



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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Yvonne Brathwaite Burke
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October 28, 2004

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

Dear Supervisors:

**NEW MEDICAL SERVICES AGREEMENT
FOR ANTELOPE VALLEY AREA OBSTETRICAL PHYSICIAN SERVICES
(5th District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to offer and sign a new Medical Services Agreement which satisfies traditional Civil Service exceptions permitting contracts and which is exempt under the provisions of Proposition A under County Code Section 2.121, substantially similar to Exhibit I, with Samy F. Farid, M.D., Inc., at confidential rates of payment on file with the Department of Health Services, effective upon Board approval through June 30, 2005, with provisions for four successive one-year renewal periods, ending on June 30, 2009, for the provision of outpatient prenatal and postpartum services at the Antelope Valley Health Center and off-site inpatient obstetrical services for County-registered patients at Antelope Valley Hospital, at an estimated annual net County cost of \$142,000.
2. Approve and authorize the Director of Health Services, or his designee, to review and approve the addition or deletion of physician subcontractors to the recommended Agreement, with the approval of County Counsel and the Chief Administrative Office's Risk Management Branch, and consistent with the subcontracting provisions incorporated in the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is authorizing the Director of Health Services, or his designee, to: 1) offer and sign a new Medical Services Agreement with Samy F. Farid, M.D., Inc. for the provision of on-site outpatient prenatal and postpartum services at the Antelope Valley Health Center (AVHC) and off-site inpatient obstetrical services for County-registered patients at Antelope Valley Hospital (AV Hospital); and 2) approve and authorize the Director of Health Services, or his designee, to review and approve the addition or deletion of physician subcontractors to the recommended Agreement, with the approval of County Counsel and the Chief Administrative Office's Risk Management Branch.

These actions will enable the Department of Health Services (DHS or Department) to continue the provision of outpatient prenatal and postpartum care at AVHC and maintain existing physician services arrangements for the provision of inpatient obstetrical services to County-registered patients at AV Hospital.

FISCAL IMPACT/FINANCING:

The total estimated cost for a full 12-month period is \$142,000. The total cost for the period of November 9, 2004 through June 30, 2005 of Fiscal Year (FY) 2004-05 is estimated to be \$106,500. Funding is included in the FY 2004-05 Adopted Budget and will be requested in future fiscal years.

The "per session" rates for the attached Agreement are on file with the Department and are kept confidential in accordance with section 1457 of the California Health and Safety Code. All of the recommended rates have been shared with each Board Office, the CAO, and County Counsel.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

The recommended Agreement is needed to continue provision of both on-site prenatal and postpartum care at AVHC and off-site obstetrical services to County-registered patients at AV Hospital. The AVHC provides a critical access point for prenatal care for low-income, uninsured, and high-risk women in the Antelope Valley area. All County-provided outpatient prenatal and postpartum services in the Antelope Valley region are centralized at the AVHC, including services to Community Health Plan patients.

On June 29, 2004, the Board approved the renewal of the contractor's current agreement, along with other physician specialty medical services agreements, for a new five-year term, effective July 1, 2004 through June 30, 2009. On August 9, 2004, the contractor notified the Department that he was terminating the contract, effective October 8, 2004, indicating that due to the high risk nature of the patient population, he and his associates were unable to maintain sufficient malpractice coverage and, unless the County extended its Professional Liability indemnification to include services provided at that location, he would be unable to continue providing inpatient obstetrical services for County patients at AV Hospital.

The contractor has provided these services to County patients since January 1, 2003, under two successive physician specialty medical services agreements. The terms of the physician specialty medical services agreements, however, provide County Professional Liability Indemnification only when work is performed at a County medical facility. The new recommended Agreement is structured to extend the County Professional Liability Indemnification to include the provision of inpatient obstetrical services provided at AV Hospital to County-registered patients. The County will provide medical defense and malpractice indemnification to the Contractor and County-approved subcontractors providing patient care services under the recommended Agreement.

The term "County-registered patients" is defined as all patients seeking outpatient obstetrical services who present for obstetrical care and treatment at AVHC and who are registered by AVHC staff for the receipt of that care and treatment at the AVHC site. The term also includes all such outpatients who are treated at AVHC by the Contractor and who are admitted to and treated at AV Hospital for obstetrical services based upon a referral for such services by the Contractor, and who also have been designated as County-registered patients by the Medical Director of AVHC in consultation with the Contractor.

The Antelope Valley has, for many years, experienced a shortage in the availability of OB/GYN physicians. In recent years, this shortage has been compounded by the fact that several OB/GYN physicians have stopped providing obstetrical services and now limit their practices to gynecological care. With the pending termination of Dr. Farid's current agreement, DHS has been in contact with other OB/GYN physicians in the Antelope Valley area and has been unable to locate an alternate contractor. Due to these facts, County Counsel and the Chief Administrative Office's Risk Management Branch have concurred with the Department's decision to extend Professional Liability Indemnification to Dr. Farid and his County-approved subcontractors associated with the provision of these services to County patients.

Within the County health care delivery system, the Antelope Valley region is unique in that the closest DHS hospital, Olive View-UCLA Medical Center, is located approximately fifty miles from central Lancaster. This distance makes it impractical to refer patients from the AVHC to another DHS hospital for obstetrical deliveries. Moreover, AV Hospital is the only hospital in the region that provides inpatient obstetrical services.

Additionally, in recent months, public attention has focused on the high rate of black infant mortality in the Antelope Valley region. The reduction of access to prenatal care that would result if the recommended Agreement is not approved would adversely impact efforts to address this issue.

Services to be provided under the recommended Agreement include outpatient prenatal and postpartum care, and inpatient obstetrical services, including the provision of twenty-four hour on-call coverage for inpatient obstetrical services.

County Counsel has determined that the recommended Agreement is exempt under the provisions of Proposition A due to the severe shortage of qualified OB/GYN physicians in the Antelope Valley area.

Board approval of the requested actions will authorize the Director of Health Services to terminate the Agreement as necessary, pursuant to specific Agreement provisions, and to report to the Board such action should it occur. Under the termination provisions of the Agreement, the Agreement may be terminated immediately for breach or for convenience with a 90-day advance written notice by either party.

Attachment A provides additional information.

Exhibit I has been approved as to use and form by County Counsel.

CONTRACTING PROCESS:

For a number of years, the County has contracted with qualified physician specialists and non-physician medical personnel to staff a number of part-time and full-time functions in County hospitals, comprehensive health centers, and health centers. The recommended Agreement is an extension of that program, with the restructuring of specific provisions to include County Professional Liability Indemnification for the provision of specific inpatient services by the contractor to County patients in a non-County hospital, and to enable the utilization of approved physician subcontractors to provide the necessary medical services. These restructured provisions will apply only to the recommended Agreement.

All physicians providing services under this Agreement, as either contractors, employees, or subcontractors must: 1) be credentialed by High Desert Health System which includes a review of the physician's malpractice history, if they will be providing outpatient services at AVHC; 2) comply with

The Honorable Board of Supervisors
October 28, 2004
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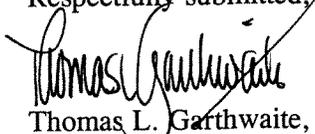
all High Desert Health System medical staff policies and procedures when providing service at AVHC; 3) maintain full clinical privileges to practice obstetrics and gynecology at AV Hospital; and 4) comply with the medical staff bylaws of AV Hospital.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval of the recommended actions will enable DHS to continue the provision of outpatient prenatal and postpartum care at AVHC and maintain existing physician services arrangements for the provision of inpatient obstetrical services to County-registered patients at AV Hospital.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:pps

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BLETC3587.PPS

SUMMARY OF AGREEMENT

1. Type of Service:

Medical Services Agreement for on-site prenatal and postpartum care at Antelope Valley Health Center and off-site inpatient obstetrical services for County-registered patients at Antelope Valley Hospital.

2. Contractor's Name, Addresses, and Telephone Number:

Samy F. Farid, M.D., Inc. (Obstetrician and Gynecologist)
44241 North 15th Street West, Suite 205
Lancaster, CA 93534
Telephone: (661) 949-5193

3. Term:

Date of Board approval through June 30, 2005, with four successive one-year renewal periods, ending on June 30, 2009.

4. Financial Information:

The total estimated net County cost for a full 12-month period is \$142,000. The total cost for the period of November 9, 2004 through June 30, 2005 of Fiscal Year (FY) 2004-05 is estimated to be \$94,666. Funding is included in the FY 2004-05 Adopted Budget and will be requested in future fiscal years.

5. Geographic Area To Be Served:

Antelope Valley area

6. Accountability for Monitoring:

High Desert Health System Administrator

7. Approvals:

Operations: Fred Leaf, Chief Operating Officer

Contract Administration: Irene Riley, Director

County Counsel (approval as to form): Sharon A. Reichman, Principal Deputy County Counsel

Contract # _____

MEDICAL SERVICES AGREEMENT
(Obstetrical Services - Antelope Valley Area)

THIS AGREEMENT is made and entered into this _____ day
of _____, 2004,

by and between the COUNTY OF LOS ANGELES
(hereafter "County"),
and SAMY F. FARID, M.D, INC.
(hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code,
Sections 1441 and 1445, County has established and operates,
through its Department of Health Services, various County
hospitals, comprehensive health centers and health centers,
including Antelope Valley Health Center (hereafter "AVHC");
and,

WHEREAS, AVHC is under the administrative and medical
direction of High Desert Health System (hereafter "HDHS"); and,

WHEREAS, the County provides prenatal and postpartum
outpatient services to County patients at AVHC; and,

WHEREAS, inpatient obstetrical medical services are needed
for County patients who receive prenatal outpatient services at
AVHC and whom Contractor intends to refer to Antelope Valley
Hospital for inpatient obstetrical services; and

WHEREAS, Contractor has as its principal officer a physician
duly licensed and certified under the laws of the State of
California to engage in the practice of medicine; and

WHEREAS, Contractor's principal officer maintains a medical practice in the community and has applied for and been granted full clinical privileges to practice obstetrics and gynecology at Antelope Valley Hospital in accordance with Antelope Valley Hospital's medical staff bylaws; and,

WHEREAS, Contractor's principal officer has applied for and been granted clinical privileges by HDHS to practice at AVHC, in accordance with HDHS credentialing policies and procedures; and

WHEREAS, County is authorized by California Government Code Sections 26227 and 31000, and by California Health and Safety Code Sections 1441, 1445, and 1451 to contract for the medical services described hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM AND TERMINATION:

A. The term of this Agreement shall commence on the date of Board approval and shall continue in full force and effect to and including June 30, 2005. Thereafter, this Agreement may be renewed for successive one (1) year renewal periods, not to exceed a total period of five (5) years, without further action by the parties hereto, to expire on June 30, 2009, unless the desire of either party to terminate this Agreement is given in writing to the other party not less than ninety (90) days prior to the expiration of the initial or any successive term. In any event, either party may terminate this Agreement at any time, for any

reason, with or without cause, by providing at least ninety (90) calendar days' prior written notice thereof to the other party.

B. Notwithstanding any other provision of this Agreement, the Director of the Department of Health Services (hereafter "Director") may find Contractor out of compliance with this Agreement and immediately terminate this Agreement if Contractor's principal officer and/or Contractor's employees and/or agents and/or subcontractors demonstrate a consistent failure to adhere to AVHC policies and procedures or the Department of Health Services' and HDHS Medical Staff Policies and Procedures.

C. County may suspend or terminate this Agreement immediately if the license to practice medicine of Contractor's principal officer and/or employees, agents, or subcontractors is or are suspended or revoked by the State of California (Medical Board of California or California Board of Osteopathy, as appropriate) or if Contractor's principal officer and/or employees and/or agents and/or subcontractors is/are unable to maintain medical staff privileges to practice Obstetrics/Gynecology at Antelope Valley Hospital, as necessary to perform the services described in this Agreement.

D. Notwithstanding any other provision of this Paragraph, the failure of Contractor to comply with the

terms of this Agreement, or any directions by or on behalf of County issued pursuant hereto, shall constitute a material breach of this Agreement upon which County may immediately terminate this Agreement.

E. County's failure to exercise any right of termination under this Paragraph shall not constitute waiver of such right and the same may be exercised at any subsequent time.

F. Director is authorized to execute any necessary or required suspension(s) or termination(s) pursuant to this Paragraph on behalf of County.

2. ADMINISTRATION: Director or his duly authorized designee is authorized to administer this Agreement on behalf of County.

3. DESCRIPTION OF SERVICES: Contractor shall provide outpatient and inpatient medical services to County Registered Patients as set forth in Exhibit "A", attached hereto and incorporated herein by reference, at AVHC (outpatient) and at Antelope Valley Hospital (inpatient) in those cases where Contractor deems referral to that facility for inpatient care to be medically appropriate and necessary.

For purposes of this Agreement, "County Registered Patients" are defined as all patients seeking outpatient obstetrical services who present for obstetrical care and treatment at AVHC and who are registered by AVHC staff for the receipt of that care

and treatment at the AVHC site in accordance with the Department of Health Services' standard practices and policies.

For purposes of this Agreement, "County Registered Patients" shall also include all such outpatients who are treated at AVHC by Contractor and who are admitted to and treated at Antelope Valley Hospital for obstetrical services, based upon a referral for such by Contractor, and who also have been designated as County Registered Patients by the Medical Director of AVHC or his authorized representative (hereafter collectively "Medical Director") in consultation with Contractor. Additionally, for purposes of this Agreement, "obstetrical services" shall mean all deliveries, including vaginal and cesarean deliveries, as well as the assessment and treatment of County Registered Patients presenting at AVHC or Antelope Valley Hospital or both for pregnancy-related problems and services at or above twenty (20) weeks of gestation.

County and Contractor acknowledge that Contractor and/or Contractor's agents or intended subcontractors maintain private medical practices that are separate and distinct from the services that it and/or they provide pursuant to this Agreement. County and Contractor agree that Contractor and/or Contractor's agents shall not refer patients seen in their private medical practices for obstetrical services at AVHC.

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4. COMPENSATION:

A. Outpatient Obstetrical Services: County shall compensate Contractor for professional outpatient obstetrical services provided to all County Registered Patients at AVHC, in accordance with the terms and conditions of this Agreement, at the rate of _____ Dollars (\$___) per session of service provided at AVHC. For purposes of this Agreement, a "session of service" shall be defined as all hours of any morning or afternoon which are scheduled for the provision of clinic services by Medical Director. In the event that Contractor is absent from AVHC during previously scheduled patient care hours, the per session fee shall be reduced pro rata based on the amount of time absent.

For outpatient services provided at AVHC, Contractor shall document services and sessions rendered on County Contract Physician's Log forms provided by Medical Director. Medical Director shall assure that such medical services were provided and that HDHS maintains appropriate time records to reflect the provision of same.

Contractor shall not bill the patient, the patient's family, Medi-Cal, or any other third-party payor for outpatient services provided under this Agreement and shall not accept or receive any cash payment or other compensation from or on behalf of any patient for such services.

Contractor shall be compensated solely by County for the outpatient services rendered pursuant to this Agreement.

B. Inpatient Obstetrical Services:

(1) County Registered Patients - Indigent:

Contractor shall provide inpatient obstetrical services at Antelope Valley Hospital to County Registered Patients who are also indigent at the rate of _____ Dollars (\$___) per inpatient delivery. For purposes of this Agreement, a "County Registered Patient - Indigent" is one who meets the definition of "County Registered Patient," as set forth in Paragraph 3 of this Agreement, who does not qualify for any form of private or public insurance, including Medi-Cal, who does not possess the financial means to pay for medical services obtained at AVHC based upon financial screening conducted by County, and for whom Contractor is unable to obtain reimbursement through Proposition 99 Tobacco Tax funds after exhausting the claiming process in place for those funds. Contractor shall not bill the patient, the patient's family, or Medi-Cal for inpatient services provided to County Registered Patients - Indigent. Additionally, prior to seeking reimbursement from the County pursuant to this Agreement, Contractor shall seek reimbursement for services provided to these patients from Proposition 99 Tobacco Tax funds. Contractor shall

be reimbursed for services provided to these patients pursuant to this Agreement only after providing documentary evidence that a claim submitted for reimbursement for Proposition 99 Tobacco Tax funds was denied in whole or in part. In the event that Contractor's Proposition 99 claim was denied only in part, County shall be liable for paying only the balance remaining on the claim. In no event shall County's liability to Contractor on a partially denied Proposition 99 claim exceed _____ Dollars (\$___).

(2) County Registered Patients: Medi-Cal Fee for Service Beneficiaries: Contractor shall seek reimbursement for the costs associated with the inpatient obstetrical services provided at Antelope Valley Hospital to County Registered Patients who are also beneficiaries of Medi-Cal from the Medi-Cal program. Contractor shall be responsible for submitting claims for payment to the Medi-Cal program, using Contractor's provider number, and shall not look to County to do so. County shall not have any obligation or responsibility to reimburse Contractor for the costs associated with the inpatient care provided to these patients.

(3) County Registered Patients: Medi-Cal Managed Care Plan Beneficiaries: Contractor shall seek

reimbursement for the costs associated with the inpatient obstetrical services provided at Antelope Valley Hospital to County Registered Patients who are also beneficiaries of Medi-Cal Managed Care health plans from the beneficiary's Medi-Cal Managed Care health plan. Contractor shall be responsible for submitting claims for payment to the Medi-Cal Managed Care health plan and shall not look to County to do so. County shall not have any obligation or responsibility to reimburse Contractor for the costs associated with the inpatient care provided to these patients.

(4) County Registered Patients: Los Angeles County Community Health Plan Members: Contractor shall seek reimbursement for the costs associated with the inpatient obstetrical services provided at Antelope Valley Hospital to County Registered Patients who are also members of the Los Angeles County Community Health Plan ("LACCHP") from the LACCHP. Contractor shall be responsible for submitting claims for payment to LACCHP in accordance with its policies and procedures for the submission of such claims and shall not look to County to do so. County shall not have any obligation or responsibility pursuant to this Agreement to reimburse Contractor for the costs associated with the inpatient care provided to these patients.

C. Administrative Services: Contractor shall be paid _____ Dollars (\$___) per hour for all administrative services specifically authorized and assigned by HDHS. Such services shall not exceed three (3) hours per week.

D. Maximum Compensation: The maximum compensation for a twelve (12) month period shall not exceed One Hundred Forty-Two Thousand Dollars (\$142,000).

E. In the event this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.

F. Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including, but not limited to, Federal and State withholding taxes, Social Security taxes, Unemployment Insurance and Disability payments.

G. Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services.

5. BILLING AND PAYMENT: Contractor shall bill County for all outpatient services provided hereunder monthly in arrears. Contractor shall bill County for inpatient services provided to

County Registered Patients - Indigent only after claims submitted for Proposition 99 Tobacco Tax funds have been denied. In either event, Contractor shall adhere to the procedures set forth below.

A. Billings to County for outpatient services shall include the date on which services were performed, the number of sessions worked on each such date, and the number of scheduled hours, if any, Contractor was absent. Billings for inpatient services shall include the patient name, date of service, and a description and itemization of services provided. Additionally, for inpatient services provided to County Registered Patients - Indigent, Contractor shall also submit documentary evidence demonstrating denial of any claim(s) submitted for Proposition 99 Tobacco Tax funds.

B. All billings to County shall be in duplicate and forwarded to the attention of the Medical Administration of HDHS. County shall pay Contractor within thirty (30) calendar days of receipt of a complete and correct invoice.

C. Contractor shall not bill any County Registered Patient - Indigent for services provided under this Agreement.

D. Contractor shall fully cooperate with HDHS and AVHC and the staff of the County's Treasurer-Tax Collector or any County billing and collection contractor, in billing third-party payers and patients for care provided by Contractor hereunder.

6. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees or 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. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. Further, Contractor shall ensure that its subcontractors are liable and responsible for all legally required employee benefits for subcontractor's employees. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State and local taxes, or other compensation or benefits to any employees provided by Contractor or any subcontractor.

C. Contractor understands and agrees that Contractor and all persons furnishing services to County on behalf of Contractor pursuant to this Agreement are, for purposes of workers' compensation liability, the sole responsibility of Contractor and not the responsibility of County. Contractor shall bear the sole responsibility and liability for any and all workers' compensation benefits to Contractor and any

person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

7. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontract's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, (who shall be licensed as appropriate for provision of subcontract services);

(2) A copy of the proposed subcontract, which includes the payment amount. (Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.)

(3) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision:
"This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of Paragraphs 3, 4, 5, 8 and 9 of this Agreement as well as all of the provisions of the Additional Provisions.

In the event that Contractor uses a subcontractor or subcontractors for the provision of outpatient services pursuant to this Agreement, Contractor shall pay its subcontractor(s) on a "per session" basis. To the extent subcontractor is absent during previously scheduled hours, Contractor may reduce its per session payment to subcontractor on a pro rata basis. In the event that Contractor uses a subcontractor or subcontractors for the provision of inpatient services pursuant to this Agreement, Contractor shall pay its subcontractor(s) on a "per delivery" basis. In both events, Contractor shall assure that the rates paid to its subcontractor(s) shall be fair market value.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the

subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

8. INDEMNIFICATION:

A. County shall defend, indemnify, and save harmless only Contractor, Samy Farid M.D., Inc.; Barry Berman, M.D., Inc.; Soodabeth Abravesh, M.D., Incorporated; and Jackson Chia-Sun Fu, M.D., to the extent that they are either employees of Contractor or approved subcontractors (for purposes of this Paragraph hereafter collectively referred to as "Protected Entity") from liability, expense and claims for damages resulting from or related to a medical incident arising out of the provision of contract services hereunder. For purposes of this Agreement, a "medical incident" shall mean any act or omission in the rendering of, or failure to render, medical services, or treatment to County Registered Patients by a Protected Entity, at AVHC or at Antelope Valley Hospital, in the performance of the Protected Entity's professional obligations under this Agreement.

B. County's defense and indemnification of Protected Entity hereunder shall only apply to payments of settlements, judgments, and awards to third parties. County's defense and indemnification of Protected Entity

hereunder shall further only arise if Protected Entity's liability is to a County Registered Patient or the patient's representative, and the patient, at the time of the medical incident, was receiving care from Protected Entity in the discharge of its obligations under the terms and conditions of this Agreement.

C. Protected Entity shall give prompt telephonic notice (within twenty-four [24] hours) to the HDHS Risk Manager of any incident, receipt of notice of intent to sue, action, or claim to which this indemnification applies and shall fully cooperate with County and its claims representatives, in any defense, settlement, or other disposition of such incident, action, or claim. Such telephonic notice shall be immediately followed by written notice to the HDHS Risk Manager. Such written notice shall include all of the information listed in County's Risk Management form. Contractor hereby acknowledges receipt of said County Risk Management form, and shall assure that each Protected Entity receives a copy.

D. County reserves the right to investigate any incident, notice of intent to sue, action, or claim. In such event, Protected Entity shall allow County representatives access to the medical records and reports pertaining to the services provided to any County Registered Patient involved in such incident, notice of intent to sue,

action, or claim. Protected Entity shall also allow County representatives access to its employees and agents, if any, who provided services to the County Registered Patients involved in such incident, notice of intent to sue, action, or claim.

County reserves the right to determine the final disposition of any action or claim. In the event Protected Entity does not agree with the County or its agents in any defense, settlement, or other disposition of such action or claim, Protected Entity may retain counsel, at Protected Entity's sole expense, to pursue defense, settlement, or other disposition of such action or claim independently. In the event that Protected Entity chooses to retain counsel at its own expense, County's defense and/or indemnification obligation with respect to such action or claim shall be discharged and immediately terminate. County shall not have any obligation to further defend and/or indemnify Protected Entity, which as a result of choosing to retain independent counsel and pursuing defense, settlement, or other disposition of such action or claim independently, shall no longer be working in good faith with the County.

E. County shall have no defense and/or indemnification responsibility or liability for any incident, notice of intent to sue, action, or claim against Protected Entity where Protected Entity failed to provide County with prompt

telephonic and written notice of such incident, notice of intent to sue, action, or claim, as specified in Subparagraph 6.C. above, or if Contractor has failed to fully and reasonably cooperate with County and its agents in the defense, settlement, or other disposition of such incident, action, or claim.

In addition, County shall have no defense and indemnification responsibility or liability for any incident, action, or claim against Protected Entity by patients or their legal representatives, other than County Registered Patients who are receiving or received services pursuant to this Agreement. In addition, the obligation of the County to defend and/or indemnify shall not extend to or cover any allegation or complaint of Protected Entity's willful or criminal misconduct, including but not limited to sexual harassment, sexual assault, and/or sexual misconduct of any kind, nor shall the obligation to defend and/or indemnify extend to or cover any allegation or complaint pertaining to Protected Entity's employment or agency related matters. The obligation of the County to defend and/or indemnify shall not extend to or cover any person, real and/or corporate, except those specifically identified in Paragraph 8.A. County specifically disclaims any and all obligation to defend and/or indemnify any persons, real or corporate, who are not specifically identified in Paragraph

8.A. The obligation of the County to defend and/or indemnify shall not extend to or cover any award of any punitive damages.

F. The provisions of this Paragraph shall survive the expiration or earlier termination of this Agreement for actions or claims against Protected Entity.

9. GENERAL INSURANCE REQUIREMENTS: Without limiting County's indemnification of Contractor, and during the term of this Agreement, Contractor shall provide the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

A. Evidence of Insurance: Certification(s) or other evidence of coverage satisfactory to County shall be delivered to the parties and locations as listed in Paragraph 11, NOTICES, Subparagraph A, Sub-sub paragraphs (1) and (2), prior to commencing services under this Agreement. Such certificates or other evidence shall:

(1) Specifically identify this Agreement.

(2) Clearly evidence all coverages required in this Agreement.

(3) Contain the express condition that County is to be given written notice by mail at least thirty (30)

calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(4) Pursuant to Paragraph 10, INSURANCE COVERAGE REQUIREMENTS, include copies of the additional insured endorsement to the Automobile Liability Insurance and Workers Compensation and Employer's Liability Insurance adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insureds for all activities arising from this Agreement.

(5) Identify any deductibles for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expense or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence

of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits:

Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

10. INSURANCE COVERAGE REQUIREMENTS:

A. Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$300,000 for each accident. Such

insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

B. Workers Compensation and Employer's Liability

Insurance: If Contractor or any authorized subcontractor utilizes any of its employees or agents in the provision of any medical services at AVHC and/or Antelope Valley Hospital, as set forth in Exhibit "A", Paragraph 4, then Contractor or subcontractor, as appropriate, shall provide workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

11. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and may either be delivered personally or sent by registered or certified mail, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the parties named. Director is authorized to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either

party by giving ten (10) calendar days prior written notice thereof to the other party.

A. Notices to County shall be addressed as follows:

(1) Los Angeles County High Desert Health System
44900 North 60th Street West
Lancaster, California 93536

Attention: Office of the Administrator

(2) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, Sixth Floor-East
Los Angeles, California 90012

Attention: Division Chief

B. Notices to Contractor shall be addressed as follows:

Samy F. Farid, M.D., Inc.
44241 North 15th Street West, Suite 205
Lancaster, California 93534

12. ADDITIONAL PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled "ADDITIONAL PROVISIONS". The terms and conditions therein contained are part of this Agreement.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

SAMY F. FARID, M.D., INC.
Contractor

By _____
Signature

Printed Name

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

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EXHIBIT A

DESCRIPTION OF SERVICES

1. SERVICES TO BE PROVIDED: Contractor shall provide County with professional medical services described hereunder for County Registered Patients as described in Paragraph 3 of the body of this Agreement.

Contractor's services shall be performed only for County Registered Patients and shall be under the administrative and professional direction of Medical Director. HDHS shall retain professional and administrative responsibility for the services provided under this Agreement. Such services include, but are not limited to, one or more of the following:

A. Outpatient Obstetrical Services: Contractor shall provide outpatient obstetrical services, as well as all services related thereto, at AVHC, at the times (sessions) and on dates scheduled in writing by Medical Director. HDHS Medical Facility shall maintain such schedules throughout the Agreement term and for a period of five years thereafter for purposes of inspection and audit.

B. Inpatient Obstetrical Services: Contractor shall provide inpatient obstetrical services, as well as all services related thereto, for County Registered Patients that Contractor refers to Antelope Valley Hospital. Contractor shall arrange for continuous on-call coverage for the provision of these services as-needed twenty-four (24)

hours per day, seven (7) days per week. Contractor shall maintain an on-call schedule, in effect at all times, identifying the physician(s) on-call, and shall furnish copies of this schedule to the Antelope Valley Hospital Obstetrical Service, AVHC, and Medical Director.

C. Administrative services: As requested by Medical Director, Contractor shall provide the following services, including but not limited to:

- (1) Participating in Quality Assurance and Utilization Review activities;
- (2) Participating on HDHS professional staff committees;
- (3) Participating in HDHS or AVHC licensure and Joint Commission on the Accreditation of Healthcare Organization ("JCAHO") reviews;
- (4) Participating in HDHS or AVHC planning and equipment planning activities;
- (5) Participating in continuing medical education activities; and
- (6) Developing internal policies and procedures.

2. CONTRACTOR'S PROFESSIONAL QUALIFICATIONS:

A. Licenses: All physicians providing services under this Agreement must be appropriately licensed by the State of California and each must carry her/his current State

license (not a copy) when performing services under this Agreement.

Prior to the effective date of this Agreement, and for all personnel to provide services under this Agreement, Contractor shall provide Medical Director with a copy of all current licenses, credentials, or certifications required by law for the provision of services hereunder.

B. Credentialing Requirements: All physicians providing services under this Agreement must meet the credentialing criteria set forth by HDHS (for AVHC) and Antelope Valley Hospital prior to providing services under this Agreement. Among other things, Medical Director shall verify the current status of Contractor's physicians' licenses, medical clearance(s) (in accordance with Title 22, California Code of Regulations requirements), credentials, certifications, and claims history. Medical Director shall also query the National Data Bank and the State Medical Board about Contractor's physicians' background(s). Medical Director shall discontinue Contractor's physicians' services immediately if Contractor's physicians either do not meet Medical Facility's credentialing criteria, or Contractor's physicians' licenses, credentials, or certifications are not current, or both.

In the event HDHS inadvertently utilizes Contractor's physicians' services absent the appropriate licenses, credentials, or certifications, Medical Facility shall have no obligation to pay Contractor for services to patients hereunder.

C. Bloodborne Pathogens: All physicians providing services under this Agreement must read and sign a statement that she/he has read the Occupational Safety and Health Agency ("OSHA") Bloodborne Pathogens Information packet prior to providing services under this Agreement.

Medical Director shall retain such statement in Contractor's credentialing files.

Failure to comply with the requirements of this Paragraph, as determined by HDHS audit/compliance review, shall constitute a material breach of this Agreement upon which Director may immediately terminate this Agreement.

D. Joint Commission on the Accreditation of Healthcare Organizations Standards: Throughout the term of this Agreement, Contractor shall be in conformance with the applicable continuing education requirements established by JCAHO or the State Medical Board or both.

3. STANDARDS OF CARE:

A. All medical services provided hereunder shall be performed in accordance with all applicable and accepted

professional and ethical standards of the medical profession and shall be in compliance with all applicable Federal, State, and local laws, ordinances, regulations, rules, and directives, as well as with all applicable regulations, policies, procedures, rules, and directives of AVHC, HDHS, and Antelope Valley Hospital.

B. County has established a Quality Assessment and Improvement Committee, composed of County employees appointed by Director to review the services contemplated by this Agreement and to assure a standard of care by Contractor and others which is consistent with the laws of the State and Federal governments, with County's Quality Assessment and Improvement standards, and with the prevailing standards of medical practice in the community. Contractor agrees to adhere to the standards thereby established and to fully cooperate in any review of patient care by County's Quality Assessment and Improvement Committee representatives.

4. USE OF EMPLOYEES AND AGENTS: Contractor shall not utilize any of its employees or agents in the provision of any medical services under this Agreement without obtaining the prior written approval of Medical Director and without otherwise satisfying all subcontracting requirements of Agreement. No such employee or agent shall provide services on County premises

unless he or she has satisfied all applicable physical examination and immunization requirements of Title 22, California Code of Regulations.

In any event, Contractor shall immediately remove any Contractor employee or agent from the provision of such services at under this Agreement upon receipt of oral or written notice from Medical Director that the actions of such employee or agent may adversely affect the delivery of health care services.

Regardless of Contractor's use of any employee or agent hereunder, County shall only be obligated to pay for Contractor's services under this Agreement.

5. PARKING SPACE: When providing services hereunder at AVHC, parking for one vehicle will be made available by Medical Director to Contractor.

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ADDITIONAL PROVISIONS
MEDICAL SERVICES AGREEMENT

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ADDITIONAL PROVISIONS

MEDICAL SERVICES AGREEMENT

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ADDITIONAL PROVISIONS

MEDICAL SERVICES AGREEMENT

1. RECORDS AND AUDITS:

A. Financial Records: Contractor shall prepare and maintain accurate and complete financial records of its activities and operations as they relate to services provided under this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete personnel time records and other records of all services provided hereunder. All such records shall include supporting documentation and other information sufficient to fully and accurately reflect Contractor's provision of services hereunder, including, but not limited to, its cost of providing such services and all charges billed to County.

All financial records of Contractor pertaining to this Agreement shall be retained by Contractor for a minimum period of five (5) years following the expiration or earlier termination of this Agreement. During such five (5) years, as well as during the term of this Agreement, all such records shall be retained by Contractor at a location in Southern California and shall be made available during County's normal business hours to representatives of County's Auditor-Controller and the Department of Health Services for purposes of inspection and audit.

B. Patient Records: Contractor shall prepare all appropriate medical records for County patients receiving services hereunder. If a County patient receives services from Contractor at Contractor's private office (a possibility for High Desert Health System patients only), then Contractor shall also maintain such records on any such patient. Such records shall include, but are not limited to, progress notes and records of services provided in sufficient detail to permit the evaluation of services rendered pursuant to this Agreement. All patient records for patients seen in Contractor's office shall be retained by Contractor for a period of five (5) years following the expiration or earlier termination of this Agreement, unless otherwise required under State law. During such five (5) year period, as well as during the term of this Agreement, all such records shall be retained by Contractor at a location in Los Angeles County and shall be made available upon ten (10) working days prior written notice to authorized representatives of County designated by Director or by County's Auditor-Controller, or both, for purposes of inspection and audit.

C. Knox-Keene Health Care Services Requirements: If Contractor provides medical services hereunder at its private offices, Contractor shall further maintain all

applicable books, documents, and records regarding services rendered to subscribers or enrollees of the Los Angeles County Community Health Plan for a period of five (5) years following the expiration or earlier termination of this Agreement. This obligation shall not be terminated upon expiration or termination of this Agreement.

Director shall have the right to inspect, at reasonable times upon demand during the term of this Agreement and for five (5) years thereafter, Contractor's books, records, and papers relating to: (1) the provisions of health services at Contractor's office to subscribers or enrollees of the Los Angeles County Community Health Plan, (2) the costs thereof, (3) co-payments received by Contractor from subscribers or enrollees and, (4) the financial condition of Contractor.

Contractor shall maintain such records and provide such information to the Commissioner of Corporations as may be necessary for compliance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (California Health and Safety Code sections 1340, et seq.) and all rules and regulations adopted pursuant thereto.

D. Federal Access to Records: If, and to the extent that, section 1861(v)(1)(I) of the Social Security Act [42 U.S.C. section 1395(v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the

furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contract, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

E. Audit Report: In the event that an audit is conducted of Contractor by a Federal or State auditor (including audits conducted by the Medicare and Medi-Cal programs, or both), Contractor shall file a copy of each such audit report(s) with County's Auditor-Controller Department within thirty (30) calendar days of receipt thereof, unless otherwise provided for under this Agreement, or under applicable State or Federal regulations. To the

extent permitted by law, County shall maintain the confidentiality of all such audit report(s).

F. Audit/Compliance Review: In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial reports, medical records, and reports pertaining to this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review.

County may conduct a statistical audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of any such audit/compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any resultant written evaluation report(s).

Contractor shall have the opportunity to review County's findings for Contractor, and Contractor shall have thirty

(30) calendar days after receipt of County's audit/compliance review results to provide documentation to the County representatives to resolve audit exceptions. If, at the end of the thirty (30) day period there remain audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results shall be applied to the total County payments made to Contractor for all claims paid during the audit/compliance review period to determine Contractor's liability to County.

G. County Audit Settlements: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due to Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference

shall be paid forthwith by County to Contractor by cash payment.

H. Failure to Comply: Failure of Contractor to comply with the requirements of this Paragraph shall constitute a material breach of this Agreement upon which County shall give Contractor a written "Notice of Material Breach". If such breach has not been cured within ten (10) business days following the giving of such Notice, then County may, at County's sole discretion, immediately terminate this Agreement pursuant to the provisions of Paragraph 1, TERM AND TERMINATION, in the body of this Agreement. County's failure to exercise this right of termination shall not constitute waiver of such right, and the same may be exercised at any subsequent time.

2. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State, and local laws, ordinances, regulations, and directives relating to confidentiality. Contractor shall inform all its officer, employees, and agents, providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damages, liability,

and expense arising out of any disclosure of such records and information by Contractor, its officer, employees, and agents.

County shall indemnify and hold harmless Contractor, its officers, employees, and agents, from and against any and all loss, damages, liability, and expense arising out of any disclosure of such records and information by County, its officers, employees, or agents.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, sexual orientation, or physical or mental handicap, in accordance with requirements of Federal and State law. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is different, or is provided in a different manner, or at a different time, from that provided to others; subjecting any person to segregation or separate treatment in any matter related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirement or

conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, or physical or mental handicap.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor 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, and will not be discriminated against because of, race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

B. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment without regard to, and will not be discriminated against because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may

hereafter be amended. Such action shall include, but is not limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

C. Contractor shall deal with its subcontractors, bidders or vendors without regard to, and will not be discriminated against because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, as required by all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

D. Contractor shall allow County representatives access to its employment records during regular business hours to verify compliance with these provisions when so requested by Director. Prior to any such inspection, Contractor may remove personal employee information from such records which is protected under the privacy laws of the State of California. To the extent any such information may come into the possession of County during such an inspection, County hereby promises to protect same from disclosure to third parties.

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

F. The parties agree that in the event Contractor violates the anti-discrimination provisions of this Paragraph, County shall, at its option, be entitled to a sum of Five Hundred Dollars (\$500) per violation or group of such violations investigated, pursuant to Civil Code section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

G. The parties understand and agree that the liquidated damages payable pursuant to Subparagraph 4.F. above are meant to compensate County for the costs of each investigation of violation(s) of the anti-discrimination provisions of this Paragraph, and therefore, the parties

agree that the basis for assessing liquidated damages for purposes of Sub-paragraph 4.F. above shall be the number of investigative reports submitted to Director, provided that no violation may be covered in more than one report.

Director shall use his best efforts to insure that violations will be grouped together whenever possible for purposes of investigation.

5. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES:

Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, and certificates required by law for the operation of its medical practice and for the provision of services pursuant to this Agreement. Contractor shall ensure that all its officers, employees, and agents who perform services hereunder, obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, and certificates required by law which are applicable to their performance of services hereunder. Such licenses, permits, registrations, and certificates shall be made available to Director upon request.

6. RULES AND REGULATIONS: During the time the Contractor, its officers, employees, or agents are at Medical Facility, Contractor and such persons shall be subject to the rules and regulations of Medical Facility. It is the responsibility of Contractor to acquaint itself and such persons who may provide

services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its officers, employees, or agents from the provision of services hereunder upon receipt of written notice from Director that (a) such officer(s), employee(s), or agent(s) has (have) violated such rules and regulations, or (b) such officer's, employee's, or agent's actions, while on County premises, may harm County patients. Director shall provide Contractor with a written statement of the facts supporting any such violation or action.

7. STAFF PERFORMANCE WHILE UNDER THE INFLUENCE: Contractor shall use its best efforts to ensure that no employee or physician, including Contractor, will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair her/his physical or mental performance.

8. CONTRACTOR PERFORMANCE DURING DISASTER OR CIVIL UNREST: Contractor recognizes that health care facilities maintained by County, including shelters and relief facilities operated by County during a disaster, provide care essential to the residents of the communities they serve and that these services are of particular importance at the time of a natural disaster or other similar event, or at the time of riot, insurrection, or civil unrest. Notwithstanding any other provision of this Agreement, Contractor shall continue to provide services at Medical Facility

and, if requested to do so by Director, shall also provide services at County-operated shelters and relief facilities, during any natural disaster or other similar event, riot, insurrection or civil unrest, so long as such performance remains physically possible.

Director shall provide Contractor with an explanation of the services and responsibilities required of Contractor in the event of a disaster or civil unrest.

9. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers, employees, and agents providing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the 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 ensure that there is no violation of said provisions by its officers, employees, and agents. Contractor agrees that if a patient requests assistance in obtaining the services of any attorney, it will refer the patient to the attorney referral service of those bar associations within Los Angeles County that have such a service.

10. CONFLICT OF INTEREST: No County officer or employee whose position in County enables him/her to influence the award or the administration of this Agreement or any competing

agreement, and no spouse or economic dependent of such officer or employee, shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement.

No officer or employee of Contractor who may financially benefit from the 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.

Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved and complete description of all relevant circumstances.

11. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee,

excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

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

12. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void.

13. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all Federal, State, and local laws, ordinances, regulations, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Contractor shall indemnify and hold harmless County, its officers, employees and agents from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers,

employees, or agents of such Federal, State, or local laws, ordinances, regulations, or directives.

14. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

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

16. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor 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 requirements contained in Federal statutes and regulations. Contractor 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. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

17. RESTRICTIONS ON LOBBYING: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by section 319, Public Law 101-121 (31 United States Code section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

18. COUNTY LOBBYISTS: Each County lobbyist as defined in Los Angeles County Code section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist retained by Contractor to fully

comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

19. MERGER PROVISION: The body of this Agreement, including all the exhibits and attachments thereto, fully express all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement whether by written or verbal understanding of the parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties.

20. SEVERABILITY: If any provision of this Agreement, including any provision in an exhibit, or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

21. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County 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 Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

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

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

22. COUNTY'S QUALITY ASSURANCE PLAN: Director will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which Director determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the County Board of Supervisors. The report will include improvement/corrective action measures taken by County and

Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

23. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: 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 in compliance with employment and wage reporting requirements as required by the Federal Social Security Act [42 USC Section 653 (a)] and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department ("CSSD") 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. 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 the CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM Paragraph immediately above, shall constitute 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 County may terminate this Agreement pursuant to the TERM AND TERMINATION Paragraph of this Agreement, and pursue debarment of Contractor pursuant to County Code Chapter 2.202.

25. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT: Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L.A.'s ("Los Angeles") Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's CSSD will supply Contractor with the poster to be used.

26. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

27. CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it or any of its staff members 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 Contractor 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 Contractor or one or more of its employees, agents, or staff members barring it or the employee(s), agent(s), or member(s) from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any

Federal exclusion of Contractor or its staff members from such participation in a Federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

28. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a re-employment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

29. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: 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 County's DPSS GAIN or GROW

program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to 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.

30. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the locations (i.e., facilities) where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with the provisions of this Paragraph.

31. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

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

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engage 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 County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contract Hearing Board.

G. These terms shall also apply to any subcontractors of Contractor.

32. COMPLIANCE WITH HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"). Contractor understands and agrees that, as a provider of medical treatment services, 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 its staff and the establishment of proper procedures for the release of such information, and the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor'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.

Contractor and County 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 the 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.

33. SAFELY SURRENDERED BABY LAW: Contractor shall notify and provide to each of its officers, employees, and agents, and shall require that each of Contractor's subcontractors providing services under this Agreement also notify and provide to each of its officers, employees, and agents, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. County's fact sheet is available on the Internet at www.babysafela.org for printing and review purposes. Further, Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage Contractor and all of its subcontractors, providing services under this Agreement, if any, to

voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at their place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

34. USE OF RECYCLED-CONTENT PAPER: Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

pps:09/17/04
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