County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

LEROY D. BACA, SHERIFF

August 10, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT TO
AGREEMENT NUMBER 72929 WITH QUEST DIAGNOSTICS INCORPORATED
FOR MEDICAL LABORATORY SERVICES
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman of the Board to sign the attached Amendment Number 5 with Quest Diagnostics Incorporated, effective September 2, 2004, which provides the following actions:

   - Extends the Agreement for one year with an option thereafter to extend for another one-year period plus an additional six (6) months, to continue to provide the Sheriff's Department with medical laboratory services for inmates.

   - Adds the standard County contract provisions that were adopted after your Board originally adopted the Agreement with Quest.

2. Approve an increase in the total projected expenditure amount of this Agreement by $8 million, from the previous estimate of $11.5 million to an estimated $19.5 million.

3. Authorize the Sheriff, if it is in the best interest of the County, to exercise the additional extension options, in any increment, through March 1, 2007.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of the recommended actions is to seek Board approval to extend the Agreement with Quest Diagnostics Incorporated (Quest), to increase the expenditure amount of the contract, and to update the terms and conditions of the Agreement. Approval of this Amendment will allow the Sheriff's Department to continue to provide medical laboratory services for inmate patients housed in the Department's custodial facilities while the Department completes its solicitation process for a new medical laboratory services agreement.

Implementation of Strategic Plan Goals

The services provided under this Agreement support the County's Strategic Goal No. 1, Service Excellence, by providing quality medical laboratory services to inmates.

FINANCING/FISCAL IMPACT

For the requested extension period of September 2, 2004, through March 1, 2007, the Sheriff's Department will require approximately $8 million, increasing the total estimated expenditures for this Agreement to approximately $19.5 million.

The Department has identified funding in its Fiscal Year 2004-2005 adopted budget for the anticipated level of service and will continue providing funding for these services for the duration of the Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department requires the extension to provide time to complete a solicitation process for the entire service to assure the County continues to obtain competitive pricing for medical laboratory services.

The current request to extend the Agreement with Quest will also allow Quest and the Department to complete information system improvements to enable Quest to send test results directly through the Department's Jail Health Information System (JHIS). The

current JHIS interface allows for direct reporting of results that are either positive or negative, but tests that require more interpretation and analysis must be input into JHIS manually by Sheriff's Department's Medical Services staff. Some programming modifications to JHIS and Quest's system are required to capture the information directly from Quest. Quest and the Sheriff's Department have been working to modify their respective programs, which are now almost complete.

The Contractor is in compliance with all Board, Chief Administrative Office, and County Counsel requirements, including the Child Support Compliance Program.

Under this Amendment, Quest Diagnostics will not be asked to perform services which exceed the scope of the work or contract dates.

County Counsel has reviewed and approved Amendment Number 5 as to form.

CONTRACTING PROCESS

The Department will be soliciting a new medical laboratory services contractor, which is anticipated to be completed in late 2006.

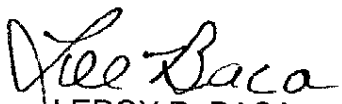
IMPACT ON CURRENT SERVICES

This Amendment Number 5 will ensure continued and uninterrupted medical laboratory services to the inmate patients until a new agreement is executed.

CONCLUSION

Upon approval by your Board, please return two copies of the adopted Board letter and two original executed copies of this Amendment to the Sheriff's Department's Contracts Unit.

Respectfully submitted,



LEROY D. BACA
SHERIFF

COUNTY OF LOS ANGELES

AMENDMENT NO. 5 TO AGREEMENT NO. 72929 FOR MEDICAL LABORATORY SERVICES

This Amendment Number 5 is entered by and between the County of Los Angeles Sheriff's Department (hereinafter "COUNTY") and Quest Diagnostics Incorporated, a California Corporation (hereinafter "CONTRACTOR") effective as of September 2, 2004, based on the following recitals:

A. WHEREAS, on August 22, 2000 the COUNTY and CONTRACTOR entered into COUNTY Agreement Number 72929 (hereinafter "Agreement") to provide medical laboratory services to Sheriff's Department inmates; and

B. WHEREAS, the Agreement currently expires on September 1, 2004; and

C. WHEREAS, COUNTY and CONTRACTOR desire to extend the term of the Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, all of which are incorporated as part of this Agreement, COUNTY and CONTRACTOR hereby further agree as follows:

1. Paragraph 1. (Term of the Agreement), is hereby amended to read as follows:

   This Agreement shall be extended for a period of one (1) year, with options to extend for one (1) year, and thereafter, for six (6) months in any increment, effective September 2, 2004. The Sheriff, at his sole discretion, shall have the authority to exercise any and all extension options.

2. Paragraph 7. (Billing and Payment), of the Agreement, is hereby amended to add the following:

   E. <u>No Payment for Services Provided Following Expiration/Termination of Agreement</u>

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

3. The Agreement shall be amended to add paragraphs, which are numbered 21 through 23 to the body of the Agreement as follows:

21. 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 Agreements, the COUNTY reserves the right to reduce its payment obligations correspondingly for that fiscal year and any subsequent fiscal year for services provided by CONTRACTOR under this Agreement. Such reduction shall be subject to negotiation between the Contractor and the County. The COUNTY's notice to CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. The CONTRACTOR shall continue to provide all of the services set forth in the Agreement.

22. ADMINISTRATION OF AGREEMENT – COUNTY:

22.1 COUNTY's Project Director:

22.1.1 COUNTY's Project Director for this Agreement shall be the person that holds the following position or designee:

Operations Captain
Medical Services Bureau
Los Angeles County Sheriff's Department
Twin Towers Correctional Facility
450 Bauchet Street, Room 873
Los Angeles, California 90012

Telephone: (213) 893-5460
FAX: (213) 415-1284

22.1.2 COUNTY's Project Director shall be responsible for the overall administration of this Agreement, including maintaining and updating all records relating thereto, and authorizing Change Notices.

22.1.3 COUNTY's Project Director is not authorized to make any changes in any of the terms and conditions of this

Agreement and is not authorized to further obligate COUNTY in any respect whatsoever.

22.1.4 COUNTY's Project Director shall have the right at all times

to inspect any and all tasks, goods, services or other work performed or provided by or on behalf of the CONTRACTOR.

22.2 COUNTY's Project Manager:

22.2.1 COUNTY's Project Manager for this Agreement shall be the following person or designee:

Ellender Spicer, Manager
Clinical Science Support Services
Los Angeles County Sheriff's Department
450 Bauchet Street, Room
Los Angeles, California 90012

Telephone: (213) 893-5661
FAX: (213) 830-0682

22.2.2 COUNTY's Project Manager shall be responsible for the day-to-day administration of this Agreement, ensuring that the CONTRACTOR meets all procedural, medical and technical requirements of providing medical laboratory services.

22.2.3 COUNTY's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate COUNTY in any respect whatsoever.

22.2.4 COUNTY's Project Manager shall have the right at all times to inspect any and all tasks, goods, services, or other work provided by or on behalf of CONTRACTOR.

22.2.5 COUNTY's Project Manager shall advise COUNTY's Project Director as to CONTRACTOR's performance in areas relating to requirements and standards.

22.2.6 COUNTY's Project Manager shall be responsible for a detailed evaluation of CONTRACTOR's performance and whose written approval of invoices submitted by CONTRACTOR is required prior to any payment thereon.

23. CONTRACTOR'S OBLIGATIONS UNDER HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA):

The COUNTY is subject to the Administrative Simplification requirements of the Federal Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Agreement, CONTRACTOR provides services to the

COUNTY and the CONTRACTOR receives, has access to, and/or creates Protected Health Information as defined in Exhibit B in order to provide those services. The COUNTY and the CONTRACTOR therefore agree to the terms of Exhibit B, Contractor's Obligations under HIPAA.

4. Paragraph 19. (Consideration of Hiring GAIN Program Participants) of the Additional Provision section of the Agreement, is deleted and replaced with the following:

19. CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS:

Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, 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 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.

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

5. Paragraph 24. (Contractor's Warranty of Adherence to County's Child Support Compliance Program) in the Additional Provisions section of the Agreement, is deleted and replaced with the following:

24. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

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

As required by COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONTRACTOR's duty under this Agreement to comply with all applicable provisions of law, CONTRACTOR 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 by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.55, 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).

24.2 Termination for Breach of Warranty to Maintain Compliance with COUNTY's Child Support Compliance Program:

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Subparagraph 24.1, CONTRACTOR's Warranty of Adherence to COUNTY's Child Support Compliance Program, shall constitute a default under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure of CONTRACTOR to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the COUNTY may terminate this Agreement pursuant to Subparagraph 21.B, Termination for Default, pursuant to County Code Chapter 2.202.

6. Exhibit A (Medical Laboratory Services Agreement – General Laboratory Tests) and Attachment II to Exhibit A (Service Locations and Special Requirements) of the Agreement are deleted and replaced and are attached as Amended Exhibit A and Attachment II.

Except as expressly provided in this Amendment, all other provisions and conditions of the Agreement shall remain in full force and effect.

CONTRACTOR and the person executing the Amendment on behalf of CONTRACTOR hereby represent and warrant that the person executing the Amendment for CONTRACTOR is an authorized agent who has actual authority to bind CONTRACTOR to each and every term, condition, and obligation of the Agreement and that all requirements of CONTRACTOR have been fulfilled to provide such actual authority.

COUNTY OF LOS ANGELES

AMENDMENT NO. 5 TO AGREEMENT 72929

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive officer thereof, and CONTRACTOR has caused this Amendment to be executed on its behalf by its duly authorized officer.

THE COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of
Board of Supervisors

By: _____
Deputy

QUEST DIAGNOSTICS INCORPORATED,
a California Corporation

By: Dennis Hogle

Name: DENNIS HOGLE

Title: Managing Director

Date: 7/28/04

APPROVED AS TO FORM:
Office of the County Counsel

By: Gary Gross
Gary Gross
Principal Deputy County Counsel

Date: 7/27/04

SMITHKLINE BEECHAM CLINICAL LABORATORIES,
now known as, QUEST DIAGNOSTICS INCORPORATED

AMENDED EXHIBIT A

MEDICAL LABORATORY SERVICES AGREEMENT
(General Laboratory Tests)

1. GENERAL SERVICES REQUIREMENTS:

Requirements set forth in this General Exhibit A shall apply to medical laboratory services provided hereunder for the Sheriff's Department's Clinical Science Support Services (CSSS), located at the Twin Towers Correctional Facility (TTCF). These requirements are in addition to the requirements to be achieved and/or performed by CONTRACTOR as described under Attachment I, Test Fee Schedule, and as further described under Attachment II, Service Locations and Special Requirements, of this Agreement, wherein special requirements are set forth. The CSSS is responsible for processing test orders, collecting test specimens, preparing the specimens, and packaging specimens for pick up by Contractor.

A. Definitions:

The following definitions for the terms identified below shall be understood to be the meaning of such terms where used in this Agreement.

(1) Critical Value Test Results: Test results, which in the judgment of CONTRACTOR, or COUNTY, may be of critical and immediate importance to a patient's care, and as such, must be immediately reported to the CSSS. Critical value test results are considered, but not necessarily limited to, the following:

TEST VALUE	RESULTS HANDLED AS CRITICAL	
Chemistry:	Less Than	Greater Than
Glucose	50 mg/dl	450 mg/dl
Potassium	2.9 mEq/L	6.0 mEq/L
Sodium	125 mEq/L	160 mEq/L
Chloride	60mEq/L	120 mEq/L
Creatine		4 mg/dL
BUN		40 mg/dl

TEST	RESULTS HANDLED AS CRITICAL VALUE	
	Less Than	Greater Than
Hematology		
WBC	2.5×10^3 cu mm	15.0×10^3 cu mm
RBC	2.5×10^6 cu mm	7.0×10^6 cu mm
Hemoglobin	10 gm%	17 gm%
Hematocrit	27%	60%
Platelets	50×10^3 cu mm	600×10^3 cu mm
Therapeutic Drug Levels		
Carbamazepine (Tegretol)		12 μg/ ml
Phenytoin (Dilatin)		20 μg/ ml
Phenobarbital		40 μg/ ml
Digoxin		2.0 ng/ ml
Primidone (Mysoline)		12 μg/ ml
Theophylline		20 μg/ ml
Valproic Acid		125 μg/ ml
Gentamicin (Trough)		2.0 μg/ ml
Gentamicin (Peak)		12 μg/ ml
Lithium		1.5 mEq/L

AFB Smear

When a positive smear for AFB is found, the following must be notified:

Los Angeles County Public Health TB	(213) 974-5127 (Voice) (213) 687-3204 (Fax)
MSB Communicable Disease	(213) 893-5730

Microbiology

(+) Blood Cultures

(2) Emergency ("STAT") Services: Laboratory services in which a laboratory test (i.e., STAT test) result must be received by the CSSS as quickly as possible. Upon receipt of a request for STAT services, CONTRACTOR is required to: 1) immediately dispatch a special representative to pick up the specimen; 2) perform the test as rapidly as possible; 3) report the result by computer terminal printout or telephone within the TAT specified for the identified STAT tests.

(3) Fee Structure: Fee determining policy used by CONTRACTOR to bill COUNTY for services including use of fees listed in Attachment(s) and within CONTRACTOR's currently published commercial fee schedule and the fee

discounting system used by CONTRACTOR, as applied to COUNTY bills, whether published or not.

(4) Full-Time Personnel: Staff normally present in the laboratory as required to properly perform services under this Agreement.

(5) Holiday: Holidays recognized and observed by County, which include, but are not necessarily limited to, New Year's Day, President's Day, Dr. Martin Luther King Jr.'s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day.

(6) Test List: List of laboratory tests identified in Attachment(s).

(7) Turn-Around-Time ("TAT"): For routine laboratory tests (i.e., laboratory tests that are neither Critical Value or STAT), it is the interval from the time specimens are scheduled for pickup (in accordance to the routine scheduled pickup days and times as described under Attachment II, Service Locations and Special Requirement) from TTCF, to the time the printed test results are returned/reported (either on-line through JHIS, or teleprinter reports from CONTRACTOR, or directly by messenger) to CSSS.

For STAT tests, two different time intervals are crucial: (1) the interval from the time the CONTRACTOR is notified that a STAT specimen is available for pickup to the time that it is actually picked up by CONTRACTOR; and (2) the interval from the time CONTRACTOR receives the specimens at its facility to the time that the printed STAT test result is transmitted and produced on a printer located in CSSS facilities, or when a STAT test result is reported to CSSS by a documented telephone call, when a computer printer is not available, or is found inoperable by the CSSS staff.

B. Personnel Requirements:

In addition to other laboratory personnel requirements defined by Federal or State law, or both, the following personnel requirements are to be followed by CONTRACTOR when providing services under this Agreement:

(1) CONTRACTOR shall have at least one (1) full-time laboratory director who has three (3) years experience as a physician (i.e., medical doctor [M.D.]), licensed to practice medicine in the State of California, and shall be Board

certified in Anatomical and Clinical Pathology, who shall be available at all times (twenty-four [24] hours a day) to explain the services being provided to COUNTY. Alternatively, when approved by SHERIFF, CONTRACTOR may have a similarly qualified M.D., or licensed bioanalyst, performing as a laboratory director. In any event, if approved by SHERIFF, more than one (1) full-time laboratory director, or his/her designee, may be used to fulfill such availability requirement.

(2) CONTRACTOR shall at any time have sufficient numbers of full-time applicable State licensed M.D.s and Ph.D.s (i.e., Doctors of Philosophy) commensurate with the complexity, diversity, and quality of tests performed at that time.

(3) CONTRACTOR shall during the term of this Agreement have sufficient numbers of full-time applicable State licensed clinical laboratory technologists, and other laboratory personnel, commensurate with the complexity, diversity, and quality of tests to be performed at all times (i.e., twenty-four [24] hours per day) when medical laboratory services are required.

(4) For cytology and histopathology services, CONTRACTOR shall during the term of this Agreement have sufficient numbers of full-time applicable State certified/licensed cytotechnologists, and other laboratory personnel, commensurate with the complexity, diversity, and quality of tests to be performed at all times (twenty-four [24] hours per day) when medical laboratory services are required.

(5) CONTRACTOR shall have a sufficient number of drivers and/or couriers to pick up specimens for routine testing based on the pick-up schedule specified in Attachment II, Service Locations and Special Requirements, and for STAT specimens on an as-needed basis, twenty-four (24) hours per day, seven (7) days a week.

(6) CONTRACTOR's laboratory director (or his/her designee when approved by the SHERIFF), shall be available to consult with CSSS staff verbally by telephone to discuss receipt of test/specimens, laboratory testing methodology, results (both methodological and clinical), reports, and all other service related information during all times (i.e., twenty-four [24] hours per day) that medical laboratory tests are being provided.

C. County Inspection:

CONTRACTOR shall be prepared to make its personnel, facilities, and techniques available for inspection at reasonable times without prior notice by authorized representatives of SHERIFF, COUNTY's Auditor-Controller, the Joint Commission on Accreditation of Health Organizations ("JCAHO"), or the State Department of Health Services ("SDHS"), if applicable.

D. Quality Assurance:

CONTRACTOR shall have an ongoing system of quality assurance, and shall keep quality control records in accordance with Federal and State regulations on each laboratory test it performs, which shall include, but need not be limited to, methods for determination of test accuracy and for determination of test reproducibility. In addition, CONTRACTOR shall also participate in national proficiency survey programs operated by CLIA and CAP and in the publication of a detailed procedures manual, or manuals, describing the tests performed in CONTRACTOR's laboratory. COUNTY representatives, duly authorized by SHERIFF, shall have access to these records when such access is required for the administration or audit of this Agreement. In addition, CONTRACTOR shall be prepared to provide details of its procedures, including documentation of source material, accuracy, sensitivity, specificity, and precision for each test provided; and it shall provide periodic publication of normal ranges (or reference limits), including mean values and standard deviations, or ninety-five percent (95%) confidence limits whichever is appropriate; and it shall provide accurate information regarding proper conditions for collecting test samples, including proper preservation of samples, as well as, information on patient conditions, medications, or other alterations of the sample which may interfere with tests or proper interpretations of test results. In addition, CONTRACTOR shall accept and assay either blind, blind duplicates, or known quality control samples from COUNTY, the results of which may provide the basis for continuation or discontinuation of this Agreement.

E. Test Availability:

(1) CONTRACTOR shall provide medical laboratory services to COUNTY on an as-needed twenty-four (24) hours per day, seven (7) days per week, including holidays, and especially during time of strike, riot, insurrection, civil unrest, natural

disaster, or similar event, when such services are physically possible to provide.

CONTRACTOR shall ensure that all tests designated herein will be available on an appropriate production schedule, as needed to meet COUNTY's TAT as stated herein.

(2) CONTRACTOR shall ensure that all test samples are handled under properly controlled and secured conditions, including but not limited to, during pick-up, transportation, return and analysis, as needed to maintain the integrity and security of the test specimens to be analyzed, and as required to achieve, or verify, accurate test results.

(3) CONTRACTOR shall analyze all test samples by methodologies approved by COUNTY's Project Director.

(4) CONTRACTOR shall store all cytology/histopathology slides and test samples, as required by State law and by the College of American Pathologists (CAP) accreditation guidelines, including maintaining related reports.

(5) All tests specified in Attachment I, Test Fee Schedule, shall be available and performed directly in CONTRACTOR's laboratory, unless otherwise approved by SHERIFF to be performed elsewhere.

(6) COUNTY's Project Manager may also require CONTRACTOR to perform tests not on CONTRACTOR's test list(s) but which are contained in CONTRACTOR's commercial fee schedule. Such test(s) may not be ordered unless they are currently unavailable from the contract test lists of other COUNTY contract laboratories or from COUNTY laboratories, which may provide testing services to CSSS. Instances in which a test shall be deemed currently unavailable for purposes of this provision shall include, but are not limited to the following:

a. The other laboratory(ies) is (are) unable to meet the requested TAT, for any routine and/or STAT test required services.

b. The other laboratory(ies) is (are) unable to provide reliable test results on such test(s) in accordance with acceptable test processing procedures.

This requirement notwithstanding, COUNTY's Project Manager may order a test, or tests, from CONTRACTOR's commercial fee schedule when such test(s) do not appear on the Test Fee Schedule attached hereto, so long as there is also an order on the same patient sample for test, or tests, contained in the test list(s). The purpose of this provision is to avoid splitting of patient samples to obtain specimens for different tests to be performed by more than one (1) testing services.

Further, COUNTY's Project Manager may periodically order test(s) from CONTRACTOR's commercial fee schedule to check the accuracy of test results being submitted to COUNTY by other providers of testing services.

F. Supplies:

CONTRACTOR shall provide all bottles, cervical cytobrush, vials, and other supplies required to stabilize samples and maintain sample integrity in transit to its laboratory. Such supplies shall be provided upon request by COUNTY's Project Manager and at no additional cost to COUNTY. All supplies regularly available to CONTRACTOR's regular commercial customers shall be available to COUNTY in accordance with CONTRACTOR's supply policies and/or applicable Federal and State law.

G. Fee Structure Guarantee:

Fees for tests specifically listed in Attachment I, Test Fee Schedule, shall be the maximum fee payable by COUNTY for the period of this Agreement.

For tests ordered from CONTRACTOR's commercial fee schedule, the fees and test descriptions for ordered tests shall be based on CONTRACTOR's maximum trade discount from CONTRACTOR's commercial fee schedule for the same or equivalent services under similar quantity and delivery conditions, but in no event shall the discount to COUNTY for such tests be less than the discount thereof expressly stated in the test list attachment attached hereto.

Before execution of this Agreement, CONTRACTOR shall furnish three (3) copies of CONTRACTOR's currently published commercial fee schedule and discount structure to COUNTY's Project Manager. In the event of a change in CONTRACTOR's fee schedule or discount structure, or both, CONTRACTOR shall notify COUNTY's Project Manager in writing immediately, furnishing the

same number of copies to each facility of the new fee schedule or new discount structure and evidence acceptable to each facility of such changes in CONTRACTOR's fee structure. Unless the new test fee schedule or new discount structure is expressly stated to be effective on a later date, revisions of fee structure shall be effective seven (7) calendar days after such notification and receipt thereof or, in the case of a newly developed test, effective on the date the COUNTY's Project Manager receives notice of the test.

H. Computer Terminal Equipment:

(1) CONTRACTOR shall, for the term of this Agreement, provide and maintain a computer terminal system, including all necessary leased onlines, at each CSSS facility served, when requested, to enable COUNTY to have direct access to CONTRACTOR's automated system. Such service shall be included with CONTRACTOR's medical laboratory services, to allow for immediate on-site hard copy printout generation of test results to shorten TATs and to allow CSSS direct inquiry capabilities regarding the status of pending test results.

These requirements for on-site printout for test results and for direct inquiry capabilities are in addition to any other reporting requirements stated elsewhere in this Agreement; however, reports required elsewhere herein of tests requested may be printed by CONTRACTOR at the computer reporting terminal on-site at CSSS, instead of being delivered to the facility as a written report.

CONTRACTOR, at no additional cost to COUNTY, shall provide COUNTY's CSSS staff with necessary training to operate CONTRACTOR's computer terminal equipment.

a. Computer printouts of test results shall include the following information: patient's name and file number, patient's location, CSSS's accession number, name of requesting physician, test name and result, reference range, date and time of collection, date and time of receipt by CONTRACTOR, type of specimen, date and time of report and be ready for filing into patient's records without further action on the part of the CSSS staff. Each report must also contain all data and information, required by JCAHO and the State Department of Health Services.

b. CSSS shall have the ability to print on demand the results of any or all tests completed subsequent to the most recent printing of test results; lacking the ability to provide on demand printing, the test results shall be printed in batches no less frequently than once per eight (8) hour shift.

c. STAT test results must be transmitted within the TAT specified for STAT tests.

I. Computer Terminal Equipment Billing and Maintenance:

(1) CONTRACTOR shall bill COUNTY monthly in arrears for tests at rates specified in Attachment I, Test Fee Schedule and as further described under Attachment II, Service Locations and Special Requirements, of this Agreement.

CONTRACTOR agrees that the monthly charge for equipment set forth in said attachment shall be the maximum fee for the term of this Agreement. This all-inclusive monthly charge shall cover installation and use of equipment, leased online(s), maintenance and repair, and any necessary training in the use of CONTRACTOR's equipment.

(2) All of CONTRACTOR's computer equipment used by CSSS staff shall: 1) be in satisfactory working condition and maintained at a level that is acceptable to COUNTY; 2) be delivered and installed at the CSSS facility(ies) designated by COUNTY's Project Manager; and 3) be installed and operable on the day laboratory test services begin. All such equipment shall remain the property of CONTRACTOR.

(3) All CONTRACTOR-furnished equipment used by COUNTY staff shall be maintained by CONTRACTOR in a first-class operating condition throughout the Agreement period. CONTRACTOR shall provide qualified service personnel to maintain the equipment. Maintenance shall include service, repairs, and all parts. CONTRACTOR's equipment service personnel shall be adequately trained to keep equipment in a first-class operating condition and to make immediate repairs.

Equipment maintenance and service shall be provided twenty-four (24) hours a day, seven (7) days a week, including holidays, within four (4) hours after telephonic or

other notification by CSSS staff that the equipment is not operating or not operating properly.

Equipment must perform to the satisfaction of COUNTY's Project Manager. Any equipment failing to perform satisfactorily must be replaced by CONTRACTOR as necessary in order to avoid interruption of the work .

In any instance where equipment is out of service due to mechanical failure, charges for equipment will not be paid after the first forty-eight (48) hours of said period of failure and the monthly charges shall be prorated to account for the out-of-service time.

If after sufficient notice has been given, CONTRACTOR fails to provide services or to keep equipment in an operating condition satisfactory to COUNTY's Project Manager, COUNTY may terminate the Agreement and CONTRACTOR shall immediately remove the equipment from COUNTY premises without cost to COUNTY.

In the event of expiration or termination of this Agreement, CONTRACTOR shall immediately remove the equipment from COUNTY without cost to COUNTY.

(4) CONTRACTOR shall save and hold harmless COUNTY from any destruction, damage, or loss to CONTRACTOR supplied computer equipment or parts, or both, which are caused by acts of God or circumstances beyond the reasonable control and through no fault or negligence of COUNTY or its personnel. COUNTY's Project Manager shall give CONTRACTOR immediate notice of any such destruction, damage, or loss, and CONTRACTOR shall replace, restore, or repair such equipment or parts to operational status.

J. CONTRACTOR's Consultation Services:

CONTRACTOR shall maintain a consultation service for its testing services in order to respond to direct telephone queries from COUNTY regarding a specific specimen or test result. This service shall be available twenty-four (24) hours per day, seven (7) days per week, including holidays.

K. Test Results Reporting Requirements:

(1) Printout reports of tests must be transmitted to facility within the specified TAT.

(2) Telephone reports must be made in addition to required printout reports:

i. If a printout of STAT test results (tests requiring less than an eight [8] hour TAT) cannot be transmitted to the facility within the specified TAT.

ii. On any individual test if requested by CSSS on a TAT shorter than as specified on the test list.

(3) Printout reports of tests with a specified TAT of greater than twenty-four (24) hours must be transmitted to the facility within the specified TAT.

(4) No payment shall be made for any test with an incomplete test result report, or where CONTRACTOR failed to observe a specified reporting protocol, or for a test that is not reported in the manner specified in the Agreement. Incomplete or late monthly patient lists and/or monthly billing summaries will be subject to a five percent (5%) payment reduction for the test herein covered.

L. Critical Value Reports:

Upon obtaining and confirming test results which in the judgment of CONTRACTOR, or COUNTY, as specified in Subparagraph 1.A.(1) of this Section, may be of critical and immediate importance to the patient's care, CONTRACTOR shall immediately telephone the test results to CSSS at the number listed and as further described under Attachment II, Service Locations and Special Requirements, of this Agreement. CONTRACTOR shall keep a record of such calls. This record shall include the date and time of each call made, the full name (i.e., last name, first name, and middle initial) of the person receiving the result, the patient's full name, patient's file number, name of test, the result reported, and the name of CONTRACTOR's employee making the call.

After telephoning each critical value report with the required information, specified above, CONTRACTOR shall immediately transmit and generate a teleprinter report, or a facsimile/FAX report, which contains the same information as transmitted by

telephone, to CSSS, including documentation of the time such telephone report was made and the full name of the person receiving the result.

M. Subcontracting Due to Temporary Shut Down of an Assay Procedure:

If CONTRACTOR determines that it is temporarily unable to perform satisfactorily a certain type of assay because of an "out-of-control" assay or instrument breakdown, CONTRACTOR may refer COUNTY specimens submitted for such assay to another licensed laboratory.

(1) CONTRACTOR shall be fully responsible to COUNTY for such subcontracting services as for services it provides directly.

(2) CONTRACTOR's subcontract shall be in accordance with the terms and conditions specified in Agreement Paragraph 14, Subcontracting,

(3) Except as set forth in this Paragraph, all tests and reporting requirements of this Agreement shall be applicable to tests referred by CONTRACTOR to an outside laboratory as for all other tests and reports provided by CONTRACTOR under the terms of this Agreement.

(4) CONTRACTOR's reports of test results and billings shall clearly identify the subcontractor laboratory that performed the test and specify the reason(s) CONTRACTOR could not perform the test.

(5) If CONTRACTOR determines that such referrals of COUNTY tests will be necessary for more than three (3) consecutive days, notice in writing shall be given within twenty-four (24) hours of such determination to COUNTY's Project Manager. Upon the Project Manager's request, CONTRACTOR shall provide necessary follow up information or notification to justify continued use of subcontractor(s) to perform such specific tests.

a. The charges billed by CONTRACTOR to COUNTY for any service provided by a subcontractor laboratory under the provisions of this Paragraph shall not exceed the charges billed to COUNTY for the services when provided by CONTRACTOR.

b. All subcontractor laboratories and their personnel shall meet all applicable licensure requirements of Federal and State laws and regulations for the provision of the test procedures described in this Agreement.

2. SPECIAL SERVICES REQUIREMENTS:

A. County Facilities to be Served:

CONTRACTOR shall provide medical laboratory services for specimens collected by the SHERIFF's CSSS staff from inmates housed at the SHERIFF's Medical Services Building (MSB) or Correctional Treatment Center (CTC), Twin Towers Correctional Facility (TTCF), Men's Central Jail (MCJ), and the North County Correctional Facility (NCCF). All specimen pickup shall be from the TTCF.

B. Telephone Consultation Services:

CONTRACTOR shall maintain a consultation service in order to respond to direct telephone queries from CSSS regarding a specific specimen or test result. This service shall be available twenty-four (24) hours per day, seven (7) days per week, including holidays.

C. Written Test Reports:

All written (hard copy) reports for COUNTY facilities served hereunder shall be transmitted on-line to CSSS either on CONTRACTOR's system or JHIS.

D. Telephone Test Reports:

All telephonic reports, including emergencies and STAT test results for facilities served hereunder, shall be made to CSSS, at the telephone number(s) listed in Attachment II, Service Locations and Special Requirements.

E. Specimen Pick-Up:

Specimens for facilities served hereunder shall be picked up by CONTRACTOR from the loading dock of the TTCF.

(1) The pick-up schedule shall be at times that are mutually agreed to by COUNTY's Project Manager and

CONTRACTOR's Project Manager. Specimens for routine tests will be picked up three times a day Mondays through Fridays, twice a day on Saturdays, and once a day on Sundays and holidays.

(2) Pick-Up Frequency: Specimens for routine tests shall be picked up daily from TTCF, including weekends and holidays.

F. Option of COUNTY's Project Manager to Adjust Level of Routine Pick-Up Services:

Based upon the number of specimens collected, and the time of day they are collected, COUNTY's Project Manager, at his/her sole discretion, may adjust the number and times of scheduled pickups for routine tests. All such adjustments shall be made through a Change Notice. However, there shall be no charge to COUNTY for the initial adjustment in schedule or any subsequent readjustments.

G. Emergency Services ("STAT") Requirements:

STAT level services may be requested from time to time as appropriate and shall be provided by CONTRACTOR to COUNTY when requested. STAT services, if required, shall be provided twenty-four (24) hours per day, seven (7) days per week, including holidays. If STAT test reports are required by telephone, CONTRACTOR shall contact the CSSS staff at the telephone number listed in Attachment II, Service Locations and Special Requirements, immediately followed by a transmittal printout report.

H. Test Turn-Around Time (TAT) Requirements:

The turn-around times (TAT) for completing testing and analysis and reporting test results shall vary, depending on the tests:

(1) For routine specimens, the TAT shall not exceed twenty-four (24) hours. There shall be a prioritization of requests so that STAT orders will supersede routine test orders.

(2) The TAT for STAT tests procedures are as follows:

a. The pick-up time for STAT specimens must not exceed sixty (60) minutes from the time CONTRACTOR is notified of specimen availability by COUNTY.

b. For most STAT tests, the TAT shall not exceed four (4) hours from the time the specimens are received by the CONTRACTOR to the time the results are transmitted or delivered to COUNTY. Attachment III lists some of the more common STAT tests and the TATs.

I. Billing and Auditing Requirements:

To meet State and Federal requirements and to provide the facility with a means of following a reasonable audit trail of laboratory contract activities in the area of tests requested and results reported, the following Monthly Patient List and Monthly Billing Summary data shall be provided by CONTRACTOR to COUNTY:

(1) Monthly Patient List: The Monthly Patient List of itemized billings shall list specimens by accession number or date of receipt to facilitate auditing of charges. Such report shall include:

a. Patient's Name (last name, first name, and middle initial)

b. Patient's File Number (CONTRACTOR shall have the ability to enter and keep track of a file number with alphabetical and numerical listings of up to ten [10] digits in length)

c. Patient's location (MSB, TTCF, MCJ, or NCCF)

d. Specimen Number

e. Test performed and reported

f. Cost of each test performed and reported

g. Date and time test received and results reported by CONTRACTOR (i.e., CONTRACTOR's actual TAT)

h. Contract (COUNTY required) TAT

i. Credits, if any

j. Laboratory performing work, if other than CONTRACTOR's laboratory

The Monthly Patient List shall be delivered to COUNTY's Project Manager within fifteen (15) calendar days (excluding Saturday, Sunday, and holidays) after the end of each calendar month.

(2) Monthly Billing Summary: The Monthly Billing Summary shall list each type of test performed in alphabetical order and include:

a. Name of each test

b. Number of each test performed and reported

c. Cost of each test performed and reported

d. Total charge for each type of test (number of each test performed and reported times cost of each such test)

e. Total billing for services rendered for the month

f. Credits, if any

The Monthly Billing Summary shall be delivered to COUNTY's Project Manager within fifteen (15) calendar days after the end of each calendar month.

(3) Discounts and Added Charges: Monthly Billing Patient Lists and Monthly Billing Summaries shall include the following discounts, and added charges, if needed:

(4) Discounts for Serial Specimens: The fee for each serial specimen submitted for the same test on the same patient at one (1) time will be the fee specified on the test list for a single specimen. For test not listed on the test list, the general fee structure discount for tests in CONTRACTOR's published commercial fee schedule shall apply.

(5) Discount to be Applied to CONTRACTOR's Currently Published Commercial Fee Schedule: For tests that are requested by COUNTY, which are not included in the Test Fee Schedule, CONTRACTOR agrees that a cost reduction of sixty-two percent (62%) for discountable tests from CONTRACTOR's currently published commercial fee schedule shall apply.

(6) Added Charges for Emergency (STAT) Services:

a. When a test is requested by COUNTY and processed and reported by CONTRACTOR, as specified in this Agreement, the billing for such test shall be subject to a STAT assay charge of Twelve Dollars ($12) for each test, in addition to the test list price.

b. Each pick-up, day or night, of one (1) or more specimens requested by a COUNTY facility as STAT services and not picked up as part of the routine pick-up hours and pick-up frequency, as identified herein, shall be subject to one (1) STAT pick-up charge, in addition to the test list price. STAT pick-up charges will be Eighteen Dollars ($18) for pick-ups from TTCF.

(7) Computer Terminal Equipment Billing: CONTRACTOR shall bill each respective COUNTY facility monthly, in arrears, according to the schedule as listed below:

TELEPRINTER:

Facility Monthly Dollar Volume for all Agreement Tests = $2,500 and above = No Charge
Facility Monthly Dollar Volume for all Agreement Tests = below $2,500 = $50/month

CRT (DIAL-UP FOR DIRECT INQUIRY):

Facility Monthly Dollar Volume for all Agreement Tests = $5,000 and above = No Charge
Facility Monthly Dollar Volume for all Agreement Tests = below $5,000 = $50/month

Charges will be prorated for any service period of less than one (1) month.

J. Phlebotomy Services

CONTRACTOR may provide COUNTY with phlebotomy services on an as needed basis, upon COUNTY's request.

(1) COUNTY will request such services only in the event of unavailability or shortage of COUNTY phlebotomy technicians that renders COUNTY unable to draw the ordered test specimens from inmate patients in a timely manner.

(2) COUNTY shall give CONTRACTOR twenty-four (24) hour notice of need for phlebotomy services. COUNTY shall specify the approximate number of specimens to be collected and the number of phlebotomy technicians required.

(3) Phlebotomy technicians provided by CONTRACTOR shall process collected specimens as required and prepare samples for pickup as specified in this Agreement.

(4) Phlebotomy technicians provided by CONTRACTOR must undergo and pass COUNTY's security screening process before providing services under this Agreement.

(5) CONTRACTOR shall invoice COUNTY separately for phlebotomy services. The fee for such services shall be determined through negotiations.

3. COUNTY'S RESPONSIBILITIES

A. Collecting Specimens

(1) Based upon orders by COUNTY physicians through JHIS, CSSS staff shall verify tests required and prepare necessary test vials, test tubes, labels. CSSS staff will electronically transfer the orders to CONTRACTOR.

(2) COUNTY personnel shall ensure that specimens are collected from inmate patients in a timely manner, and that procedures for collecting fluids from patients follow Federal and State regulations and guidelines. CSSS phlebotomy technicians shall collect specimens from inmates at one of four draw stations located in TTCF Tower 1, TTCF Tower 2, MCJ, and North Correctional Facility, or if confined in the hospital ward, in the CTC hospital between the hours of 4:30 a.m. and 12:30 p.m. In the event that there is a shortage of available phlebotomy technicians, the samples are drawn by the CSSS medical technologists.

(3) Once specimens are collected, COUNTY staff shall ensure that they are maintained in the appropriate conditions (i.e., temperature, cell suspension, etc.) in order to guarantee stability until CONTRACTOR is able to run the necessary laboratory tests.

B. Specimen Pick-Up

(1) COUNTY's CSSS staff shall ensure that the proper specimens were obtained and input the information into CONTRACTOR's automated system to schedule tests.

(2) CSSS staff shall ensure that the correct samples are packed in boxes provided by CONTRACTOR, along with the transfer list.

(3) CSSS staff shall take packaged specimens from all CSSS facilities to TTCF loading dock and place them in appropriate areas designated by CONTRACTOR, depending upon whether the specimens are frozen, require refrigeration, or can remain at room temperature.

C. Test Results

(1) CSSS staff shall ensure that test results are received within the TATs specified in this Agreement. Test results are hardcopy printouts obtained through CONTRACTOR's system. Reports are generated several times daily.

(2) Most test results have been directly reported to CSSS on JHIS. CSSS staff will verify hard copy test results with JHIS.

(3) In the event that CONTRACTOR could not report test results directly into JHIS, CSSS staff will manually input test information in JHIS.

(4) CSSS shall maintain hardcopy test results for the appropriate length of time.

SMITHKLINE BEECHAM CLINICAL LABORATORIES,
now known as, QUEST DIAGNOSTICS INCORPORATED

AMENDED ATTACHMENT II

SERVICE LOCATIONS AND SPECIAL REQUIREMENTS

Service Location:

Los Angeles County Jail – Twin Towers Hospital
Clinical Science Support Services
450 Bauchet Street, 2nd Floor
Los Angeles, California 90012

Telephone: (213) 893-5658
FAX: (213) 830-0682

Routine Test Specimen Pick-Up Schedule:

Monday – Friday: 10:00 a.m.
6:00 p.m.
8:00 p.m.

Saturday: 1:00 p.m.
7:00 p.m.

Sunday: 3:30 p.m.

Holidays: 4:00 p.m.

AGREEMENT
CONTRACTOR'S OBLIGATIONS UNDER HIPAA

Under this Agreement, Contractor provides services to County and Contractor receives, has access to, and/or creates Protected Health Information, as defined below, in order to provide those services. County is subject to the Administrative Simplification requirements of the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated under HIPAA, including the "Standards for Privacy of Individually Identifiable Health Information" which are located in Title 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations mandate certain protections for the privacy and security of Protected Health Information. The Privacy Regulations also require County to enter into an agreement with Contractor in order to obtain satisfactory assurance from Contractor that Contractor will appropriately safeguard the Protected Health Information. Disclosure to or use of Protected Health Information by Contractor is prohibited if such an agreement is not in place. Therefore, the parties agree to the terms of this Exhibit B.

1.0 DEFINITIONS

1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations, or to other than its employees.

1.2 "Individual" means the person who is the subject of Protected Health Information, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.3 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of County. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (iii) is received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.

1.4 "Required by Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative

demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.5 "Services" has the same meaning as in this Agreement.

1.6 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such information within Contractor's internal operations.

1.7 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Regulations.

2.0 OBLIGATIONS OF CONTRACTOR

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

(a) Shall Use and Disclose Protected Health Information as necessary to perform the Services, and as Provided in Subsections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3, and 5.2 of this Exhibit B;

(b) Shall Disclose Protected Health Information to County upon request;

(c) May, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(i) Use Protected Health Information; and

(ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Agreement. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

2.3 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to the appropriate

Department, within forty-eight (48) hours from the time the Contractor first becomes aware of the non-permitted Use or Disclosure, as follows:

Chief Information Office Privacy Officer
213-974-2166

The initial telephone report shall be followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure, and shall be sent to County's Chief Information Privacy Officer at:

Chief Information Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 493
Los Angeles, California 90012

2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the Federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations. Contractor shall immediately notify County of any requests made by the Secretary and provide County with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by County available to the Individual(s) identified by County as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from County. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from County.

2.7 Amendment of Protected Health Information. Contractor shall, to the extent County determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by County. Contractor shall make such amendment within ten (10) business days after

receipt of request from County in order for County to meet the requirements under 45 C.F.R. § 164,526.

2.8 Accounting of Disclosures. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Protected Health Information made by Contractor or its employees, agents, representatives or subcontractors. However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services if such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Contractor under this Subsection 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Subsection 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information or six (6) years from the date of the Disclosure. Contractor shall provide to County, within ten (10) business days after receipt of request from County, information collected in accordance with this Subsection 2.8 to permit County to respond to a request by an individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

3.0 OBLIGATION OF COUNTY

3.1 Obligation of County. County shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

4.1 Term. Contractor's obligations under Subsection 2.1 (as modified by Subsection 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon County's knowledge of a material breach by Contractor, County shall either:

(a) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County; or

(b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination or cure are feasible, County shall report the violation to the Secretary of the Federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. The provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.

(b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make it infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

5.0 MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Agreement shall confer any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors receiving Protected Health Information from Contractor, or creating Protected Health Information for Contractor, on behalf of County, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Exhibit B.

5.3 Relationship to Agreement Provisions. In the event that a provision of this Exhibit B is contrary to any other provisions of this Agreement, the provision of this Exhibit B shall control.

5.4 Regulatory References. A reference in this Agreement to a section in the Privacy Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits County to comply with the Privacy Regulations.

5.6 Amendment. The parties agree to take such necessary action as is necessary to amend this Agreement from time to time as is necessary for County to comply with the requirements of the Privacy Regulations.