



**Health Services**  
LOS ANGELES COUNTY

June 12, 2007

**Los Angeles County  
Board of Supervisors**

**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, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT NO.  
H-209965 WITH LOS AMIGOS RESEARCH AND  
EDUCATION INSTITUTE, INC.**  
(4<sup>th</sup> District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

**Bruce A. Chernof, MD**  
Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**Robert G. Splawn, MD**  
Senior Medical Director

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

*To improve health  
through leadership,  
service and education.*

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 4 to Agreement No. H-209965, substantially similar to Exhibit I, with Los Amigos Research and Education Institute, Inc. for the continued provision of highly specialized orthotic services at Rancho Los Amigos National Rehabilitation Center, effective July 1, 2007, on a month-to-month basis not to exceed three months, through September 30, 2007, at an estimated cost of \$300,000, to allow time for a replacement Agreement to be completed.
2. Delegate authority to the Director of Health Services to enter into a replacement agreement with Los Amigos Research and Education Institute, Inc., for the period October 1, 2007 through September 30, 2012, for the provision of highly specialized orthotic services in exchange for the provision of ground space on the Rancho Los Amigos National Rehabilitation Center campus, with any additional contractual cost obligations and contract terms to be determined in the negotiations, upon approval by County Counsel and the Chief Administrative Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

In approving the recommended actions, the Board is approving the extension of existing highly specialized orthotic services provided by Los Amigos Research and Education Institute, Inc. (LAREI) to continue needed services at Rancho Los Amigos National Rehabilitation Center (Rancho), and delegating authority to the Director to execute a replacement Agreement for the provision of highly specialized orthotic services in exchange for the provision of ground space on the Rancho Los Amigos National Rehabilitation Center campus.



[www.ladhs.org](http://www.ladhs.org)

FISCAL IMPACT/FINANCING:

The estimated cost for the extension period is \$300,000 through September 30, 2007. Funding is included in the Department of Health Services' Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years. Terms and contractual cost obligations will be agreed upon during negotiations for the Replacement Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Rancho provides a unique comprehensive rehabilitation program for severely disabled patients. One of the requirements for a successful rehabilitation program is the ability to provide specialized orthotic appliances and services to the patients. LAREI's orthotics program is an established leader in the fields of research and fabrication of customized orthotic devices. The skill with which LAREI staff construct complicated braces and splints reflects a level of expertise not generally available elsewhere in the community. LAREI provides both standard and highly-specialized technically complex orthoses. In exchange for occupying space at Rancho, LAREI provides these highly specialized orthotics services for Rancho patients.

On December 1, 1998, Agreement No. H-209965 was approved by your Board for orthotic services at Rancho by LAREI effective January 1, 1999 through December 31, 2002. Subsequent Amendments extended the term through June 30, 2007 and included Board-mandated Agreement provisions such as revised language for the County's Child Support Compliance Program and Contractor Responsibility and Debarment.

The County reimburses LAREI for services provided to County-responsible patients at current rates for orthoses listed on the Medi-Cal Schedule of Maximum Allowances. LAREI bills third-party payers (Medi-Cal, Medicare, private insurance, etc.) directly for reimbursement of orthotic services rendered for covered patients.

Attachment A provides additional information.

County Counsel has approved the Amendment, Exhibit I, as to form. The replacement Agreement will include all Board-mandated provisions and be approved by County Counsel and the Chief Administrative Office prior to obtaining signature by LAREI.

CONTRACTING PROCESS:

The Agreement is for intermittent, as needed services of a professional nature and therefore not required to meet Proposition A requirements. The County does not have the personnel, technical expertise or the specialized equipment to perform these highly specialized orthotic services.

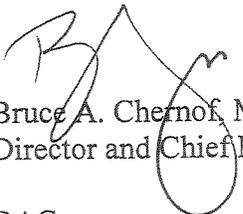
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended actions will ensure that orthotic services at Rancho will not be interrupted and enable Rancho patients to continue to receive specialized orthotics.

Upon approval by the Board of Supervisors, the Executive Officer, Board of Supervisors is requested to return three adopted copies of this letter to DHS.

Respectfully submitted,



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

BAC:r  
BL - Rancho Orthotics.rf.wpd

Attachments (2)

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

**SUMMARY OF AGREEMENT**

1. **TYPE OF SERVICE:**

Orthotic services at Rancho Los Amigos National Rehabilitation Center (Rancho).

2. **CONTRACTOR ADDRESS AND CONTACT PERSON:**

Los Amigos Research and Education Institute, Inc.  
P.O. Box 3500  
Downey, CA 90242  
Attention: Julia LaPlount  
Telephone: (562) 401-8111  
Facsimile: 562-803-5569  
E-Mail: julial@larei.org

3. **TERM OF AGREEMENT:**

Amendment No. 4 is effective July 1, 2007 through September 30, 2007, on a month-to-month basis to execute a replacement Agreement effective October 1, 2007 through September 30, 2012.

4. **FINANCIAL INFORMATION:**

The estimated cost for the extension period is \$300,000 through September 30, 2007. Funding is included in the Department of Health Services' Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years. Terms and contractual cost obligations will be agreed upon during negotiations for the Replacement Agreement.

5. **GEOGRAPHIC AREA TO BE SERVED:**

4<sup>th</sup> District

6. **ACCOUNTABILITY OF MONITORING:**

Administrative staff at Rancho.

7. **APPROVALS:**

Chief Deputy Director: John R. Cochran III

Rancho: Jorge Orozco, Acting Chief Executive Officer

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Sharon A. Reichman, Principal Deputy County Counsel

**ORTHOTIC SERVICES AGREEMENT**

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007,

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

and LOS AMIGOS RESEARCH AND EDUCATION  
INSTITUTE, INC., a corporation  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document  
entitled "Orthotic Services Agreement", dated December 1, 1998,  
and further identified as County Agreement H-209965, and any  
amendments to this Agreement (all hereafter referred to as  
"Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement  
to extend its term to develop a replacement Agreement and to  
make the changes described hereinafter; and

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

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective July 1, 2007.

2. The term of this Agreement is hereby extended from July 1, 2007 on a month-to-month basis not to exceed three (3) months. All other terms and conditions remain the same.

3. Except for the changes set forth herein above, Agreement shall not be changed in any other respect by this Amendment.

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

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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

LOS AMIGOS RESEARCH AND  
EDUCATION INSTITUTE, INC.,  
a corporation

Contractor

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants

RF:r

Board letter rancho orthotic amendment no 4 agreement 05.31.07