator was provided with an overview of the RFP process, roles and responsibilities, evaluation scoring tools/instructions, and the evaluation methodology prior to reviewing/scoring any of the proposals. External evaluators scored proposals individually in accordance with County Contracting Guidelines. External evaluators conducted an independent review of the proposals and then participated in a group discussion. Proposer scores under this portion of the evaluation were developed using the Informed Averaging Methodology, pursuant to Board Policy No. 5.054.

A thorough evaluation of the remaining six (6) proposals was conducted by external evaluators. The pre-evaluation meeting was held on July 13, 2016, proposal evaluation instructions were provided, confidentiality agreements were established, and certifications to conflict of interest and disclaimer statements were ascertained. Informed averaging meetings were held on September 28, 2016, November 15, 2016, November 16, 2016, December 6, 2016, December 21, 2016, December 27, 2016, December 29, 2016, and January 4, 2017. Due to unexpected medical conditions, three (3) evaluators could not participate in all eight (8) informed averaging meetings. The results are from the evaluators who participated in all meetings.

CEO Administrative Services' Contracts Unit staff and CEO Risk Management Branch Workers' Compensation staff (hereafter "internal evaluators") also evaluated certain sections of the proposals, including Proposer References, Proposer Pending Litigation, Proposer Exceptions to the Sample Contract and Statement of Work, Proposer Financial Capability, and Cost.

CorVel received point deductions during the pending litigation review; Allied and Medata received no deductions in this section of the evaluation process. Deductions were not received for terminated contract, contractor alert reporting database, or exceptions to the Sample Contract or Statement of Work across the three vendors. Allied, CorVel, and Medata were rated with an acceptable ratio in the Financial Capability section of the evaluation process.

Cost Proposal Review – 2,500 Points

Cost proposals were reviewed and scored accordingly by internal evaluators. CEO followed all provisions in accordance with Board Policy No. 5.055, Services Contract Solicitation Protest Implementation Guidelines. The three non-selected proposers requested debriefing meetings, and, on May 3, 2017, were given the opportunity to complete the Notice of Intent (NOI) to request a Proposed Contractor Selection Review (PCSR). The three non-selected proposers timely submitted the NOI to request a PCSR, but did not take the next step of requesting a PCSR by May 16, 2017, which concluded the protest process.

Sufficient time is also needed to transition and implement the new contracts with the recommended vendors. The transition to the new contracts involves the completion of system interface and data migration, which includes the data conversion of medical bill review history in which the new contractors will require at least the last seven (7) years of all County payment history data available from the three (3) current contractors. Contractor(s) were required to incorporate negotiated network rates in their bill review systems, and to start-up the necessary call centers for the 24-hour telephonic reporting of all claims and injuries. This comprehensive strategy will provide a seamless transition of critical risk services over the next 68 business days, through the term ending December 31, 2017.

The three new contractors for this Program (Allied, CorVel, Medata) were selected under an open-competitive bid for MMCC services that will become effective January 1, 2018.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

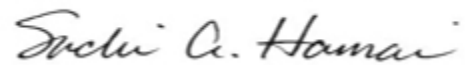
Approval of the three new contracts will allow the CEO to continue to provide uninterrupted, State-mandated risk management and MMCC services in its Workers' Compensation Program. Implementation of these contracts will not have any adverse impact on current services being provided by County employees.

The Honorable Board of Supervisors

8/1/2017

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Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:JJ

STR:AR:KS:KSJ:rn

Enclosures

c: Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel

CONTRACT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
CONTRACTOR
FOR
WORKERS' COMPENSATION MEDICAL AND
DISABILITY MANAGEMENT AND COST
CONTAINMENT SERVICES

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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
CONTRACTOR
FOR**

**WORKERS' COMPENSATION MEDICAL AND DISABILITY
MANAGEMENT AND COST CONTAINMENT SERVICES**

This Contract ("Contract") made and entered into this ____ day of _____, 2017 by and between the County of Los Angeles, hereinafter referred to as County and _____, hereinafter referred to as "Contractor". Contractor is located at _____, California _____.

RECITALS

WHEREAS, the County desires to contract for worker's compensation medical and disability management and cost containment services; and

WHEREAS, the Contractor is a private firm specializing in providing in providing workers' compensation medical and disability management and cost containment services; and

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the County establishes, administers, and operates a complete self-insurance workers' compensation program; and

WHEREAS, the Contract is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Code Section 2.121.250; and

WHEREAS, pursuant to the California Government Code Sections 31000 and 31000.8, County is authorized to contract with private firms to perform such services when certain requirements are met; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, D, E, F, G, H, and I are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description

of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority. Exhibits C, J, K, L, M, N, and O were not applicable to these services, and intentionally omitted.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Intentionally Omitted
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law

Unique Exhibits

- 1.10 EXHIBIT J – Intentionally Omitted
- 1.11 EXHIBIT K – Intentionally Omitted
- 1.12 EXHIBIT L – Intentionally Omitted
- 1.13 EXHIBIT M – Intentionally Omitted
- 1.14 EXHIBIT N – Intentionally Omitted
- 1.15 EXHIBIT O – Intentionally Omitted

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to subparagraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 **Addendum:** A document added to or supplanting portions of this Request for Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor.
- 2.2 **Administrative Director:** Administrative Director of the Division of Workers' Compensation (DWC).
- 2.3 **Board of Supervisors:** The governing and legislative body of the County. It is composed of five (5) elected officials.
- 2.4 **California Workers' Compensation Information System (WCIS):** Bona Fide Statistical Research. The analysis of existing workers' compensation data for the purpose of developing or contributing to basic knowledge regarding the California workers' compensation system.
- 2.5 **Chief Executive Officer (CEO):** The Chief Executive Officer of the County of Los Angeles.
- 2.6 **ClaimsVision:** The County's current workers' compensation computer system. This system includes on-line input of claims and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants from computerized files generated by ClaimsVision.
- 2.7 **Contract:** This agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work including the Statement of Work, Exhibit A.
- 2.8 **Contract Start Date:** The date that the Contractor begins work (the start of the base term of the Contract).
- 2.9 **Contractor:** The sole proprietor, partnership, corporation or other person or entity that has entered into this Contract with the County.
- 2.10 **Contractor Project Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.11 **County:** The County is the governmental entity, the County of Los Angeles, its employees, officers, and officials.

- 2.12 **County Contract Administrator (CCA):** The County Contract Administrator (CCA) is the Assistant Chief Executive Officer, Chief Executive Office, Risk Management Branch, or his/her duly authorized designee.
- 2.13 **County Contract Manager (CCM):** Person designated by the CCA to manage operations under this Contract.
- 2.14 **County Contract Monitor (Monitor):** Person with responsibility to oversee the day-to-day activities of this Contract. Responsible for inspections of any and all tasks, deliverables, goods, services and other work provided by Contractor.
- 2.15 **County Counsel:** The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.
- 2.16 **County's Short and Long Term Disability Third Party Administrator (TPA):** Disability benefits provided to County injured or disabled workers that are administered by a contracted vendor.
- 2.17 **County Third Party Administrators (TPAs):** A contract(s) with vendors to provide the management of worker compensation files.
- 2.18 **County Return-to-Work Coordinator:** County department representative assigned to assist the injured worker with returning to work at the County.
- 2.19 **County's Vendor File:** The file that provides all the required information for making a payment through the County's payment system.
- 2.20 **County's Workers' Compensation Management Information System:** The County computer system used in the management of County Workers Compensation claims.
- 2.21 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.22 **Division of Workers' Compensation (DWC):** The Division of Workers' Compensation (DWC) monitors the administration of workers' compensation claims, and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits.
- 2.23 **Electronic Data Interchange (EDI):** The computer-to-computer exchange of data or information in a standardized format. In California, workers' compensation, medical EDI refers to the electronic transmission of detailed medical bill payment records information from trading partners, i.e., senders, to the California DWC.

- 2.24 **Employer Report of Injury (DWC 5020):** Employers first report of Injury.
- 2.25 **Explanation of Review (EOR):** The explanation of the medical payment or denial of the medical payment.
- 2.26 **Field Case Management (FCM):** A nurse case manager that provides services by meeting with injured employees and their medical providers.
- 2.27 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.28 **Hours/Days of Work:** The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m., or as specified in Exhibit A, Statement of Work, of the Contract. The Contractor is not required to provide services on County-recognized holidays. The County Contract Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.
- 2.29 **Indemnity or Disability Case:** A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, medical costs over \$3,500, benefits due more than six months after opening of case, and designation by the Claims Examiner.
- 2.30 **Independent Bill Review (IBR):** Medical treatment and medical-legal billing disputes are resolved through an independent bill review (IBR) process.
- 2.31 **Independent Medical Review (IMR):** California's workers' compensation system uses a process called independent medical review (IMR) to resolve disputes about the medical treatment of injured employees.
- 2.32 **Initial Treatment Panel:** A physician or medical group that is part of the MPN that is selected by the department to treat their injured employees at the time of first report of injury. Also known as Initial Treatment Centers.
- 2.33 **In-patient:** Treatment in an admitted hospital setting.
- 2.34 **Long Term Acute Care:** Care for serious diseases or trauma requiring extended hospital or convalescent care.
- 2.35 **Medical-Only Case:** A non-litigated claim involving only medical payments which are not expected to exceed three thousand five hundred dollars (\$3,500). Indemnity payments are not anticipated.
- 2.36 **Medical Case Management (MCM)/Nurse Case Management (NCM):** Requested services of a Registered Nurse, with a minimum of three (3)

years of experience in workers' compensation case management, to improve the efficiency of delivery of medical services to an injured County employee.

- 2.37 **Medical Director:** The physician and surgeon licensed by the Medical Board of California or the Osteopathic Board of California who holds an unrestricted license to practice medicine in the State of California. The Medical Director is responsible for all decisions made in the utilization review process.
- 2.38 **Medical Provider Network (MPN):** A medical provider network (MPN) is an entity or group of health care providers set up by an insurer or self-insured employer and approved by DWC's administrative director to treat workers injured on the job. Under state regulations, each MPN must include a mix of doctors specializing in work-related injuries and doctors with expertise in general areas of medicine. MPNs are required to meet access to care standards for common occupational injuries and work-related illnesses. The regulations also require MPNs to follow all medical treatment guidelines established by the DWC and allow employees a choice of provider(s) in the network after their first visit. Additionally, MPNs must offer an opportunity for second and third opinions if the injured worker disagrees with the diagnosis or treatment offered by the treating physician. If a disagreement still exists after the second and third opinion, an injured worker in the MPN may request an independent medical review (IMR). The MPN program became effective Jan. 1, 2005 and employees can be covered by an MPN once a plan has been approved by the DWC administrative director.
- 2.39 **Medical Treatment Utilization Schedule (MTUS):** The medical treatment utilization schedule (MTUS) provides medical treatment guidelines for utilization review and an analytical framework for the evaluation and treatment of injured workers. It helps medical providers understand which evidenced-based treatments have been effective in providing improved medical outcomes to those workers. The MTUS is promulgated by the DWC administrative director under Labor Code sections 5307.27 and 4604.5, and can be found in sections 9792.20 et seq. of Title 8, California Code of Regulations.
- 2.40 **Official Medical Fee Schedule (OMFS):** Promulgated by the DWC administrative director under Labor Code section 5307.1 and can be found in sections 9789.10 et seq. of Title 8, California Code of Regulations. It is used for payment of medical services required to treat work related injuries and illnesses.
- 2.41 **Out-patient:** Treatment that is not in an admitted hospital setting.

- 2.42 **On-Site County Representative (OSCR):** County personnel assigned to monitor the activities of the Third Party Administrators.
- 2.43 **Panel of MPN Physicians:** Member physicians that make up the MPN.
- 2.44 **Pharmacy Benefit Management (PBM):** A contract or agreement with a pharmacy group to supply medications and supplies to injured workers in accordance with Labor Code 4600.2.
- 2.45 **Physician Reviewers:** A medical doctor, doctor of osteopathy, psychologist, acupuncturist, optometrist, dentist, podiatrist, or chiropractic practitioner licensed in the State of California, competent to evaluate the specific clinical issues involved in the medical treatment services and where these services are within the individual's scope of practice.
- 2.46 **Preferred Provider Organization (PPO):** A network of physicians under contract or agreement with the MMCC vendor to provide services at a discounted rate below OMFS.
- 2.47 **Quality Control Plan:** This term shall mean all measures taken by the Contractor to assure that the quality of an end product or service will meet the contract requirements regarding timeliness, accuracy, appearance, completeness and consistency.
- 2.48 **Telephonic Case Management (TCM):** A nurse case manager through use of the telephone will contact the injured worker, providers, the claims adjuster and the employer to actively coordinate healthcare services, in compliance with the MTUS, and assist with the injured worker's return-to-work.
- 2.49 **Utilization Review (UR):** the process used by employers or claims administrators to review treatment to determine if it is medically necessary. The UR process is governed by Labor Code section 4610 and regulations written by the CA Division of Workers' Compensation (DWC), which lay out timeframes and other rules for conducting UR. The rules, contained in Title 8, California Code of Regulations, sections 9792.6 et seq, also require UR plans to be filed with the DWC administrative director.
- 2.50 **W-9:** The form required by the IRS to report on an information return the amount paid to a provider of services.
- 2.51 **Workers Compensation Appeals Board (WCAB):** Consisting of seven members, shall exercise all judicial powers vested in it under this code. In all other respects, the Division of Workers' Compensation is under the control of the administrative director and, except as to those duties, powers, jurisdiction, responsibilities, and purposes as are specifically vested in the appeals board, the administrative director shall exercise the powers of the head of a department within the meaning of Article 1 (commencing with

Section 11150) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code with respect to the Division of Workers' Compensation which shall include supervision of, and responsibility for, personnel, and the coordination of the work of the division, except personnel of the appeals board.

- 2.52 **Workers' Compensation Medical Management and Cost Containment (MMCC) Services:** A contract(s) with vendors to provide various services to provide cost effective medical services to County injured employees.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.
- 3.3 The County will have sole discretion to reassign any or all work under this Contract to another contracted vendor(s) if County deems it to be in its best interest.
- 3.4 The County will have sole discretion to separate any service or portion of the services required under this Contract and assign the work to a new contractor or an existing County contractor(s) if it deems it to be in its best interest.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be four (4) years commencing after execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 The County shall have the sole option to extend this Contract term for up to four (4) one-year renewal options and one (1) six month extension periods, for a maximum total Contract term of eight (8) years and six (6) months. Each such extension option may be exercised at the sole discretion of the Chief Executive Officer or designee as authorized by the Board of Supervisors.
- 4.3 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.

- 4.4 The Contractor shall notify CCA when this Contract is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to CCA at the address herein provided in Exhibit E - County's Administration.
- 4.5 In the event of expiration of the term of the Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.

5.0 CONTRACT SUM

5.1 Payment Pursuant to Pricing Schedule

The County shall pay the Contractor monthly in arrears on a (flat fee or per unit of service) basis as set forth in the Pricing Schedule attached hereto as Exhibit B based on monthly invoices submitted by Contractor and subject to the adjustments and conditions set forth herein.

5.2 No Payment for Services Outside the Scope of the Statement of Work

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed outside the scope of the Statement of Work, or for any incidental or administrative expenses whatsoever incurred in or incidental to performance of services within the Statement of Work attached hereto as Exhibit A, except as specified herein.

5.3 Monthly Invoice

5.3.1 Monthly Invoices

The Contractor shall invoice the County monthly in arrears only for providing the tasks, goods, services and other work specified in the Statement of Work attached hereto as Exhibit A and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B (Pricing Schedule), and the Contractor shall be paid only for the tasks, deliverables, goods, services and other work approved in writing by the County. If County does not approve work in writing no payment shall be due to the Contractor for that work. The invoices shall clearly reflect and provide reasonable detail as determined by the CCA of the services provided as specified in Exhibit A (Statement of Work) and elsewhere herein. All invoices under this Contract shall be submitted to the following address:

Chief Executive Office
Risk Management Branch
Attention: Claims and Disability Management
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

- 5.3.1.1 The Contractor's invoices shall be priced in accordance with Exhibit B (Pricing Schedule).
- 5.3.1.2 The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 5.3.1.3 The Contractor shall submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.3.2 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Contract Administrator for compliance with this contract prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval.

5.4 Adjustments to Monthly Invoices and Total Fees Paid

5.4.1 The County will adjust the invoice as follows:

- 5.4.1.1 The County may reduce the monthly invoice for assessment of adjustments to payments pursuant to Subparagraph 5.5 (Adjustments for Overpayment, Fine, Penalty or Other Cost) for which the County has notified Contractor pursuant to Subparagraph 5.6 of this Paragraph 5.0 (Payment for Work) at any time prior to receipt of the monthly invoice.
- 5.4.1.2 The County shall increase or reduce the monthly invoice pursuant to Subparagraph 5.8 (Quality Control Plan).
- 5.4.1.3 The County may reduce the monthly invoice for assessment of adjustments pursuant to Subparagraph 5.10 (Adjustment for Failure to Meet Performance Requirements) and for payments made pursuant to

Subparagraph 8.2.1 of Paragraph 8.2 (Assignment and Delegation).

5.4.2 Adjustments to Total Fees Paid

The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties and other costs incurred by County due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Subparagraph 5.5 (Adjustments for Overpayment, Fine, Penalty or Other Cost); and will be increased or reduced as set forth in Subparagraph 5.8 (Quality Control Plan); and will be reduced for adjustments for Contractor's failure to meet performance requirements as further set forth in Subparagraph 5.10 (Adjustment for Failure to Meet Performance Requirements). The County's payment is subject to adjustment following audit as set forth in Subparagraph 5.9 (Adjustment Pursuant to Audit and Record Retention Requirement) of this Paragraph 5.0, and Subparagraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract.

5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost

The Contractor shall reimburse the County for any overpayment, fine, penalty or defense cost incurred due to the Contractor's failure to comply with any term or condition of this Contract. No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) were expressly approved or directed by an authorized County representative.

5.5.1 Such failure includes but is not limited to the following:

- 5.5.1.1 Late payment or nonpayment of any medical bill to any medical provider resulting in penalty or attorney fees.
- 5.5.1.2 Overpayment of any medical bill owed to any medical provider in a case due to Contractor's failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or any written County policy provided to Contractor prior to the overpayment.
- 5.5.1.3 Excessive payment to any medical provider in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or

any written County policy provided to Contractor prior to the excessive payment.

- 5.5.1.4 Fines or penalty assessed against the Contractor or the County due to the Contractor's failure to comply with the general standards of care and generally accepted practices in the workers' compensation claims administration industry or any written County policy provided to Contractor prior to the failure by Contractor.

5.6 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustment pursuant to Subparagraph 5.5 (Adjustments for Overpayment, Fine, Penalty or Other Cost). The Contractor shall have the opportunity to respond to the assessment including the following:

- 5.6.1 Evidence that an overpayment or excessive cost was not made.
- 5.6.2 Evidence that the Contractor complied with the general standards of care and generally accepted practices of the workers' compensation claims administration industry or any written County policy provided to Contractor.
- 5.6.3 Evidence that Contractor obtained prior approval from an authorized County official.

5.7 Mandatory Dispute Arbitration

The Contractor and the County shall submit all disputes relating to Subparagraph 5.5 (Adjustments for Overpayment, Fine, Penalty or Other Cost), to binding arbitration, in accordance with California Code of Civil Procedure Sections 1280 through 1294.2. Either the Contractor or the County may enforce the award of the arbitrator under Section 1285 of the Code. The Contractor and the County understand that they are waiving their rights to a jury trial.

- 5.7.1 The Contractor and the County shall select a mutually acceptable arbitrator. If for any reason the Contractor and the County cannot agree on a mutually acceptable arbitrator, either the Contractor or the County may apply to the Superior Court for the designation of five possible arbitrators meeting the qualifications of Subparagraph 5.7.2. The Contractor and the County may then each strike two names from the list within the next five (5) days. The court shall

then appoint as arbitrator a person whose name has not been struck from the list.

5.7.2 The arbitrators selected by the Superior Court under Subparagraph 5.7.1 shall have at least ten (10) years' experience in workers' compensation claims administration. This provision may be waived by agreement of the County and the Contractor. The CEO is authorized to agree to a waiver on behalf of the County.

5.8 Quality Control Plan

5.8.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

5.8.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

5.8.1.2 A system for monitoring compliance with all the services listed in Exhibit A (Statement of Work). It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.

5.8.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

5.9 Adjustment Pursuant to Audit and Record Retention Requirement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to facilities and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. Such material including books, records, documents, case files and all pertinent cost accounting, financial records and proprietary data relating to the performance of this Contract shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material

prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County or within a seventy- five (75) mile radius as specified in Appendix A (Statement of Work), provided that if any such material is located outside Los Angeles County or outside the seventy-five (75) mile radius, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

5.9.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

5.9.2 Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 5.9 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

5.9.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) credited against any future payments to the Contractor whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

5.10 Adjustment for Failure to Meet Performance Requirements

The Contractor's fees will be reduced by the amounts specified in Exhibit A, Statement of Work, Technical Exhibit A-2, Performance Requirements Summary (PRS) Chart, of the Contract, for Contractor's failure to comply

with the specific terms of this Contract identified in Technical Exhibit A-2, PRS Chart, of the Contract.

5.10.1 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.10.2 The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to CCA at the address herein provided in Exhibit E (County's Administration).

5.11 No Payment for Services Provided Following Expiration/Termination of Contract

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

5.12 Intentionally Omitted

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit E - County's Administration. The County will notify the Contractor in writing of any change in the names or addresses shown.

6.1 County Contract Administrator (CCA)

Responsibilities of the CCA include:

- 6.1.1 The CCA shall ensure that the objectives of this Contract are met.
- 6.1.2 The CCA is authorized to initiate and enter into change notices which do not change the terms and conditions of this Contract in accordance with 8.1 (Amendments and Change Notices).
- 6.1.3 The CCA or designee shall provide direction to Contractor in the areas relating to County policy and procedural requirements, information requirements, and on other matters.
- 6.1.4 The County shall inform the Contractor of the name, address and telephone number of the County Contract Administrator in writing at the time the contract is awarded.
- 6.1.5 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.
- 6.1.6 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.

6.2 County Contract Manager (CCM)

The responsibilities of the CCM include:

- meeting with the Contractor Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The CCM is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.3 County Contract Monitor (Monitor)

The Monitor is responsible for overseeing the day-to-day administration of this Contract. The Monitor reports to the CCM.

The Monitor is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

A listing of all of Contractor's Administration referenced in the following subparagraphs are designated in Exhibit F - Contractor's Administration. The Contractor will notify the County in writing of any change in the names or addresses shown.

7.1 Contractor Project Manager

The Contractor Project Manager is the designated officer or employee responsible for all actions needed to administer the Contract.

7.1.1 The Contractor Project Manager is designated in Exhibit F - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor Project Manager.

7.1.2 The Contractor Project Manager shall be responsible for the Contractor's and any subcontractor's day-to-day activities as related to this Contract and shall coordinate with County Contract Manager and County Contract Monitor on a regular basis.

7.1.3 The Contractor Project Manager must have three (3) years of experience in supervising or managing California workers' compensation medical and disability management and cost containment services.

7.2 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor Project Manager.

7.3 Intentionally Omitted

7.4 Background and Security Investigations

7.4.1 Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and Federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the

expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

- 7.4.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be removed immediately from performing services under the Contract. Contractor shall comply with County's request at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation
- 7.4.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.
- 7.4.4 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.4 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

- 7.5.1 Contractor shall maintain the confidentiality of all records and information including but not limited to billings, County records, case records and patients records, under this Contract in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 7.5.2 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to

provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.5.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality and indemnification provisions of this Contract.

7.5.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments and Change Notices

8.1.1 For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an amendment to the Contract shall be prepared and executed by the Contractor and by the CEO or designee.

8.1.2 The County's Board of Supervisors or CEO or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the CEO or designee.

8.1.3 The CEO or designee, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by the CEO or designee.

8.1.4 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. All such changes shall be accomplished with an executed Change Notice

signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.

8.2 Assignment and Delegation

- 8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this subparagraph, County consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.
- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.5.1 Within thirty (30) business days after the Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days for County approval.
- 8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.
- 8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.
- 8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7 Copies of all written responses shall be sent to the County's Project Manager within three (3) business days of mailing to the complainant.

8.6 Compliance with Applicable Law

- 8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 8.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D - Contractor's EEO Certification.

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract

agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

- 8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.
- 8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest,

it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoff or Re-Employment List

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 Consideration of Hiring Gain-Grow Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN-GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN-GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN-GROW participants are available for hiring, County employees shall be given first priority.

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be

provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify,

deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Quality Assurance Plan

The County or its agent will monitor the Contractor's performance under this

Contract on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate contract performance database(s). The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 Intentionally Omitted

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent

(non-facsimile) transmission of "original" versions of such documents.

8.19 Fair Labor Standards

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's Sub-Contractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Sub-Contractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such Sub-Contractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the Sub-Contractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "Sub-Contractor" and "Sub-Contractors" mean Sub-Contractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the

exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in subparagraph 7.5 - Confidentiality.

8.23 Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") 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 and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.24 General Provisions for all Insurance Coverage

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this

Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles, Chief Executive Office
Administrative Services Branch
Attention: Contracts Unit
500 West Temple Street, Room 785
Los Angeles, California 90012

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its

insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Sub-Contractor Insurance Coverage Requirements

Contractor shall include all subcontractors as insureds under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 **Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 **County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 **Insurance Coverage Requirements**

8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage

provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 **Professional Liability Errors and Omissions** insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. The coverage also shall provide an extended three (3) year reporting period commencing upon termination or cancellation of this Contract.

8.25.5 **Crime Coverage:** A Fidelity Bond or Crime Insurance policy with limits of not less than \$1 million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.6 **Privacy/Network Security (Cyber)** liability coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of \$5 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the CEO, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the CEO, or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If the CEO, or designee, determines that there are deficiencies in the performance of this Contract that the CEO, or designee, deems are correctable by the Contractor over a certain time span, the CEO, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the CEO, or designee, or his/her designee, may (a) deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages as specified in Exhibit A, Statement of Work, Technical Exhibit A-2, Performance Requirements Summary (PRS) Chart, of the Contract, hereunder, and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in subparagraph 8.27.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This subparagraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or subparagraph 8.27.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.28 Nondiscrimination and Affirmative Action

- 8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit D - Contractor's EEO Certification.
- 8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 The Contractor certifies and agrees that it will deal with its Sub-Contractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this subparagraph 8.29 when so requested by the County.
- 8.28.7 If the County finds that any provisions of this subparagraph 8.29 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While

the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of five hundred dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non-Exclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 Notice of Disputes

The Contractor shall bring to the attention of the CCM and/or CCA any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the CCM or CCA is not able to resolve the dispute, the CEO or designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I, Safely Surrendered Baby Law of this Contract. Additional information is available at www.babysafela.org.

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E - County's Administration and F - Contractor's Administration. Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The CEO, or his/her designee, shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to subparagraph 8.39 - Record Retention and Inspection-Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the CCA. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this subparagraph 8.38 shall apply.

8.38 Record Retention and Inspection-Audit Settlement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be

kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this subparagraph 8.39 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 Intentionally Omitted

8.39 Recycled Bond Paper

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 Subcontracting

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Sub-Contractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify, defend, and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor (s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.

8.40.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their

officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the Sub-Contractor maintains all the programs of insurance required by the County from each approved Sub-Contractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles, Chief Executive Office
Risk Management Branch
Attention: Contracts Unit
500 West Temple Street, Room 785
Los Angeles, CA 90012

before any subcontractor employee may perform any work hereunder.

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in subparagraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to subparagraph 8.43 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.42 Termination for Convenience

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and

- Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with subparagraph 8.39, Record Retention and Inspection-Audit Settlement.

8.43 Termination for Default

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of CCA:

- Contractor has materially breached this Contract; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in subparagraph 8.44.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this subparagraph.

8.43.3 Except with respect to defaults of any Sub-Contractor, the Contractor shall not be liable for any such excess costs of the type identified in subparagraph 8.44.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the

failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor (s)" means subcontractor (s) at any tier.

8.43.4 If, after the County has given notice of termination under the provisions of this subparagraph 8.44, it is determined by the County that the Contractor was not in default under the provisions of this subparagraph 8.44, or that the default was excusable under the provisions of subparagraph 8.44.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to subparagraph 8.43 - Termination for Convenience.

8.43.5 The rights and remedies of the County provided in this subparagraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this subparagraph 8.46 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The

County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this subparagraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.53 Time Off for Voting

The Contractor shall notify its employees, and shall require each Sub-Contractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every Contractor and Sub-Contractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.54 Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.55 Interpretation

This Contract shall be governed by and construed in accordance with the law of the State of California. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

8.56 Performance Security Requirements

Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

8.56.1 Performance Bond: A faithful performance bond in the sum of not less than three (3) months of the contract value payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California, or,

8.56.2 Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County upon demand in an amount not less than three (3) months of the contract value. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

8.57 Workload Transfer

Upon mutual agreement between the CEO and Contractor, the Contractor shall assume County workload from other MMCC Contractors at the same terms and conditions as the presiding contract or as determined in the best interest of County. CEO is authorized by the Board to execute such agreements.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Intentionally Omitted

9.2 Intentionally Omitted

9.3 Local Small Business Enterprise(SBE) Preference Program

9.3.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.3.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

9.3.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the

purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

9.3.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten (10) percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State, the Department of Consumer and Business Affairs and Internal Services Department (ISD) of this information prior to responding to a solicitation or accepting a contract award.

9.4 Intentionally Omitted

9.5 Intentionally Omitted

9.6 Intentionally Omitted

9.7 Transitional Job Opportunities Preference Program

9.7.1 This Contract is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.7.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to

obtain or retain certification as a Transitional Job Opportunity vendor.

9.7.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.7.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

9.8 Intentionally Omitted

9.9 Disabled Veteran Business Enterprise Preference Program

9.9.1 This Contract is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.

9.9.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to

obtain or retain certification as a Disabled Veteran Business Enterprise.

9.9.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.

9.9.4 If Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and ISD of this information prior to responding to a solicitation or accepting a contract award.

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IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chief Executive Office, and Contractor has executed this Contract, or caused it to be duly executed thereof, the day and year first above written

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

CONTRACTOR

By: _____
SACHI A. HAMAI

By: _____
SIGNATURE

Title: Chief Executive Officer

Print Name: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
Behnaz Tashakorian
Senior Deputy County Counsel

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STATEMENT OF WORK

for

**Medical and Disability Management and Cost
Containment Services**

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STATEMENT OF WORK

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STATEMENT OF WORK (SOW)

1.0 SCOPE OF WORK

The Contractor shall take all necessary steps to reduce medical and disability costs, increase productivity and enhance the quality and the level of the County's Medical Management and Cost Containment (MMCC) Services Program, and comply with all Federal and State laws and regulations.

The Contractor shall provide workers' compensation medical management and cost containment services for all existing claims as well as all new claims reported during the contract period for designated County Third Party Administrators (TPAs) including, but not limited to:

1.1 Program Development

1.1.1 Contractor must have access to legal, technical and other staff who routinely reviews the medical management and cost containment process to ensure compliance with State and Federal laws and regulations.

1.1.2 Contractor shall periodically review procedures and practices with County personnel to ensure that the County's MMCC Services Program is in compliance with State and Federal requirements as well as with sound workers' compensation claims administration practices.

1.1.3 Contractor shall provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's MMCC Services Program.

1.2 24-hour Telephonic Reporting of Injuries (All Claims)/First Report of Injury

1.2.1 The Contractor shall provide a twenty-four (24) hour, seven (7) days per week toll free telephone number for the reporting of injuries by County departments. The Contractor shall prepare the County's departmental specific Employer Report of Injury (DWC 5020) and electronically transmit the data, within twenty-four (24) hours of receipt, to the appropriate TPA and copies of the form to any designated County personnel. The County will provide to the Contractor, on a regular basis, employee data that the Contractor must utilize to populate the data screens for completion of DWC 5020's at no cost to the County.

1.2.2 Contractor shall have the ability to provide the caller with the

closest initial treatment center specific to the County department, should the caller request assistance.

- 1.2.3 The Contractor shall maintain the call center used to take the DWC 5020's within the United States.

1.3 Medical Case Management/Nurse Case Management

- 1.3.1 The County determines the necessity for nurse case management services on a case by case basis. The Contractor shall develop, with approval by the County, referral criteria for nurse case management assignments. The TPA claims administrator may make a nurse case management referral after the request is approved by a County On-Site County Representative. The TPA claims administrator and Contractor shall determine the most appropriate method to manage the case either by telephonic case management (TCM) or field case management (FCM), prior to referral. Nurse case managers shall actively coordinate health care services and ensure medical treatment requests are reviewed and authorized according to medical treatment utilization schedule (MTUS), provide case direction, and promote early resolution of the claim. Nurse Case Managers shall work with the Workers' Compensation TPA, County Return-to-Work Coordinator, and/or the County's short and long term disability TPA to ensure all resources are utilized to return the injured worker to a productive work life. When required the Contractor will provide catastrophic case management services to facilitate appropriate medical care.
- 1.3.2 The TCM nurse shall contact the injured worker, providers, the claims adjuster and the employer to actively coordinate healthcare services, in compliance with the MTUS, and assist with the injured worker's return-to-work. The TCM nurse, whenever possible, will channel injured workers into network providers. The TCM nurse shall submit an initial case assessment to the TPA within forty-eight (48) hours of the initial referral, and also submit written status report to the TPA on each open claim at 30-day intervals.
- 1.3.3 The FCM nurse shall meet with the injured worker and, as necessary with providers, the claims adjuster and employer to identify options for achieving optimal case resolution. The FCM nurse shall actively coordinate healthcare services and assist with the injured worker's return-to-work. FCM nurse shall facilitate compliance with California workers' compensation utilization review regulations (UR) and medical treatment utilization schedule MTUS. The FCM nurse, whenever possible, will channel injured workers into network providers. The FCM nurse shall submit written case management status activity reports at

30-day intervals or more frequently if the case warrants. Reports must include a description of all nurse case management activities during the reporting period.

- 1.3.4 FCM and TCM nurses are required to be Registered Nurses, with a minimum of three (3) years of experience in workers' compensation case management. A reasonable percentage of the Contractor's FCM and TCM nurses must be bilingual.
- 1.3.5 Cases for which the Contractor has accrued twenty (20) hours of billable time shall be referred to the County for review. The Contractor shall not accrue additional time on cases that have accrued twenty (20) hours of billable time without authorization from the County. Contractor will seek County review and approval for additional work at every 20 hour interval of billable time, unless pre-approved by the County.
- 1.3.6 All FCM and TCM nurses shall have the ability through contractor supplied hardware, to access the County's workers' compensation management information system to review and/or enter medical management information. FCM and TCM nurses shall enter case management information into the County's workers' compensation system timely and in a format acceptable to the County.

1.4 Medical Bill Review (All Claims)

- 1.4.1 The Contractor shall load all County payment history data available from the prior Contractor for at least the last seven (7) years, regardless of the amount of data or payment date, at no cost to the County. The Contractor's bill review platform shall accurately evaluate and reduce provider charges in compliance with the California OMFS and have the capability to integrate Preferred Provider Organization (PPO) and Medical Provider Network (MPN) networks for additional reductions. Additionally, Contractor shall have the capability to apply other review methods, such as direct negotiation, when the OMFS is not applicable. The Contractor shall integrate with the County's bill payment system by providing an electronically transmitted computer file of reviewed bills for input into the County's workers' compensation management information system subject to approval by the County Contract Administrator (CCA).
- 1.4.2 Contractor must have the ability to integrate UR determinations into bill review software so payments are recommended for authorized medical services only. Contractor at no cost to the County or its TPAs shall provide access to the Contractor's bill review portals to determine bill review status, view medical bills/reports, and view explanation of reviews.

- 1.4.3 The Contractor shall demonstrate the ability to review medical bills for compliance with the California Official Medical Fee Schedule (OMFS) and agree to review and process properly coded medical bills within five (5) business days of receipt of the bill. The Contractor will demonstrate the ability to maximize savings through the application of PPO, MPN and Pharmacy Benefit Management (PBM) programs. The Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors. Contractor shall provide a quarterly report identifying these providers.
- 1.4.4 The Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County designated TPA. The explanation of review shall identify reductions relating to the OMFS, PPO, MPN, PBM and/or direct negotiation. Such explanation of reviews shall include the appropriate notices and reasoning to defend the reduction if contested as well as all information required by the State. At the request of the County or claims administrator, the Contractor will provide an explanation of review to the applicant attorney or employee at no cost to the County.
- 1.4.5 The Contractor must agree not to charge the County for the identification of any duplicate bills nor charge more than one time for any bill that has been reviewed. The Contractor shall respond to provider inquiries regarding bill review activities and to respond to the County's attorney and/or TPA within one (1) day regarding any specific bill review issue. At the Contractor's expense, a copy of any explanation of review shall be provided to the County's attorney. A knowledgeable bill review expert witness must be made available to defend bill review activities at Workers Compensation Appeals Board (WCAB) conferences and hearings at the Contractor's expense. The Contractor shall comply with all Independent Bill Review (IBR) statutes and regulations and provide robust IBR appeal services at no additional cost to the County. Robust IBR appeals services shall include, but not be limited to, prompt preparation of the litigation appeal file upon notice of appeal, and presentation of the appeal file to County Counsel within seven (7) calendar days of the due date of the response, if necessary. Contractor shall provide a copy of appeal to TPA.
- 1.4.6 The Contractor shall meet specific reporting and information requirements as set forth in the California Workers' Compensation Information System (WCIS) regulations. The Contractor is responsible for submitting required data elements for all medical services for which a billing or other report of provided medical services has been received for review. The contractor shall

submit the data within ninety (90) days of the medical bill payment by electronic data interchange (EDI) in the manner set forth by the California EDI Implementation Guide for Medical Bill Payment Records. The Contractor is responsible for submitting data elements omitted or made in error in order to submit complete, valid and accurate data on behalf of the County. The Contractor is responsible for completion and submission of mandatory annual reports with required data elements as set forth in the WCIS regulations.

- 1.4.7 In accordance with Labor Code Section 4603.4, the Contractor must create a process to accept electronic claims for payment of medical services. The Contractor shall ensure all claims are submitted on standardized forms and ensure confidentiality of medical information by adopting standards, to the extent feasible, consistent with existing standards under California Civil Code Section 56 through 56.37, also known as the Confidentiality of Medical Information Act. The process shall include provisions to safeguard against potential fraudulent electronic billing practices and shall adhere to required timeframes for review and payment of the bill when received electronically as well as timeframes for the review and payment of contested, denied, or incomplete billing. Training, implementation and quality control are critical components of the program and must be addressed in the process. The County will review the recommended process and provide final approval prior to implementation.

1.5 Medical/Legal Bill Review

Contractor shall review all Medical/Legal bills in accordance with Division of Workers Compensation (DWC) guidelines, for compliance with the California Medical/Legal Fee Schedule; shall review medical-legal reports to evaluate the correct reimbursement levels; and identify and correct fee schedule excesses, duplicate charges, and billing infractions. Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the appropriate notices and reasoning to defend the reduction if contested. Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors.

1.6 Additional Fee Review Services

The Contractor shall have the ability to implement additional fee review services to assess reasonableness pursuant to State or Federal laws. Such services shall include professional hospital (in-patient, out-patient and long term acute care) review audits and processes required to apply the OMFS or reduce charges not covered by the OMFS for reasonableness.

1.7 Pharmacy Benefit Management (PBM)

- 1.7.1 The Contractor must have a PBM approach, with emphasis on management of long-term lost time cases. Contractor shall provide an extensive pharmacy network that will dispense prescribed medications to County injured workers. The network will be capable of screening out medications that are not prescribed to cure or relieve the effects of the accepted injury as described appropriate under Labor Code Sections. The pharmacy network must provide discounts below the pharmacy fee schedule. Network pharmacies shall dispense authorized medication directly to injured workers in the most convenient and expedient method possible and minimize delays. The contractor shall agree to use the PBM recommended by mutual MMCC contractors' agreement and Chief Executive Office-Risk Management Branch (CEO-RMB) concurrence to ensure one PBM is used on the Program.
- 1.7.2 Currently, the PBM provider is Express Scripts. The Contractor shall review all Express Script pharmacy bills as a Review Only. The Contractor shall review all out of network pharmacy bills for reasonableness pursuant to the OMFS and apply pharmacy discounts below the fee schedule when appropriate. The Contractor shall identify and correct fee schedule excesses, duplicate charges, and billing infractions. Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the appropriate notices and reasoning to defend the reduction if contested.

1.8 Medical Provider Network (MPN)

- 1.8.1 The Contractor shall demonstrate the ability to provide an MPN and/or customized MPN in compliance with all relevant statutory and regulatory requirements for the provision of medical treatment and ancillary medical services to injured workers. The network must have geographic coverage with appropriate numbers of primary treating physicians, specialists, hospitals, and ancillary services with experience in the treatment and management of occupational injuries and illnesses. Member providers shall agree to provide quality medical care in compliance with the UR guidelines adopted by the State of California Division of Workers' Compensation and at savings at or below the OMFS. The Contractor shall file the Medical Provider Network plan with the administrative director and make copies available to the County and designated TPA(s). The Contractor shall be responsible for developing all notifications to the State, County employees and physicians whenever changes occur as required by State statutes

and regulations. The Contractor shall be responsible for providing access to the MPN providers to appropriate parties and injured workers.

- 1.8.2 At the request of the CEO-RMB, the Contractor shall agree to collaborate with other selected MMCCs to mutually select, develop, and recommend a single MPN for the County. Additionally, the Contractor shall have the ability to incorporate contracted reductions of the mutually selected MPN into their bill review platform.
- 1.8.3 The Contractor shall establish policies and procedures for adding providers not currently in the MPN and for eliminating providers that are not complying with the established MPN policies and procedures. These policies and procedures must comply with appropriate State and Federal laws. Additions to the MPN are subject to County approval.
- 1.8.5 The Contractor shall provide a subset panel of MPN physicians experienced in workers' compensation and medical facilities to be utilized for the initial treatment of employees. The Contractor shall maintain up-to-date medical panels for the County and provide copies of initial treatment panel and specialty panel providers to County departments and provide the ability to County departments and contract TPAs to access the panel electronically.
- 1.8.6 The Contractor shall ensure all network providers maintain valid W-9s and make available such W-9s to the County within ten (10) business days from the date of request.

1.9 Preferred Provider Organization (PPO)

- 1.9.1 The Contractor shall have a PPO network in place to capture savings retrospectively on those claims that do not qualify for MPN services. The PPO network should be comprised of hospitals, ambulatory surgery centers, medical providers and all ancillary services. It is anticipated PPO contracts will provide additional savings below the California Official Medical Fee Schedule. On large dollar claims, when a PPO discount is not available, it is expected the Contractor shall enter into negotiation to secure the best possible pricing for the County.
- 1.9.2 The Contractor shall ensure all preferred providers maintain valid W-9's and make available such W-9's to the County within ten (10) business days from the date of the request.
- 1.9.3 At the request of the CEO-RMB, the Contractor shall agree to collaborate with other selected MMCCs to mutually select, develop, and recommend a single PPO for the County.

Additionally, the Contractor shall have the ability to incorporate contracted reductions of the mutually selected PPO into their bill review platform.

- 1.9.4 At the discretion and request of the County, Contractor shall be required to provide all support necessary to defend the County before the Workers' Compensation Appeals Board and other state agencies and state contractors concerning all activities concerning the PPO and MPN services including but not limited to PPO/MPN contracts and expert testimony.

1.10 Utilization Review (UR)

- 1.10.1 The Contractor shall establish a UR program in compliance with all California workers' compensation statutes and regulations. The program plan shall include the development of utilization review policies, procedures, and processes. The plan shall be customized for the County and designated TPA(s) and shall include provisions for the oversight of the designated TPA(s) utilization review authorization process. The plan shall also outline the quality control mechanisms in place to avoid utilization review penalties. The Contractor shall file the UR plan with the administrative director and make copies available to the County and designated TPA(s). Utilization review decisions shall be coordinated in the bill review platform to ensure consistency in the medical approval and payment processes.
- 1.10.2 The Contractor shall demonstrate the ability to utilize industry standard best practices, nationally accepted medical criteria and the MTUS adopted by the Administrative Director of the Division of Workers Compensation in the State of California to accurately assess the request for medical services in timeframes mandated by the State of California. The Contractor shall utilize a California based and licensed Medical Director and panel of California based Reviewers and Expert Reviewers.
- 1.10.3 The Contractor shall have the capability to provide an on-site utilization review nurse(s) at each of the County designated TPA's, if deemed advantageous by the CEO-RMB. The cost for such services shall be on a flat fee per utilization review nurse as agreed to in the pricing agreement.
- 1.10.4 The Contractor shall ensure the injured worker receives cost effective quality medical care in the appropriate setting. The Contractor will place priority on ensuring alternative treatment plans are agreed upon by the reviewer/expert reviewer and treating physician to insure medical treatment progresses and delays are kept to a minimum.

1.10.5 The Contractor shall provide at no cost to the County or County's TPAs access to Contractor's UR system to review current status of requested services. The UR system shall have the ability to be used as a reference tool for County and TPA personnel to access industry standard best practices, nationally accepted medical criteria and the medical treatment utilization schedule adopted by the Administrative Director of the Division of Workers Compensation in the State of California.

1.11 Utilization Review Reviewer (Medical Director and/or Physician Reviewer)

1.11.1 The Contractor must utilize a California based Medical Director and Reviewer/Expert Reviewer panel to delay, modify or deny requests for authorization of medical treatment that does not meet medical criteria establishing medical necessity to cure or relieve the effects of the industrial injury.

1.11.2 "Medical Director" is the physician and surgeon licensed by the Medical Board of California or the Osteopathic Board of California who holds an unrestricted license to practice medicine in the State of California. The Medical Director is responsible for all decisions made in the utilization review process.

1.11.3 "Physician Reviewer" means a medical doctor, doctor of osteopathy, psychologist, acupuncturist, optometrist, dentist, podiatrist, or chiropractic practitioner licensed in the State of California, competent to evaluate the specific clinical issues involved in the medical treatment services and where these services are within the individual's scope of practice.

1.11.4 The Physician Reviewer shall utilize the State adopted MTUS to determine treatment protocols. In the event the injury or condition is not addressed in the MTUS, treatment requests shall be evaluated in accordance with other scientifically and evidenced based, peer reviewed, treatment guidelines that are nationally recognized by the medical community, in accordance with the appropriate regulations. The Physician Reviewer shall place priority on insuring alternative treatment plans are agreed upon with the treating physician to insure medical treatment progresses and delays are kept to a minimum.

1.11.5 The UR process shall comply with all-State laws and regulations.

1.12 Computerized Data and Imaged Documents

1.12.1 The Contractor shall have the capability of accepting computerized medical management data and imaged documents, delivered in an industry standard format, into their systems(s) at no cost to the County. All computerized data and imaged

documents shall be the property of the County.

- 1.12.2 Upon notification of expiration or termination of the Contract, and for a period up to sixty (60) days after expiration or termination of the Contract, Contractor shall upon written request from the County, provide County's computerized medical management data and imaged documents in an industry standard format to the County or delivered to an entity designated by the County. There shall be no cost to the County for this service.

1.13 Medical Bill Payments

Contractor shall input medical bills into the County's workers' compensation management information system for payment.

1.13.1 Bill Processing

Contractor's responsibilities include but are not limited to the following:

- 1.13.1.1 The Contractor shall provide an electronically transmitted computer file of reviewed bills for input into the County's workers' compensation management information system subject to approval by the CCA (see Technical Exhibits 4 and 5, Appendix B, SOW Technical Exhibits, of the RFP, for data format).
- 1.13.1.2 The Contractor shall ensure medical providers requiring payment are accurately identified in the County's vendor file. In addition, the Contractor shall notify the County if a vendor name, address, or tax identification number requires modification. The Contractor shall be responsible for verifying the information provided to the County.
- 1.13.1.3 The Contractor shall be responsible for recommending new medical providers, requiring payment, be added to the County vendor file. As part of the recommendation process, the Contractor shall verify the provider's information.
- 1.13.1.4 Prepare and send, at Contractor's expense, explanation of review for each bill to medical provider and County TPA. The Contractor shall identify duplicate charges at no cost to the County and partial bills will be reviewed in accordance with Appendix B (Statement of Work), Subparagraph 1.5. The Contractor shall ensure that all bills will be reviewed in five (5) business days of receipt. At the request of the

County or claims administrator the Contractor shall provide an explanation of review to the applicant's attorney or employee at no cost to the County.

1.13.1.5 Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

1.13.2 Provider Inquiries

1.13.2.1 Respond to medical provider inquiries concerning bill reviews.

1.13.2.2 Respond to medical provider appeals on UR determinations.

1.13.3 Attorney/TPA Inquiries/Appearances

1.13.3.1 At Contractor's expense provide expert witness for WCAB conferences and hearings involving bill review (Explanation of Review (EOR)/UR) determinations, provide a copy of any explanation of review to the County's attorney prior to the conference or hearing. All expert witnesses shall be knowledgeable about fee schedule reductions.

1.13.3.2 Respond to County's attorney and/or TPA inquiries within one (1) day concerning any specific bill review. At Contractor's expense, provide a copy of any explanation of review to County's attorney upon request.

2.0 SUMMARY OF OTHER RESPONSIBILITIES/ ADDITION/DELETION OF SPECIFIC TASKS

2.1 Report Requirements

Prior to Contract implementation, the Contractor and the CCA or designee shall prepare a list of required reports and records, with time deadlines. The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Contract. The required reports provided by the Contractor shall include, but are not limited to:

2.1.1 Monthly

- 2.1.1.1 Invoice which clearly indicates that the PPO and MPN savings are the savings amounts realized after the OMFS has been applied to the amounts charged for medical services.
- 2.1.1.2 Bill review status report that identifies the number of bills processed for payment, the types of bills processed, the number of bills returned to examiner for additional information, the number of bills pending and the reason and the number of bills still to process and the oldest date from receipt.
- 2.1.1.3 Nurse Case Management reports that include billable hours per case (refer to Subparagraph 1.3 of this SOW).
- 2.1.1.4 Savings reports with PPO and MPN penetration and Savings by type (PPO, MPN, OMFS or Negotiated).
- 2.1.1.5 Report of medical provider additional recommendations.
- 2.1.1.6 Provider utilization report that outlines number of requests, number of authorizations and the outcome of the request for authorization.
- 2.1.1.7 Monthly report of claims reported to toll free number with received and transmit dates and times.
- 2.1.2 Quarterly
 - 2.1.2.1 Summary of savings report
 - Stratified by service (pharmaceuticals, hospitalizations, inpatient, outpatient, physical therapy, chiropractic), diagnosis (major injury, etc.) and any other logical categorization
 - Method of savings calculations clearly defined.
 - Usual and Customary Negotiated Hospital (inpatient, outpatient, long term acute care) Savings Report
 - 2.1.2.2 Performance Standards Compliance Report.
 - 2.1.2.3 Submit Nurse Case Management activity reports documenting case activities, costs, and savings.
 - 2.1.2.4 Computerized file “dump” of complete fee/bill review

data set containing individual dates of service, ICD codes, DRG codes, RVS codes, type of bills, type of service, etc.

- 2.1.2.5 Lost time report.
- 2.1.2.6 Submit report of the number and percentage of cases accessing the MPN
- 2.1.2.7 Submit a report of the number and percentage of cases utilizing the retrospective PPO for additional cost savings.
- 2.1.2.8 Submit report of pharmacies and medical providers that have an excessive amount of errors.
- 2.1.2.9 Savings Report of all bills not subject to fee review or PPO discount. Identify the type of negotiation technique utilized and average percentage of savings achieved through this methodology.

2.1.3 Annual Report

A comprehensive annual statistical summary and narrative report evaluating the County's medical and disability management and cost containment services program documenting savings and making recommendations for improvement.

2.1.4 Other Reports

Provide ad hoc reports within two (2) weeks upon request at no cost to County.

2.2 Office Location

Contractor must have an administration office located within 75 miles of the County of Los Angeles Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, or in an adjacent county.

2.3 Contractor Personnel Availability for Meetings

Key contractor personnel must be available to attend at least monthly meetings in the Los Angeles area upon the County's request without additional cost to the County.

2.4 Confidentiality

The Contractor shall maintain confidentiality of all information which may be acquired arising out of or connected with activities under any resultant Contract.

2.5 Fraud Prevention

The Contractor shall establish methods to ensure confidential and secure data transmission. The Contractor shall have fraud prevention capabilities and processes in place to protect the County from potential fraudulent billing practices.

2.6 Electronic Data Interchange (EDI) Requirements

The Contractor shall consistently update and enhance all software systems to ensure compliance with the State of California workers' compensation regulations and requirements. The Contractor shall establish methods to ensure the quality of data transmissions. The Contractor shall have a disaster recovery plan which includes a redundant data center for backup and recovery in place to protect the County in the event of a disaster.

2.7 Amendments

All changes must be made in accordance with paragraph 8.1, Amendments, of the Contract.

3.0 QUALITY CONTROL

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the County Contract Project Monitor for review. The Plan shall include, but may not be limited to the following:

- 3.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.
- 3.2 The methods for defining performance metrics for each cost containment service. Include a description of the minimum and maximum levels of performance and a description of the methods for adjusting and tracking performance.
- 3.3 A system for monitoring compliance with all the services listed in Appendix A, Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.
- 3.4 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable

4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in Paragraph 8.15, County's Quality Assurance Plan, of the Contract.

4.1 Meetings

The Contractor Project Manager shall meet with the County Contract Administrator (CCA) or his/her designee at regularly scheduled intervals or at other times, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of the Contractor's performance.

4.2 Contract Discrepancy Report (Exhibit A-1)

Verbal notification of a Contract discrepancy will be made to the County Contract Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

The County Contract Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Monitor within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Monitor within ten (10) business days.

4.3 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

5.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

COUNTY

5.1 Orientation to County's Workers' Compensation Claims Administration Program

County will provide orientation to the County's Workers' Compensation Claims Administration Program for key Contractor personnel prior to the

start date of the Contract. Contractor shall not be reimbursed for any expenses during orientation.

CONTRACTOR

5.2 Contractor Furnished Items

The Contractor shall furnish all personnel, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work. These include, but may not be limited to the following items and actions:

- 5.2.1 The Contractor shall maintain a service center in the County of Los Angeles or within 75 miles of the Los Angeles County Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m., or as specified in this Appendix A, SOW. The Contractor is not required to provide services on County-recognized holidays. The County Contract Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.
- 5.2.2 The Contractor shall provide a daily courier service between the Contractor's office and such County and TPA offices as are designated in writing by the CCA. A schedule shall be established for the pick-up and delivery of all medical bills, medical reports and related items. The Contractor shall pay the costs of such services out of its own resources.
- 5.2.3 Contractor within thirty (30) days of Contract implementation shall provide a "Medical And Disability Management and Manual" describing policies and procedures for the County's worker's compensation medical and disability management and cost containment services program including responsibilities, reporting requirements, review of medical bills, sample letters, sample reports, etc. The manual will include Contractor's policies and procedures for investigating and responding to complaints.
 - 5.2.3.1 The Contractor shall preliminarily investigate all complaints and notify the County Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.
 - 5.2.3.2 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

5.2.3.3 Copies of all written responses shall be received by the County Contract Manager within three (3) business days of mailing to the complainant.

5.2.3.4 The County will review the Contractor's policy and procedure manual and provide the Contractor with approval of said plan or with requested changes.

5.2.3.5 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days.

5.2.3.6 If, at any time, the Contractor wishes to change the Contractor's policy and procedure, the Contractor shall submit proposed changes to the County for approval before implementation.

5.2.4 The Contractor shall provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services related to this Contract following an event which could interrupt these business operations. The plan shall include, but not be limited to, the following:

1. A description of critical services and business processes.
2. Contractor policies and procedures to assure continued business operations following an event.
3. Address, computer, telephone, facsimile, key contact and all other critical information concerning alternative business processes and/or location(s) following an event.

Contractor shall provide CCA with annual plan updates on the annual anniversary of the Contract.

This plan is subject to the County's review. The CCA shall not be required to identify, nor notify Contractor of, deficiencies in the Contractor's Business Continuity Plan. The County shall neither assume responsibility nor liability for the Contractor's Business Continuity Plan.

5.2.5 Contractor shall provide computers and telecommunications equipment, including telephone, T1 or other data transmission lines for communication with the County's workers' compensation claims administration management information system. Contractor shall provide reasonable office accommodations, equipment and computer access for use by the County QAE Monitor onsite.

- 5.2.6 Contractor shall provide e-mail capability to staff providing services to the County pursuant to this Contract. This includes TPAs, County's attorneys, and County staff. Contractor must be able to send Explanation of Review (EOR) by e-mail.
- 5.2.7 Within ninety (90) days of Contract implementation the Contractor shall provide a subset panel of MPN/PPO physicians experienced in workers' compensation and medical facilities to be utilized for the initial treatment of employees and a subset panel of MPN/PPO physicians to be used for treatment requiring long-term treatment or specialty care evaluation. The Contractor shall maintain up-to-date medical panels for the County and provide copies of initial treatment panel and specialty panel providers to County departments.

5.3 Training

Contractor shall conduct initial and periodic training for County and designated TPA staff to ensure all parties are fully aware of their responsibilities for administering the County's comprehensive worker's compensation medical and disability management and cost containment services program.

6.0 DEFINITIONS

Definitions of various terms used in the SOW are provided in Paragraph 2.0, Definitions, of the Contract.

7.0 INTENTIONALLY OMITTED

8.0 INTENTIONALLY OMITTED

9.0 INTENTIONALLY OMITTED

10.0 INTENTIONALLY OMITTED

11.0 GREEN INITIATIVES

- 11.1 Contractor shall use reasonable efforts to make available and/or initiate "green" practices for environmental and energy conservation benefits. Green practices include the implementation of best practices in sustainability into business practices that do not compromise privacy and at the same time protect the environment and conserve resources with a focus on but not limited to energy efficiency, water systems, green building, waste reduction and recycling, renewable energy and low carbon fuels,

purchasing systems, efficient transportation, community and individual action.

- 11.2 Contractor shall notify County's Contract Manager of Contractor's new green initiatives prior to the commencement of the Contract and during the term of Contract.
- 11.3 Contractor shall provide a copy of the Contractor's current environmental policies and practices to the County upon request.

12.0 PERFORMANCE REQUIREMENTS SUMMARY

Performance Requirements Summary (PRS) chart, Exhibit A-2, lists required services that will be monitored by the County during the term of this Contract is an important monitoring tool for the County. The chart should:

- **reference section of the contract**
- **list required services**
- **indicate method of monitoring**
- **indicate the deductions/fees to be assessed for each service that is not satisfactory**

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on Contractor.

CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

INTENTIONALLY LEFT BLANK

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Subparagraph 7.1-Administration of Contract-Contractor	Contractor shall notify the County in writing of any change in name or address of the Project Manager	Inspection and Observation	\$50 per occurrence
Contract: Subparagraphs 7.4.4 and 7.4.5 Confidentiality	Contractor Confidentiality Agreements signed and submitted	Inspection and Observation	\$50 for each late submission. Must be signed within ten (10) days of Contract inception or employment.
Contract: Subparagraph 8.2 Assignment and Delegation	No unauthorized assumption, delegation or takeover of any of Contractor's duties, responsibilities, obligations, or rights by any entity other than Contractor	Submission and Inspection of files	Possible termination of Contract for breach of contract
Contract: Subparagraph 8.23 General Provisions for all Insurance Coverage	Certificate(s) or other evidence of coverage satisfactory to County.	Submission and Inspection of files	Delay in provision of work under the Contract if insurance certificate provided after Contract effective date.
Contract: Subparagraph 8.23.4 Failure to Maintain Coverage	Contractor to maintain evidence of insurance coverage for the entire term of the Contract.	Submission and Inspection of files	Possible termination of Contract for breach of contract

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Subparagraph 8.25 Performance Security Requirements	Contractor to provide Performance Bond, CD, or LOC	Submission and Inspection of files	\$50 if submitted more than thirty (30) days after Contract start date
Contract: Sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement	Contractor to maintain all required documents as specified in Sub-paragraph 8.38	Inspection of files	\$50 per occurrence
Contract: Sub-paragraph 8.40 - Subcontracting	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection and Observation	\$50 per occurrence; possible termination for default of contract
SOW: Sub-paragraph 4.1 - Monthly Meetings	Contractor's representative to attend monthly meeting, as directed by County.	Attendance	\$50 per occurrence

PRICING SCHEDULE (Continue)

CONTRACTOR'S NAME HERE	Year 1 01/01/18 – 12/31/18	Year 2 01/01/19 – 12/31/19	Year 3 01/01/20 – 12/31/20	Year 4 01/01/21 – 12/31/21	Year 5 01/01/22 – 12/31/22 OPTIONAL	Year 6 01/01/23 – 12/31/23 OPTIONAL	Year 7 01/01/24 – 12/31/24 OPTIONAL	Year 8 01/01/25 – 12/31/25 OPTIONAL
Pharmacy Benefit Management (PBM) PBM Generic Medication Fee ³	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate
PBM PBM Brand Medication Fee ³	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate
PBM PBM Dispensing Fee ³	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate	Calif. OMFS or Best Negotiated Rate

¹ Savings is the difference between California Official Medical Fee Schedule (OMFS) allowance and actual recommended allowances.

² All MPN/PPO bills excluded from California OMFS shall have a fee cap of \$7,500.

³ See Statement of Work, Paragraph 1.7.

INTENTIONALLY OMITTED

CONTRACTOR'S EEO CERTIFICATION

Contractor Name

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | |
|--|------------------------------|-----------------------------|
| 1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Authorized Official's Printed Name and Title

Authorized Official's Signature

Date

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COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY CONTRACT ADMINISTRATOR:

Name: Alex Rossi

Title: Manager, CEO

Address: 3333 Wilshire Boulevard, Suite 820

Los Angeles, California 90010

Telephone: (213) 738-2154 Facsimile: (213) 252-0404

E-Mail Address: arossi@ceo.lacounty.gov

COUNTY PROJECT MANAGER:

Name: Anthony "Tony" Taras

Title: Chief Program Specialist

Address: 3333 Wilshire Boulevard, Suite 820

Los Angeles, California 90010

Telephone: (213) 351-6405 Facsimile: (213) 252-0404

E-Mail Address: ataras@ceo.lacounty.gov

COUNTY CONTRACT MONITOR:

Name: Ansara J. Lewis

Title: Program Specialist IV

Address: 3333 Wilshire Boulevard, Suite 1000

Los Angeles, California 90010

Telephone: (213) 639-6072 Facsimile: (213) 637-0822

E-Mail Address: alewis@ceo.lacounty.gov

CONTRACTOR'S NAME: CONTRACTOR_____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

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FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

- G1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- G2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME: CONTRACTOR Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name: CONTRACTOR Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name: CONTRACTOR Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

SAFELY SURRENDERED BABY LAW

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

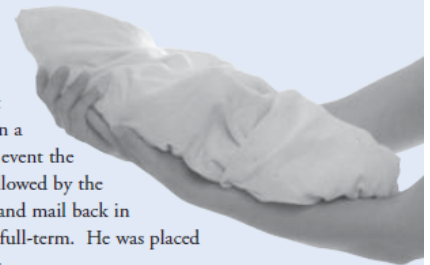
The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

