



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

October 10, 2006

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

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

Dear Supervisors,

**APPROVAL OF DELEGATION OF DUTIES AND ASSIGNMENT OF RIGHTS OF AGREEMENT NO. H-702017 FROM DIVERSIFIED DATA DEVELOPMENT CORPORATION TO AGDATA, L.P.
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to offer and sign Amendment No. 1 to Agreement No. H-702017, substantially similar to Exhibit I, approving the delegation of duties and assignment of rights of Diversified Data Development Corporation, dba Diversified Data Design Corporation (DDD) to AGDATA, L.P. (AGDATA), for the continued provision of encounter data capturing, processing, and reporting services for the Community Health Plan (CHP), effective date of Board approval through April 30, 2011, with provisions for two automatic annual renewals through April 30, 2013, under the same terms and conditions at no additional cost to County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended actions, the Board is ensuring the continued provision of critically needed encounter data capturing, processing, and reporting services to remain in compliance with CHP's regulatory and oversight agencies.

FISCAL IMPACT/FINANCING:

There is no fiscal impact as a result of this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The CHP, a full-service Knox-Keene licensed and federally qualified Health Maintenance Organization (HMO), is the County's publicly operated HMO administered by the Department's Office of Managed Care. The CHP provides services funded by the: a) L.A. Care Health Plan for Medi-Cal beneficiaries; b) California Managed Risk Medical Insurance Board for Healthy Families Program subscribers; c) Personal Assistance Services

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Los Angeles, CA 90012

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Council (PASC) for In-Home Supportive Services workers; and d) County, for County's temporary employees enrolled under CHP.

Encounter data capturing, processing, and reporting is mandated by CHP's regulatory and oversight agencies. Non-compliance in the timeliness, volume, and accuracy of submitted encounter data may result in sanctions, financial penalties, restriction of assigned members, and loss of health care program contracts.

On September 15, 1999, the Internal Services Department (ISD) approved a purchase order with DDD to provide capturing, processing, and reporting Child Health and Disability Prevention encounter information for the CHP. Subsequently, on September 17, 2001, ISD approved a supplemental purchase order with DDD to include medical out-patient, in-patient, and long-term care encounters for CHP.

On June 4, 2002, the Board of Supervisors approved Agreement No. H-207575 with DDD for encounter data processing services. Subsequently, on March 18, 2003 and April 20, 2005, the County and DDD signed Amendment No. 1 and Amendment No. 2, respectively, to include Health Insurance Portability and Accountability Act (HIPAA) language.

On April 18, 2006, the Board of Supervisors approved Agreement No. H-702017, a sole source replacement agreement, with DDD for encounter data processing services that includes capturing, processing, and reporting services for CHP, effective May 1, 2006 through April 30, 2011, with provisions for two automatic annual renewals through April 30, 2013.

On July 27, 2006, DDD notified DHS OMC that AGDATA had acquired ownership of DDD's stocks and that DDD became a subsidiary of AGDATA effective July 14, 2006.

The Amendment is not subject to approval by the Chief Information Office because neither the Agreement nor the Amendment provides for the purchase or acquisition of software, hardware or systems programming.

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

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise the assignment of agreement actions on the Los Angeles County Online Website.

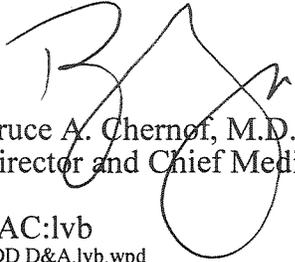
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure the continued provision of encounter data services to remain in compliance with CHP's regulatory and oversight agencies.

The Honorable Board of Supervisors
October 10, 2006
Page 3

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'BAC', is written over the typed name and title of the signatory.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:lvb
DDD D&A.lvb.wpd

Attachments (2)

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

SUMMARY OF AMENDMENT

1. TYPE OF SERVICE:

Encounter data capturing, processing, and reporting services.

2. AGENCY NAME AND CONTACT PERSON:

From:

Diversified Data Development Corporation
dba Diversified Data Design Corporation
5875 Green Valley Circle
Culver City, California 90230
Attention: Horace J. Clark III, President
Telephone: (310) 973-2880
Fax: (310) 973-1381

To:

AGDATA, L.P.
2100 Rexford Road
Charlotte, North Carolina 28211
Attention: Steve Purdy, Esq., COO
Telephone: (704) 367-4611
Fax: (704) 367-0496

3. TERM:

The Delegation and Assignment is effective upon Board approval through April 30, 2011, with provisions for two annual automatic renewals through April 30, 2013, unless earlier terminated by County, with at least 30 calendar days written notice.

4. FINANCIAL INFORMATION:

There is no additional County cost for this Delegation and Assignment.

5. GEOGRAPHIC AREAS SERVED:

All areas.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Office of Managed Care

7. APPROVALS:

Clinical and Medical Affairs: John Cochran, III, Chief Deputy Director

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Edward Yen, Deputy County Counsel

APPROVAL OF DELEGATION OF DUTIES AND ASSIGNMENT OF RIGHTS

AMENDMENT NO. 1

THIS APPROVAL OF DELEGATION AND ASSIGNMENT OF AGREEMENT is made and entered into this _____ day of _____, 2006,

by and between COUNTY OF LOS ANGELES
(hereafter "COUNTY"),

and DIVERSIFIED DATA DEVELOPMENT CORPORATION, DBA DIVERSIFIED DATA DESIGN CORPORATION
(hereafter "DDD"),

and AGDATA, L.P
(hereafter "AGDATA")

WHEREAS, on April 18, 2006, County and DDD entered into an ENCOUNTER DATA SERVICES AGREEMENT with County's Department of Health Services, Office of Managed Care, further identified as County Agreement No. H-702017 (hereafter "Agreement"); and

WHEREAS, On July 27, 2006, DDD notified the County that on July 14, 2006 AGDATA had acquired DDD through a stock purchase; and

WHEREAS, Paragraph 24, PROHIBITION AGAINST ASSIGNMENT AND DELEGATION, of Agreement No. H-702017 prohibits DDD from delegating its duties or assigning its rights thereunder without prior written consent of County; and

WHEREAS, it is the desire of the parties hereto to delegate all of the duties and assign all of the rights under Agreement No. H-702017 from DDD to AGDATA; and

WHEREAS, it is the desire of the parties to have DDD transfer its interest to AGDATA such that DDD shall be the wholly-owned subsidiary of AGDATA; and

WHEREAS, the Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to provide for the changes set forth herein and make the changes described hereinafter.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective upon the date of its approval by County's Board of Supervisors.

2. Except as set forth herein, the parties hereby restate and confirm Paragraphs 1-54 and attached Exhibits of the Agreement as valid.

3. All of DDD'S rights and duties under Agreement are delegated and assigned to AGDATA, effective upon the date of approval by County's Board of Supervisors. AGDATA hereby accepts and assumes all said rights and responsibilities under the Agreement.

4. Effective upon the date of approval by County's Board of Supervisors, any amounts due under Agreement from County for

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

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D., Director
and Chief Medical Officer

DIVERSIFIED DATA DEVELOPMENT
CORPORATION, DBA DIVERSIFIED DATA
DESIGN CORPORATION

Contractor

By _____
Signature

Print Name

Title _____
(Affix Corporate Seal)

AGDATA. L.P.

Contractor

By _____
Signature

Print Name

Title _____
(Affix Corporate Seal)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____

CONTRACT ADMINISTRATION:
Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

October 10, 2006

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First District

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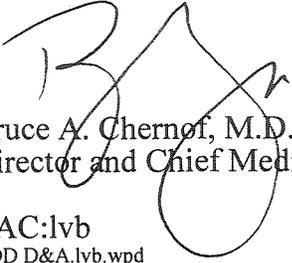
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COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D., Director
and Chief Medical Officer

DIVERSIFIED DATA DEVELOPMENT
CORPORATION, DBA DIVERSIFIED DATA
DESIGN CORPORATION

Contractor

By _____
Signature

Print Name

Title _____
(Affix Corporate Seal)

AGDATA. L.P.

Contractor

By _____
Signature

Print Name

Title _____
(Affix Corporate Seal)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____

CONTRACT ADMINISTRATION:
Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division