COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

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550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: 213-738-4601
Fax: 213-386-1297

June 17, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF AFFILIATION AGREEMENT
WITH CEDARS-SINAI MEDICAL CENTER
FOR FISCAL YEARS 2004-2005 AND 2005-2006
(SUPERVISORIAL DISTRICT 3)
(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute an Affiliation Agreement, substantially similar to the Attachment, with Cedars-Sinai Medical Center (Cedars) for the rotation at Hollywood Mental Health Center (Hollywood MHC) of Residents enrolled in the Cedars' professional training program (Program). The Agreement will be effective July 1, 2004 through June 30, 2006. In addition, the Agreement allows for, by written Amendment, extension of the term of this Agreement on an annual basis for three additional one-year periods. There is no cost associated with this Agreement.

2. Delegate authority to the Director of Mental Health or his designee to enter into no-cost amendments to the Affiliation Agreement, to better effectuate the purposes of the Agreement or to otherwise clarify the parties' intent, as long as any such amendments are approved as to form by County Counsel. The Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval is requested to enter into this Agreement with Cedars, which will provide a professional training program in community psychiatry at Hollywood MHC, a Department of Mental Health (DMH) directly-operated facility, located at 1224 Vine Street, Los Angeles, CA 90038. The rotation of Cedars Resident physicians is intended to enhance the services available to clients and the academic environment of Hollywood MHC. The rotation will also enhance the quality of the educational training received by physicians at Cedars.

Through the Affiliation Agreement, DMH benefits from the knowledge and instruction available from a distinguished medical institution through the provision of services by Program Residents at Hollywood MHC, a community mental health center. The Agreement also strengthens the Department's ability to inspire and recruit dedicated young professionals to work in the public sector. Cedars benefits from the integration of education and research within the day-to-day provision of community psychiatry. The Affiliation Agreement further promotes the partnership between public and private systems around their common efforts to apply state-of-the-art knowledge in psychiatry and mental health rehabilitation to the provision of mental health services to the residents of Los Angeles County.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the County's Programmatic Goal #7, "Health and Mental Health" within the Countywide Strategic Plan. Approval of the Affiliation Agreement will promote state-of-the-art knowledge in psychiatry and mental health rehabilitation and establish an academic/public partnership.

FISCAL IMPACT/FINANCING

This Affiliation Agreement is at no cost to the County. The parties agree that it is in their mutual interest, and in the public's interest, to provide for such affiliation opportunities, which improve Facilities' patient care by the receipt of additional valuable medical services from Cedars' Residents, while affording the Residents significant training opportunities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Cedars has an approved professional training program for the education of medical Residents that is accredited by the Accreditation Council for Graduate Medical Education. Cedars desires to have its Program Residents obtain clinical experience in community mental health care. DMH is willing to permit Cedars to rotate Cedars' Program Residents at Hollywood MHC. In recognition of the partnership established between Cedars and DMH through this Agreement, Cedars will contribute, at no cost to DMH, the managerial and administrative activities necessary to implement the program of professional training described in the Affiliation Agreement.

Program Residents are in attendance at Hollywood MHC for educational purposes only, they are not employees of Hollywood MHC for any purpose, and are not entitled to reimbursement for any kind of services from DMH. Cedars will fund the Program Residents' stipends and benefits during the period in which such individuals rotate at Hollywood MHC.

The attached Agreement has been reviewed and approved as to form by County Counsel. In addition, the Chief Administrative Office, Chief Administrative Officer's Risk Manager, and DMH's Fiscal and Program Administrations have reviewed the proposed action. The Cedars Affiliation Agreement format, substantially similar to the Attachment, includes Board of Supervisors mandated language required in no cost County contracts. The Cedars Affiliation Agreement also provides for mutual Indemnification and Insurance coverage.

CONTRACTING PROCESS

This is a no cost Agreement. Due to the specialized nature of this Agreement, DMH did not advertise the Agreement on the Office of Small Business' Countywide Web Site. Further, County Counsel has advised that Proposition A does not apply to professional training programs.

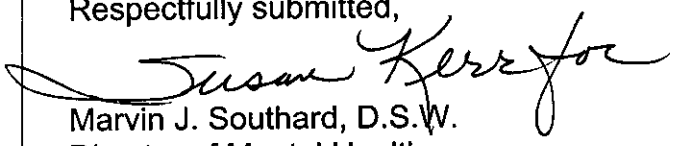
IMPACT ON CURRENT SERVICES

The Affiliation Agreement will enhance services for adults, older adults and families receiving services at Hollywood MHC.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contract Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:CK:va

Attachment

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

AFFILIATION AGREEMENT

BY AND BETWEEN

CEDARS-SINAI MEDICAL CENTER

AND

THE COUNTY OF LOS ANGELES

THROUGH ITS

DEPARTMENT OF MENTAL HEALTH

(DMH)

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1 INTRODUCTION

THIS AGREEMENT ("Agreement") is entered into effective upon Board of Supervisors approval between CEDARS-SINAI MEDICAL CENTER, a California nonprofit public benefit corporation ("Medical Center"), and LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH, a California government agency ("DMH"), with reference to the following facts:

RECITALS

A. Medical Center owns and operates a private, acute care hospital and related medical center facilities located principally at 8700 Beverly Boulevard, Los Angeles, California 90048-1865. Medical Center represents and warrants that it has established an approved professional training program ("Program") for the education of medical residents ("Program Resident" or "Program Residents," hereinafter as appropriate), which Program is accredited by the Accreditation Council for Graduate Medical Education ("ACGME"). Medical Center desires to have its Program Residents obtain clinical experience in community mental health care.

B. DMH operates a network of mental health care facilities throughout the County of Los Angeles, including but not limited to, Hollywood Mental Health Center, which is located at 1224 Vine Street, Los Angeles, CA 90038 ("Facility").

C. DMH is willing, subject to the terms and conditions set forth below, to permit Medical Center to rotate Program Resident(s) enrolled in the Program at Facility.

D. To the extent applicable and appropriate, Medical Center and DMH intend for their relationship under this Agreement to comply with the Medicare program's rules and standards for Graduate Medical Education ("GME") reimbursement with respect to Affiliated Groups, Affiliation Agreements and Shared Rotational Arrangements, for purposes of applying full-time equivalent ("FTE") resident limits on an aggregate basis for shared Program Residents, and making temporary adjustments to FTE limits (subject to averaging rules) based on Program Resident additions/subtractions, under a cross-training/shared rotational arrangement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto hereby agree as follows:

2 TERM AND TERMINATION

2.01 TERM: This Agreement shall commence on July 1, 2004 through June 30, 2006 (Term), unless sooner terminated as provided herein. The parties may, by written amendment, extend the period of this Agreement on an annual basis for three additional one-year periods.

2.02 TERMINATION: This Agreement may be terminated by either party (a) without cause by delivery to the other party of ninety (90) days' prior written notice, or (b) with cause by delivery to the other party of thirty (30) days prior written notice to the other party as required by Section 9.33.

Any termination of this Agreement by DMH shall be approved by County's Board of Supervisors.

2.03 TERMINATION DUE TO FORCE MAJEURE: This Agreement may also be terminated at any time in the event of any occurrence beyond the control of either party (e.g., force majeure, as described under Section 9.20 below) which makes it impractical or unreasonable for either party to continue to abide by the terms and conditions of this Agreement. If such event occurs, the party wishing to terminate this Agreement shall do so by giving written notice to the other party of its election and such termination shall be immediately effective.

2.04 TERMINATION DUE TO BREACH: This Agreement may also be terminated at any time for any material breach of this Agreement, including, without limitation: (i) in the event either party fails to maintain its accreditation with the ACGME; (ii) in the event either party fails to maintain any essential accreditation, license or permit required by law for the provision of services under this agreement; (iii) upon any material modification to either party's existing insurance coverage which in any way limits the scope or nature of such coverage; or (iv) in the event of a risk to patient health or safety, or to the reputation of either party, as determined by either party in their sole and absolute discretion. If such event occurs, the party wishing to terminate this Agreement shall do so by giving written notice to the other party and such termination shall be effective immediately.

2.05 IMMEDIATE TERMINATION BY COUNTY: This Agreement may be terminated by DMH immediately:

(a) If DMH determines that:

(1) Any Federal, State, and/or County funds are not available for this Agreement or any portion thereof; or

(2) Medical Center has failed to initiate delivery of services within 30 days of the commencement date of this Agreement; or

(3) Medical Center has failed to comply with any portion of the provision of Sections 7 (INDEMNIFICATION), 8 (INSURANCE), 9.06 (NONDISCRIMINATION IN EMPLOYMENT), 9.07 (WARRANTY AGAINST CONTINGENT FEES), 9.08 (CONFLICT OF INTEREST), 9.11 (DELEGATION AND ASSIGNMENT), 9.13 (SUBCONTRACTING), 9.26 (CERTIFICATION OF DRUG-FREE WORK PLACE), 9.27 (CHILD SUPPORT COMPLIANCE PROGRAM), 9.29 (COUNTY LOBBYISTS), and/or 9.34 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM).

(b) TERMINATION FOR IMPROPER CONSIDERATION: DMH may, by written notice, to Medical Center, immediately terminate the right of Medical Center to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Medical Center, either directly or through an intermediary, to any DMH officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Medical Center's performance pursuant to the Agreement. In the event of such termination, DMH shall be entitled to pursue the same remedies against Medical Center as it could pursue in the event of default by the Medical Center.

Medical Center shall immediately report any attempt by a DMH officer or employee to solicit such improper consideration. The report shall be made either to the DMH manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

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

2.06 TERMINATION – OTHER: Notwithstanding anything to the contrary in this Agreement, in the event the performance by either party of any term, covenant, condition or provision of this Agreement shall jeopardize either parties' (i) licensure, (ii) participation in Medi-Cal, Medicare or other government/commercial health care reimbursement or payment programs,

(iii) full accreditation by the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO" or "Joint Commission"), ACGME, or any other state or nationally recognized accreditation organization, (iv) tax-exempt status, or if for any other reason said performance should be in violation of any law, statute, regulation, ordinance, or otherwise be deemed illegal, or unethical by any recognized body, either party hereto may terminate this Agreement upon written notice to the other party setting forth the reason for such termination and such termination shall be effective immediately.

3 RESPONSIBILITIES OF MEDICAL CENTER

3.01 RESIDENTS: Medical Center shall permit a mutually agreed upon number of Program Residents to rotate through Facility for a mutually agreed upon period of time not to exceed the Term of this Agreement.

3.02 STANDARD RESIDENT INFORMATION: Medical Center shall send to Facility the name, biographical data, and a report of the health status of each Program Resident prior to the beginning date of each training Program for review and inclusion into Program Residents' files.

3.03 ADDITIONAL REQUESTED RESIDENT INFORMATION: Medical Center shall be responsible for promptly supplying any additional information reasonably requested by Facility prior to the beginning date of each training Program.

3.04 RESIDENT EVALUATION: Medical Center shall provide all forms and instructions necessary for documentation and evaluation of Program Residents' clinical experience.

3.05 MEDICAL CENTER'S ACADEMIC COORDINATOR: Medical Center shall designate a faculty or staff member ("Medical Center's Academic Coordinator") who shall coordinate the assignments to be assumed by Program Residents and their participation in Facility's educational activities, conducted with a designated Facility faculty or staff member ("Facility Academic Coordinator").

3.06 RESIDENT SELECTION, TESTING, GRADING, ATTENDANCE AND ACADEMIC RECORDS: Medical Center shall be responsible for the selection, testing and grading of Program Residents and for the maintenance of all attendance and academic records.

3.07 RESIDENTS' IDENTIFICATION BADGE: Medical Center shall instruct Program Residents to wear appropriate identification badges at all times while at Facility.

3.08 MAINTENANCE OF RESIDENTS' PERSONNEL RECORDS: Medical Center shall maintain all personnel and academic records of its Program Residents.

3.09 FACILITY'S AUTHORITY: Notwithstanding Facility's supervision of Program Residents' clinical training, Medical Center acknowledges that Facility retains full authority regarding patient treatment and management, and Medical Center shall ensure that Program Residents follow all protocols, policies and procedures, and rules and regulations established by Facility and its Medical Staff regarding patient treatment and management.

3.10 MEDICAL RECORDS: Medical Center shall require that all Program Residents cooperate in the timely completion and maintenance of a complete medical record for each client encountered, pursuant to applicable Federal, state, and county regulations.

3.11 TERMINATION OF RESIDENT PARTICIPATION: Notwithstanding anything to the contrary set forth in this Agreement, Medical Center shall immediately terminate the participation of any Program Resident at Facility's request upon reasonable cause. "Reasonable Cause" shall include, without limitation, material violation by a Program Resident of any protocols, policies, procedures, rules or regulations of Medical Center, DMH, Facility, or Facility's Medical Staff, including that which provides reasonable grounds to believe that the safety of any person or property in DMH or Facility may be at risk. A Program Resident who is so terminated shall be notified by Medical Center, and shall have the right to administrative redress under Medical Center's internal rules and regulations, but shall have no such right at Facility or DMH.

3.12 EXCHANGE OF INFORMATION: To the extent permitted by law, Parties shall exchange information for risk management purposes, including incident reports, necessary to the defense of actions brought against both parties. As necessary in exchanging such information, parties shall provide for protection of privileged information through joint confidentiality agreements for defense.

3.13 RESIDENT CANCELLATION OR CHANGE IN SCHEDULE: Medical Center shall notify Facility, in writing, of the cancellation of a Program Resident's scheduled rotation to Facility or of Medical Center's inability to use an available time slot, at least ninety (90) days prior to the scheduled commencement of a Program Resident's rotation / clinical experience.

3.14 RESIDENT INSURANCE: Medical Center shall arrange and procure for each Program Resident:

(a) Professional liability insurance (or a funded program of self-insurance), covering each Program Resident's activities hereunder, with liability limits of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) annual aggregate, exclusive of defense costs;

(b) Health insurance, covering all standard benefits; and

(c) An annual health examination, necessary immunizations, tuberculin test and chest X-ray, prior to the commencement of Program Resident's rotation at Facility.

3.15 RESIDENTS' RESPONSIBILITIES: Medical Center shall notify Program Residents, in writing, that they are responsible for:

(a) Following the internal protocols, policies and procedures, and rules and regulations of DMH, Facility and its Medical Staff;

(b) Providing the necessary and appropriate attire, which shall be designated by Facility, and wearing appropriate Facility identification while on Facility's premises;

(c) Maintaining the confidentiality of patient information and all other confidential DMH and Facility information;

(d) Assuming responsibility for a health examination, including necessary immunizations, tuberculin test, and chest X-ray not more than one (1) year before commencement of rotation at Facility; and

(e) Providing Facility with a current certificate of health prior to commencement of his/her rotation at Facility which shall include, without limitation, verification of a titre test proving immunity to rubella, and a PPD test or chest X-ray showing no active tuberculosis. The tuberculosis test shall be current within one (1) year. Each Program Resident shall also provide proof of a current CPR certificate.

3.16 MEDICARE GME RULES AND REGULATIONS

For purposes of compliance with Medicare GME rules and regulations and appropriate Medicare reimbursement, if Medical Center wishes to (i) apply FTE resident limits on an aggregate basis for Program Residents cross-trained with DMH under a shared rotational arrangement, and/or (ii) make temporary adjustments to their FTE limits (subject to averaging rules) based on Program Resident additions/subtractions under such an arrangement, Medical Center (and DMH) shall comply with Medicare regulation 42 C.F.R. § 413.86 and its criteria for "affiliated groups," "affiliation agreements," "shared rotational arrangements," and determining FTE resident limits, among other things. Medical Center (and DMH) shall also provide certain relevant FTE resident information and provide a copy of this Agreement to the Medicare fiscal intermediary and the Centers for Medicare & Medicaid Services ("CMS") prior to the July 1st start date of each annual affiliation period.

4 RESPONSIBILITIES OF DMH

4.01 RESIDENT ACCEPTANCE: Facility shall accept from Medical Center, the mutually agreed upon number of Program Residents and shall arrange for such clinical experiences and educational opportunities as are determined by Facility to be appropriate for and of educational value to Program Residents.

4.02 MEDICAL CENTER ACADEMIC COORDINATOR: Facility shall designate a faculty or staff member ("Facility Academic Coordinator") who shall coordinate with a designated Medical Center faculty or staff member ("Medical Center Academic Coordinator") the assignments to be assumed by Program Residents and their participation in the Program.

4.03 FACULTY PHYSICIANS: Facility shall provide physician members ("Faculty Physicians") to supervise and instruct Program Residents, including their clinical experiences, who rotate to Facility.

4.04 LICENSE REQUIREMENT: Faculty Physicians provided by Facility shall maintain current, valid licenses to practice their specialty in the State of California with expertise.

4.05 ORIENTATION: Facility shall provide a brief orientation program to participating Program Residents to acquaint such individuals with the clinical requirements of Facility and with Facility.

4.06 TRAINING SESSIONS: Facility shall include Program Residents, as may be applicable, in training sessions regarding DMH policies.

4.07 RESIDENT SUPERVISION: Facility shall supervise Program Residents' clinical training at Facility, and shall retain full authority regarding client treatment and management of clients seen at Facility by Program Residents.

4.08 CLIENT COMPLAINTS: Facility shall make a good faith effort to address client complaints, to bring those matters relating to Program Residents to the attention of Medical Center, and to cooperate with Medical Center in addressing any such complaints.

4.09 ADEQUATE STAFFING: Facility shall assure that its staff (including physicians) is adequate in number and quality to ensure safe and continuous health care services to patients seen by Program Residents at Facility.

4.10 FACILITY RESOURCES: Facility shall provide Program Residents and any faculty of Medical Center, authorized by Facility's Academic Coordinator or his or her designee to provide instruction at Facility, the appropriate Facility resources including classroom, dressing/locker room, storage space, laboratory,

and conference room space, when available, provided that the presence of Program Residents shall not be allowed to interfere with the regular activities of Facility. Facility shall provide such equipment and supplies as needed for instruction of Program Residents.

4.11 FACILITY LIBRARY: Facility shall extend Facility's library privileges to Program Residents to the same extent the library is available to Facility personnel.

4.12 RESIDENTS' SAFETY: Facility shall protect the health and safety of Program Residents on rotation at Facility by providing the following:

(a) Orientation of the type and scope provided by DMH to its new employees, including information about DMH's security measures, fire safety and disaster protocols, and any additional recommended personnel safety and security precautions.

(b) Instruction in DMH's policies and procedures for infection control, including the handling and disposal of needles and other sharp objects, and in DMH protocols for on-the-job injuries, including those resulting from needle stick injuries and other exposures to blood or body fluids or airborne contaminants.

(c) Necessary emergency health care or first aid for accidents occurring in Facility's facilities. Except as provided herein or by law, DMH shall have no obligation to furnish medical, hospital, or surgical care to any Program Resident.

4.13 RESIDENT TERMINATION: Facility may immediately suspend or terminate the participation of any Program Resident whose health or performance is determined by Facility to represent an imminent danger to patients.

4.14 FACILITY INSPECTION: Facility shall permit, upon request and with prior notice, the inspection of appropriate clinical facilities by agencies charged with the responsibility for accreditation of the Program.

4.15 RESIDENT ASSIGNMENTS: Facility's Academic Coordinator or his/her designee shall coordinate with Medical Center's Academic Coordinator the assignments of Program Residents to specific clinical experiences and educational offerings including attendance at selected conferences, clinics, courses, and programs conducted by Facility.

4.16 RESIDENT PERFORMANCE EVALUATIONS: Facility shall provide formal evaluations of Program Residents' performance at specified intervals as agreed upon by Facility and Medical Center.

4.17 DISCIPLINARY ACTION: Facility shall notify Medical Center's Senior Vice President for Academic Affairs of any Program Resident who fails to perform adequately while at Facility. Medical Center may counsel, reassign, or take disciplinary action against any such Program Resident subject to the provisions of its Physician-in-Training Agreement. Program Residents who have been subjected to disciplinary action from the Program shall have such rights as provided in Medical Center's Physician-in-Training Agreement or as otherwise provided by law. DMH shall cooperate by participating in any investigation conducted by Medical Center.

4.18 MEDICARE GME RULES: For purposes of compliance with Medicare GME rules and regulations and appropriate Medicare reimbursement, if DMH wishes to (i) apply FTE resident limits on an aggregate basis for Program Residents cross-trained with Medical Center under a shared rotational arrangement, and/or (ii) make temporary adjustments to their FTE limits (subject to averaging rules) based on Program Resident additions/subtractions under such an arrangement, DMH (and Medical Center) shall comply with Medicare regulation 42 C.F.R. § 413.86 and its criteria for "affiliated groups," "affiliation agreements," "shared rotational arrangements," and determining FTE resident limits, among other things. DMH (and Medical Center) shall also provide certain relevant FTE resident information, and provide a copy of this Agreement to the Medicare fiscal intermediary and the Centers for Medicare & Medicaid Services ("CMS") prior to the July 1st start date of each annual affiliation period.

5 FINANCIAL PROVISIONS

5.01 COST: It is the intent of this Agreement that it shall be implemented at no cost to DMH or Facility. The parties agree that it is in their mutual interest, and in the public's interest, to provide for such affiliation opportunities, which improve Facilities' patient care by the receipt of additional valuable medical services from Medical Centers' Residents, while affording the Residents significant training opportunities.

5.02 RESIDENT STIPENDS AND BENEFITS: Medical Center shall fund Program Residents' stipends and benefits during the period in which such individuals rotate to Facility.

5.03 NO EMPLOYMENT STATUS BETWEEN PROGRAM RESIDENTS AND DMH: It is expressly understood and agreed by DMH and Medical Center that all Program Residents at Facility are in attendance at Facility for educational purposes only, and such Program Residents are not employees of DMH or Facility for any purpose and shall *not* be entitled to any employee compensation or benefits including, but not limited to, payment for services, employee welfare and pension benefits, fringe benefits of employment, or workers' compensation insurance. Medical Center shall advise its Program Residents of their status hereunder.

5.04 FACILITY PHYSICIAN PARTICIPATION: The parties acknowledge and agree that Facility's physicians provide supervision on a volunteer, uncompensated basis. No Facility physician is obligated to participate in this Agreement and, in turn, Medical Center's Program. Those Facility physicians who do participate in the Agreement do not receive any additional compensation from DMH or Facility for doing so. Moreover, the parties acknowledge that the time spent by such Facility physicians in the provision of supervision services over Program Residents is over-and-above the time spent by the physicians in the provision of necessary services required by Facility or DMH, including without limitation patient care services. Accordingly, there is no additional Facility or DMH compensation cost to be passed from Facility or DMH to Medical Center.

6 RECORD MAINTENANCE AND DISCLOSURE REQUIREMENTS

6.01 OWNERSHIP OF CLIENT RECORDS: Medical Center acknowledges that all client records maintained at or by Facility shall remain the sole property of Facility.

6.02 RECORD MAINTENANCE: For purposes of implementing Section 1861(v)(1)(I) of the Social Security Act, as amended, and any regulations promulgated pursuant thereto, the parties agree to comply with the following statutory requirement governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

Until the expiration of seven (7) years after the furnishing of any services pursuant to this Agreement, the parties shall make available, upon written request, by the Secretary of the Department of Health and Human Services or, upon request, by the Comptroller General of the United States, or any of their duly authorized representatives, the Agreement, the books, documents and records of the respective parties that are necessary to certify the nature and extent of the costs of services provided hereunder; and

6.03 ACCESS TO RECORDS: To the extent permitted by law, both parties shall have reasonable and timely access to the medical records, charts, applicable Medical Staff minutes and quality assurance data of the other party relating to any claim or investigation related to services provided pursuant to this Agreement; provided

that nothing shall require either party to disclose any peer review documents, records or communications that are privileged under California Evidence Code Section 1157, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

6.04 RECORD DISCLOSURE: If either party is required to disclose books, documents or records pursuant to Social Security Act § 1861(v) (1) (I) and 42 C.F.R. § 420.300 et seq., the requested party shall promptly notify the other party of the nature and scope of such request and the requested party shall make such books, documents or records disclosed available to the other party, who may copy same at its own expense.

7 INDEMNIFICATION

7.01 MUTUAL INDEMNIFICATION: Each party hereby agrees to indemnify, hold harmless, and defend the other party and the other party's directors, officers, trustees, employees, independent contractors, agents, and representatives, insofar as it may legally do so, from and against all liability, damages, costs (including costs of investigation, defense and reasonable attorneys' fees), expenses, or payment of any sum or sums of money due to persons whomsoever on account of claims, liabilities, suits, liens, garnishments, attachments, costs (collectively "Claims") for injuries to persons, including death and disability, or damage to property arising from, or allegedly arising from, any act, omission, or negligence of the indemnifying party or its officers, directors, employees, independent contractors, agents, or representatives, and for any Claims in any way attributable to employment practices or conduct, Program Resident discipline (including, but not limited to, any practices or conduct which are or are alleged to be in violation of any statute, common law, regulation, policy, or administrative interpretation or guide concerning wage and hour practices, health and safety, workers' compensation, employment discrimination, payroll taxes, labor relations, wrongful discharge, tortious conduct, breach of the employment relationship, whether based on oral, written, or implied contract including breach of any collective bargaining contract to which such party is bound or any other aspect of employment whatsoever), or the performance of this Agreement.

7.02 INDEMNIFICATION SETTLEMENT: Each party shall give prompt notice to the other of any action or claim to which this indemnification applies and each party and its directors, officers, trustees, employees, independent contractors, agents, and representatives receiving such indemnification from the other shall fully cooperate with the other in any defense, settlement or other disposition of such claim or action. Each party against which any action or claim is made shall retain full authority to settle such claims for such amounts and in such circumstances as it determines to be in its best interests.

7.03 SURVIVAL: This Article VII shall survive the termination or expiration of this Agreement.

8 INSURANCE

8.01 LIABILITY INSURANCE: During the term of this Agreement, each party shall at all times maintain in full force and effect, a policy or policies of comprehensive general liability insurance including professional liability coverage or a funded self-insurance program (collectively, "Insurance") in an amount not less than One Million Dollars ($1,000,000) per occurrence, and Three Million Dollars ($3,000,000) annual aggregate, exclusive of defense costs, covering acts of negligence and malpractice with respect to the services to be provided under this Agreement.

8.02 WORKERS' COMPENSATION INSURANCE: Medical Center shall maintain Workers' Compensation Insurance (or a funded program of self-insurance) coverage for all its employees, including Program Residents, in such amount and form as required by the laws of the State of California.

8.03 INSURANCE COVERAGE: In the event that any Insurance required pursuant to this Agreement is in a "claims made" form, as opposed to an "occurrence" form (as such terms are used in the insurance industry), coverage shall be maintained for claims occurring during the Term of this Agreement and for the longer of: (a) three (3) calendar years after the termination of this Agreement; or (b) three (3) calendar years after the "claims made" policy is canceled, non-renewed, or expires. In the event a "claims made" policy is canceled, non-renewed or expires, the party with such "claims made" insurance shall provide to the other party an endorsement stating that coverage is afforded for: (a) a discovery period of three (3) calendar years following the termination of this Agreement; or (b) the cancellation, non-renewal or expiration of the "claims made" policy.

8.04 CERTIFICATE OF INSURANCE: By written request, either party shall cause to be issued to the other party a Certificate of Insurance issued by the appropriate Insurance company (or self-insurance program), evidencing Insurance coverage in accordance with this Section 8. The Certificate of Insurance and any renewal or replacement thereof shall be sent to:

If to DMH: Los Angeles County Department of Mental Health
550 South Vermont Avenue
Los Angeles, CA 90020
Attention: Director, Contracts Development and Administration

If to Medical Center: Cedars-Sinai Medical Center
8700 Beverly Boulevard, TSB 130
Los Angeles, California 90048-1865
Attention: Director, Risk Management

8.05 SURVIVAL: This Article VIII shall survive the termination or expiration of this Agreement.

9 ADDITIONAL PROVISIONS

9.01 DMH'S QUALITY ASSURANCE PLAN: DMH or its agent will evaluate Medical Center's performance under this Agreement on not less than an annual basis. Such evaluations will include assessing Medical Center's compliance with all contract terms and performance standards. Medical Center deficiencies which DMH determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by DMH and Medical Center. If improvement does not occur consistent with the corrective action measures, DMH may terminate this Agreement or impose other penalties as specified in this Agreement.

9.02 CONFIDENTIALITY: Each party shall maintain the confidentiality of all records and information, including, but not limited to, claims, County records, patient/client records and information, and Integrated Systems (IS) records, in accordance with Welfare and Institutions Code (WIC) Sections 5328 through 5330, inclusive, and all other applicable County, State, and Federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to confidentiality. Each party shall require its officers, employees, and agents providing services hereunder to acknowledge, in writing, understanding of, and agreement to fully comply with all such confidentiality provisions. Each party shall indemnify and hold harmless the other party, its officers, employees, and agents from and against any and all loss, damage, liability, and expense arising from any disclosure of such records and information by the other party, its officers, employees, or agents.

9.03 PATIENTS'/CLIENTS' RIGHTS: Medical Center and Program Residents shall comply with all applicable patients'/clients' rights provisions, including, but not limited to, WIC Sections 5325 et seq., California Code of Regulations (CCR), Title 9, Sections 850 et seq., and CCR, Title 22. Further, Medical Center and Program Residents shall comply with all patients'/clients' rights policies provided by DMH.

9.04 REPORTING OF PATIENT/CLIENT ABUSE AND RELATED PERSONNEL REQUIREMENTS:

(a) Elders And Dependent Adults Abuse: Medical Center, and all persons employed by Medical Center, shall comply with California WIC Sections 15630 et seq., and shall report all known or suspected instances of physical abuse of elders and dependent adults under the care of the Medical Center either to an appropriate County adult protective services DMH or to a local law enforcement DMH, as mandated by California WIC Sections 15630, 15631 and 15632. Medical Center, and all persons employed by Medical Center, shall make the report on such abuse, and shall submit all required information in accordance with California WIC Sections 15630, 15633 and 15633.5.

(b) Minor Children Abuse: Medical Center, and all persons employed by Medical Center, shall comply with California Penal Code Sections 11164 et seq., and shall report all known or suspected instances of child abuse to an appropriate child protective agency, as mandated by California Penal Code Sections 11164, 11165.8 and 11166. Medical Center, and all persons employed by Medical Center, shall make the report on such abuse, and shall submit all required information in accordance with California Penal Code Sections 11166 and 11167.

(c) Medical Center Program Residents: Medical Center shall assure that each Program Resident shall sign a statement on a form provided by Medical Center in accordance with the above Code sections to the effect that such person has knowledge of, and will comply with, these Code sections.

(d) Residents' Arrest And Conviction Record: For the safety and welfare of elders, dependent adults, and minor children, Medical Center shall, to the maximum extent permitted by law, ascertain arrest and conviction records for all current and prospective Program Residents and shall not assign any Program Resident convicted of any crime involving any harm to elders, dependent adults, or minor children to the Facility.

9.05 AFFIRMATIVE ACTION AND NONDISCRIMINATION: The parties agree that all Program Residents receiving clinical training pursuant to this Agreement shall be selected and treated equally without discrimination based on race, sex, sexual orientation, color, religion, national origin, ancestry, age, physical disability or medical condition, marital status, mental condition, political affiliation or veteran's status, to the extent required by applicable state and federal laws and regulations.

9.06 NONDISCRIMINATION IN EMPLOYMENT:

(a) Medical Center certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of, race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation, and in compliance with all applicable Federal and State anti-discrimination laws and regulations.

(b) Medical Center shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment without regard to race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation. Such action shall include, but not limited to, the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates or pay or other forms of compensation, and selection for training, including apprenticeship. Medical Center shall not discriminate against or harass, not shall it permit harassment of, its employees during employment based upon race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation in compliance with all applicable Federal and State anti-discrimination laws and regulations. Medical Center shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment, and will comply with the provision of the Fair Employment and Housing Act (Government Code section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.)

(c) Medical Center shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation. Further, Medical Center shall give written notice of its obligations under this Section 9.05 to labor organizations with which it has a collective bargaining or other agreement.

(d) Medical Center shall allow County representatives access to its employment records during regular business hours to verify

compliance with the provision of this Section 9.05 when so requested by Director.

(e) If County finds that any of the above provisions has been violated, the same shall constitute a material breach of its Agreement upon which County may immediately terminate or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Medical Center has violated State or Federal Anti-discrimination laws or regulations shall constitute a finding by County that Medical Center has violated the anti-discrimination provisions of this Agreement.

(f) In the event that Medical Center violates any of the anti-discrimination provisions of this Section 9.05, County shall be entitled, at its option, to the sum of FIVE HUNDRED DOLLARS ($500) pursuant to California Civil Code Section 1671 as liquated damages in lieu of terminating or suspending this Agreement.

9.07 FAIR LABOR STANDARDS: Medical Center shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify DMH for any violations of this obligation, pursuant to Section 7 ("Indemnification").

9.08 WARRANTY AGAINST CONTINGENT FEES: Medical Center warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for any commission, percentage, brokerage, or contingent fees, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Medical Center for the purpose of securing business. For Medical Center's breach or violation of this warrant, DMH may, in its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

9.09 CONFLICT OF INTEREST:

(a) No county employee whose position in County enables such employee to influence the award or administration of this agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Medical Center or have any director or indirect financial interest in this Agreement. No officer or employee of Medical Center who may financially benefit from this provision of services hereunder shall in any way participate in county's

approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

(b) Medical Center shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Medical Center warrants that it is not aware of any facts which create a conflict of interest. If Medical Center hereafter becomes aware of any facts which might reasonable be expected to create a conflict of interest, it shall immediately make full written disclosure of all persons implicated and complete description of all relevant circumstances.

9.10 UNLAWFUL SOLICITATION: Medical Center shall require its Program Residents to acknowledge, in writing, understanding of and agreement to comply with the provision of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to insure that there is no violation of such provisions by its Program Residents.

9.11 INDEPENDENT STATUS OF MEDICAL CENTER:

(a) This agreement is by and between DMH and Medical Center and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or associate, as between DMH and Medical Center. 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.

(b) Medical Center shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensations and benefits. DMH 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 Medical Center.

(c) Medical Center understand and agrees that all persons performing services pursuant to this Agreement are, for purpose of workers' compensation liability, the sole employees of Medical Center and not employees of DMH. Medical Center 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 services performed by or on the behalf of Medical Center pursuant to this Agreement.

(d) Medical Center shall obtain and maintain on file an executed Contractor Employee Acknowledgement of Employer, in the form as contained in the DMH Contractor's Negotiation Package, for each of it employees performing services under this Agreement. Such Acknowledgement shall be executed by each employee an or immediately after the commencement date of this Agreement but in no even later than the date such employee first performs services under this Agreement.

9.12 DELEGATION AND ASSIGNMENT: Neither party shall delegate its duties or assign its rights under this Agreement, either in whole or in part, without the prior written consent of the other party, and any prohibited delegation or assignment shall be null and void. and such assignment is expressly prohibited.

9.13 SUBCONTRACTING: DMH and Medical Center agree that there will be no subcontracting for the term of the Agreement.

9.14 GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by and construed in accordance with the laws of the State of California. Both parties agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agree and consent that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. Further, this Agreement shall be governed by, and construed in accordance with, all laws, regulations, and contractual obligations of County under its agreement with the State.

9.15 COMPLIANCE WITH APPLICABLE LAW: Medical Center and its Program Residents shall abide by all DMH and Facility protocols, policies and procedures, rules and regulations, and all applicable Federal, state and local laws, regulations, ordinances, rules, manuals, guidelines, Americans with Disabilities Act (ADA) standards, and directives applicable to their performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

9.16 THIRD PARTY BENEFICIARIES: Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement.

9.17 CAPTION AND PARAGRAPH HEADINGS: Captions and paragraph headings used in this agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

9.18 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES: Each party shall obtain and maintain during the term of this Agreement all appropriate licenses, permits, registrations and certificates as required by law for the provision of their respective services hereunder. Copies of all such licenses,

permits, registrations and certifications as required by law shall be made available to DMH or Medical Center, respectively, upon request.

9.19 SEVERABILITY: If any part of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions and the application of such provision to other persons or circumstances shall not be affected thereby and will continue in full force and effect.

9.20 ALTERATION OF TERMS: No addition to, or alteration of, the terms of the body of this Agreement or Exhibit(s) hereto, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

9.21 INTERPRETATION: Ambiguities, if any, in this Agreement shall be reasonably construed in accordance with all relevant circumstances including, without limitation, prevailing practices in the industry of the parties in the place where the Agreement is to be performed and shall not be construed against either party, irrespective of which party may be deemed to have authored the ambiguous provision.

9.22 FORCE MAJEURE:

(a) Neither party hereto shall be liable for any delay or failure in the performance of any obligation under the Agreement or for any loss or damage (including indirect or consequential damage) to the extent that such nonperformance, delay, loss or damage results from any contingency which is beyond the control of such party, provided such contingency is not caused by the fault or negligence of such party. A contingency for the purposes of this Agreement shall constitute acts of God, fire, explosions, storms, wars, hostilities, blockades, public disorders, quarantine restrictions, embargoes, strikes or other labor disturbances, and compliance with any law, order, control or insistence by any governmental or military authority.

(b) The party claiming to be affected by such contingency shall give immediate notice to the other party, giving full particulars thereof, and all such contingencies shall, to the extent reasonably possible, be remedied with all reasonable efforts and dispatch. The existence of such contingencies shall justify the suspension of performance hereunder by either party and shall extend the time for such performance for a period of delay; provided, however, that if such period of delay exceeds sixty (60) days from the date

of such notice, either party shall have the right to terminate this Agreement.

9.23 CONFLICT OF TERMS: In the event of a conflict between the terms and conditions of the body of the Agreement and the terms and conditions of any of the Exhibits or any other documents related to this Agreement, the terms and conditions contained in the body of the Agreement shall control.

9.24 ENTIRE AGREEMENT: The body of this Agreement and the Exhibit(s) attached hereto and incorporated herein by reference, constitute and are intended to constitute the final, entire, complete and exclusive agreement between the parties hereto pertaining to the subject matter thereof. This Agreement and the Exhibit(s) hereto expressly supersede any and all prior written and oral agreements and understandings between the parties hereto with respect to the subject matter hereof. Without limiting the generality of the foregoing, the terms and provisions of this Agreement and the Exhibit(s) hereto are intended by the parties hereto as a final expression of their agreement with respect to the said terms and provisions and the subject matter hereof, and may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement.

9.25 WAIVER: No provision of this Agreement may be waived, changed, modified, or the termination or discharge thereof agreed to except by the mutual written agreement of Medical Center and DMH. The failure of either party to enforce at any time any of the provisions contained herein shall not be construed to be a waiver of the right of such party thereafter to enforce such provisions.

9.26 EMPLOYMENT ELIGIBILITY VERIFICATION: Medical Center warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others and that all its employees performing services hereunder meet the citizenship or alien status requirement set forth in Federal statutes and regulations. Medical Center shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Medical Center shall retain all such documentation for the period prescribed by law. Medical Center shall indemnify, defend, and hold harmless DMH, its officers and employees from and against any employer sanctions and any other liability which may be assessed against Medical Center or DMH in connection with any alleged violation of any Federal statutes or regulations pertaining to the eligibility for employment or persons performing services under this Agreement.

9.27 AUTHORIZATION WARRANTY: Each party executing this Agreement hereby represents and warrants that the persons executing this Agreement for Medical Center and DMH have full authority to enter into this Agreement and to bind the party upon whose behalf such individual has executed this Agreement.

9.28 CERTIFICATION OF DRUG-FREE WORK PLACE: Medical Center certifies and agrees that Medical Center and Program Residents shall comply with DMH's policy of maintaining a drug-free work place. Program Residents shall not manufacture, distribute, dispense, possess, or use any controlled substances as defined in 21 United Stated Code Section 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at Facility. If any Program Resident is convicted of or pleads nolo contendere to any criminal drug statute violation occurring at Facility, then Medical Center, within five days thereafter, shall notify Director in writing.

9.29 COUNTY LOBBYISTS: Medical Center and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Medical Center, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Medical Center or any County lobbyist or County lobbying firm retained by Medical Center to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Agreement upon which DMH may immediately terminate or suspend this Agreement.

9.30 CHILD SUPPORT COMPLIANCE PROGRAM:

(a) Medical Center's Acknowledgement of County's Commitment to Child Support Enforcement: The Medical Center acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Medical Center understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "LA's Most Wanted: Delinquent Parents" poster in a prominent position at the Medical Center's place of business. The County's Child Support Services Department will supply the Medical Center with the posters to be used.

(b) Medical Center's Warranty of Adherence To County's Child Support Compliance Program:

(1) The Medical Center acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Agreement 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.

(2) As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Medical Center's duty under this Agreement to

comply with all applicable provisions of law, the Medical Center warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required for 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 Earning Withholding Orders or Child Support Services Department Notice of Wage and Earning Assignment for Child or Spousal Support, pursuant to code of Civil Procedures Section 706.031 and Family Code Section 5246(b).

9.31 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Medical Center 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 1015.

9.32 USE OF RECYCLED-CONTENT PAPER PRODUCTS: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Medical Center agrees to use recycled content paper to the maximum extend possible on the Project.

9.33 CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following requirements set forth in the Ordinance are effective for this Agreement, except to the extent applicable State and/or Federal laws are inconsistent with the terms of the Ordinance.

(a) A responsible Contractor is a Contactor 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.

(b) 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 Agreements which indicates that the contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding on County contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with the County.

(c) The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contactor has done any of the following: (1) violated any term of an Agreement with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County or any public entity, 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.

(d) 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.

(e) The Contactor 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 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. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights to appeal.

(f) 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 Hearing Board.

(g) These terms shall also apply to subcontractors/subconsultants of County Contractors.

9.34 CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Medical Center hereby warrants that neither it nor its staff is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, and that contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Medical Center or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal government against Medical Center or one or more staff members barring it or its staff

members from participation in a Federally funded health care program, whether such barring is direct or indirect, or whether such barring is whole or in part.

There are a variety of different reasons why an individual or entity may be excluded from participating in a Federally funded health care program. Sometimes, the exclusion is mandatory and in other cases the OIG has the discretion not to exclude.

The mandatory bases for exclusion include: (1) felony convictions for program related crimes, including fraud or false claims, or for offenses related to the dispensing or use of controlled substances, or (2) convictions related to patient abuse.

Permissive exclusions may be based on: (1) conviction of a misdemeanor related to fraud or financial misconduct involving a government program; (2) obstructing an investigation; (3) failing to provide access to documents or premises as required by Federal healthcare program officials; (4) conviction of a misdemeanor related to controlled substances; (5) failing to disclose information about the entity itself, its subcontractors or its significant business transactions; (6) loss of a state license to practice a healthcare profession; (7) default on a student loan given in connection with education in a health profession: (8) charging excessive amounts to a federally funded health care program or furnishing services of poor quality or which are substantially in excess of the needs of the patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons controlling or managing excluded entities who knew of the conduct leading to the exclusion can themselves be excluded, and entities which are owned and controlled by excluded individuals can also be excluded.

Medical Center shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion of Medical Center or staff members from such participation in a Federally funded health care program. Medical Center shall provide the certification set forth in Attachment I as part of its obligation under this Section 9.34.

Failure by Medical Center to meet the requirement of this Section 9.34 shall constitute a material breach of Agreement upon which DMH may immediately terminate or suspend this Agreement.

9.35 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT: The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPPA"). Medical Center understands and agrees that it is a "Covered Entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of staff and the establishment of proper procedures for the release of

such information, including the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respects to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Medical Center understands and agrees that it is separately and independently responsible for the compliance with HIPAA in all these areas and that DMH has not undertaken any responsibility for compliance on Medical Center's behalf. Medical Center has not relied, and will not in any way rely, on DMH for legal advice or other representations with respect to Medical Center's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

Medical Center and DMH understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of HIPAA law and implementing regulations related to Transactions and Code Sets, Privacy, and Security. Each party further agrees to indemnify and hold harmless the other party (including their officers, employees and agents), for its failure to comply with HIPAA.

It is expressly understood and agreed, by both parties, that Program Residents will be HIPAA trained by Medical Center prior to commencement of residency at facility.

9.36 COMPLIANCE WITH JURY DUTY SERVICE PROGRAM:

(a) JURY SERVICE PROGRAM: This Agreement is subject to the provision 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.

(b) WRITTEN EMPLOYEE JURY SERVICE POLICY:

(1) Unless Medical Center has demonstrated to the County's satisfaction either that Medical Center is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Medical Center qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Medical Center shall have and adhere to a written policy that provides that its employees shall receive from the Medical Center, on an annual basis, no less that 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 Medical Center or that the Medical Center deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Section, "Contractor" means person, partnership, corporation or other entity which has an Agreement 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 County Agreements or subcontracts. "Employee" means any California resident who is full-time employee of Contractor. "Full-time" means 40 hours or more worked per week or a lesser number of hours if: 1) the lesser number is 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 of less within a 12-month period are not considered full-time for purpose of the Jury Service Program. If Contractor uses any subcontractor to perform services for the county under the Agreement, the subcontractor shall also be subject to the provisions on this Section. The provision of this Section shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

(3) If Contractor is not required to comply with the Jury Service program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside the Jury Service Program's definition of

"Contractor" and/or Contractor continues to qualify for an exception to the Program.

(4) Contractor's violation of this section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future County Agreements for a period of time consistent with the seriousness of the breach.

9.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Medical Center shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Attachment II of this Agreement and is also available on the internet at www.babysafela.org for printing purposes.

9.38 MEDICAL CENTER'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Medical Center acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Medical Center 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 Contactor'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. The County's Department of Children and Family Services will supply the Medical Center with the posters to be used.

9.39 CUMULATIVE REMEDIES: The remedies herein reserved shall be cumulative, and additional to any other or further remedies provided in law or in equity. No waiver of a breach of any provision of this contract shall constitute a waiver of that provision or any other breach under the Agreement.

9.40 NOTICES: Any notice or other communication hereunder must be given in writing to the addresses set forth below and must be (i) delivered in person, (ii) sent by facsimile provided that any notice so given is also mailed as provided in Subsection (iv) herein, (iii) delivered by Federal Express® or similar commercial delivery service, or (iv) mailed by certified mail with postage prepaid and return receipt requested, to the party to which such notice or communication is to be given at the addresses set forth below. Each such notice or other communication shall be effective if: (i) given by facsimile, when transmitted; (ii) given by mail, three (3) days after such communication is deposited in the mail and addressed as aforesaid; (iii) given by Federal Express® or similar commercial delivery service, three (3) business days after such communication is

deposited with such service and addressed as aforesaid; or (iv) given by any other means when actually delivered at such address:

If to DMH:	Los Angeles County Department of Mental Health 550 South Vermont Avenue Los Angeles, CA 90020 Facsimile: (213) 427-6166 Attention: District Chief, Service Area 4
If to Medical Center:	Cedars-Sinai Medical Center 8700 Beverly Boulevard, Suite 2015 Los Angeles, CA 90048-1865 Facsimile No. (310) 423-0119 Attention: Senior Vice President for Academic Affairs

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IN WITNESS WHEREOF, authorized representatives of each party hereto have executed this Agreement effective as of the date stated above in Los Angeles, California.

"DMH"

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

By_____
Principal Deputy County Counsel

LOS ANGELES COUNTY
DEPARTMENT OF MENTAL HEALTH,
a California government agency

By: _____
Marvin J. Southard, D.S.W.
Director

"MEDICAL CENTER"

CEDARS-SINAI MEDICAL CENTER,
a California nonprofit public benefit corporation

By: _____
Shlomo Melmed, M.D.
Senior Vice President for Academic Affairs

By: _____
Mark H. Rapaport, M.D.
Chairman, Department of Psychiatry

ACKNOWLEDGED AND AGREED TO:

By: _____
Alan T. Lefor, M.D., M.P.H.
Medical Director, Continuing & Graduate Medical Education