Health Services
LOS ANGELES COUNTY

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 August 13, 2013

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EXECUTIVE OFFICER

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Board of Supervisors

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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August 06, 2013

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 AMENDMENTS TO TWO AGREEMENTS FOR PREVENTIVE MAINTENANCE AND REPAIR SERVICES
(ALL DISTRICTS)
(3 VOTES)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )
DISAPPROVE ( )

SUBJECT

Request approval of an Amendment to extend the term of an Agreement with Parata Systems, LLC, for three years for automated outpatient pharmaceutical dispensing systems at various Department of Health Services' facilities; an Amendment to add LAC+USC Medical Center to the existing Agreement with Talyst Inc. for inpatient automated medication management systems services; and request delegated authority to execute as needed future Amendments.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director, or his designee, to execute Amendment No. 2 to Agreement H-702976 with Parata Systems, LLC. (Parata), effective upon Board approval, to extend the term of the Agreement for the three-year period of September 1, 2013 through August 31, 2016, for the continued provision of preventive maintenance and repair services for the automated outpatient pharmaceutical dispensing systems at Department of Health Services (DHS) facilities listed on Attachment C, at an annual maximum obligation of

$462,197, and the three-year total of $1,386,591.

2. Delegate authority to the Director, or his designee, to amend the above mentioned Agreement to increase the total maximum obligation by no more than 40 percent above the annual maximum obligation for a potential increase of $184,879 annually to add equipment coming off warranty, to delete equipment no longer in service, to authorize and pay for repairs or maintenance for equipment that is excluded under the Agreement's basic maintenance services, to add as-needed professional services, and add equipment/services to additional DHS locations.

3. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 1 to Agreement H-705375 with Talyst Inc. (Talyst), effective upon Board approval, to add LAC+USC Medical Center (LAC+USC MC) and to increase the maximum obligation by $340,080, for the period of September 1, 2013 through May 14, 2017 for the provision of equipment maintenance and repair services of the automated medication management systems, with a total revised maximum obligation of $1,381,208 for all DHS facilities for the term of the Agreement from May 15, 2012 through May 14, 2017.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Parata

Approval of the first recommendation will allow the Director, or his designee, to execute an Amendment to the Agreement with Parata, substantially similar to Exhibit I, for continued provision of maintenance and repair services for the automated outpatient pharmaceutical dispensing systems at DHS. The current Agreement expires August 31, 2013.

DHS fills over four million outpatient prescriptions per year. The Parata automated prescription dispensing system can process more than 150 prescriptions per hour by using the workflow dispensing method, which has three processes – imaging, packing, and filling. This system is also designed to use a bar-coded maintenance system to ensure accuracy and virtually eliminate the potential for human error. By using this system, the pharmacists can focus their time on providing counseling to patients on medication use and improving patient awareness and safety when using prescription medications.

For the past six years, Parata has maintained the same rates under this Agreement. Parata has agreed to extend the Agreement for three years through August 31, 2016 in exchange for an increase of two percent.

Delegated Authority - Parata

Approval of the second recommendation will allow the Director, or his designee, to increase the maximum obligation of the Agreement up to 40 percent of the annual agreement maximum, if necessary, to add equipment coming off warranty, to delete equipment no longer in service, to authorize and pay for repairs or maintenance for equipment that is excluded under the Agreement's basic maintenance services, to add as-needed professional services, and add equipment/services to additional DHS locations. In accordance with Board Policy 5.120, on July 23, 2013, DHS provided the Board, with a copy to Chief Executive Officer, the required two-week notice of intent to request a delegation of authority in excess of 10 percent.

The Joint Commission on the Accreditation of Healthcare Organizations (The Joint Commission) requires facilities to ensure routine preventative maintenance, timely repairs, and performance/safety testing of its equipment and to maintain patient safety. Therefore, this delegated authority is necessary to enable the Agreement to be amended timely to guarantee that the critical equipment is maintained appropriately, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority to increase the maximum obligation up to 10 percent. However, based on experience in recent years with several other equipment maintenance service agreements, DHS believes that requesting 40 percent for potential increases is appropriate since adding even a few pieces of equipment or an additional facility may require a significant funding increase.

The DHS facilities will only request that equipment or locations be added, if additional services are needed and funding is available in the facility's budget.

Talyst

Approval of the third recommendation will allow the Director, or his designee, to execute an Amendment, substantially similar to Exhibit II, to increase the maximum obligation to add the automated medication management systems located at LAC+USC MC to the Agreement. The 40 percent delegated authority to increase the Agreement's maximum obligation that was approved by the Board on May 15, 2012 was not sufficient to add LAC+USC MC to the Agreement.

The automated medication management systems, which provide comprehensive inventory control for down-to-the-dose accountability management of dispensing medication, play a pivotal part of inpatient care at hospitals. The systems include Talyst proprietary software that is designed to automate prescription ordering, receiving, stocking, dispensing, as well as recalling medication and tracking lot numbers and expiration dates of medication.

The Talyst systems also provides an automated packaging and barcode label application for medication orders to ensure prescriptions are ready for dispensing at the patient's bedside. A patient's hospital identification wrist band and the prescription barcode are scanned for verification before any medication is given to the patient. The Talyst systems enhance patient safety, as well as meeting The Joint Commission standards on high-alert medications that have a higher likelihood of causing injury, if misused.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total maximum obligation for each Agreement, as well as the estimated cost for each facility by fiscal year is identified in Attachment C.

The total potential increase for Parata, under the 40 percent delegated authority is $554,637 and

would be funded using existing resources.

Funding is included in DHS' Fiscal Year 2013-14 Adopted Budget and will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parata

The Board originally approved the Agreement with Parata for maintenance and repair services of the automated outpatient pharmaceutical dispensing systems for the period of September 1, 2007 through August 31, 2012 for LAC+USC MC, Martin Luther King, Jr. Multi-Service Ambulatory Care Center, Humphrey Comprehensive Health Center, and Roybal Comprehensive Health Center, and delegated authority to the DHS Director to add additional facilities when their original purchase equipment warranties expired. The Board approved an Amendment on July 31, 2012 for a one-year extension to allow time for DHS to finalize negotiations with Parata for the replacement of existing equipment and to assess future needs. Since then, DHS has purchased new Parata equipment to replace the out-of-date equipment which will improve efficiency of filling prescriptions for patients.

Talyst

DHS purchased the automated medication management systems from CareFusion, LLC (Carefusion), the Original Equipment Manufacturer (OEM), for all four DHS hospitals. Carefusion uses Talyst software to operate the equipment and officially authorizes Talyst as the designated firm to provide services and support through a mutual partnering relationship. Talyst provides training to maintain the software. Talyst also provides system updates and 24 hours/seven days a week telephone support.

The Board approved an Agreement with Talyst on May 15, 2012 for the provision of equipment maintenance and repair services for automated medication management systems at Harbor-UCLA MC and Olive View-UCLA MC. Under delegated authority, DHS added Rancho Los Amigos National Rehabilitation Center to this Agreement on February 27, 2013.

Equipment at LAC+USC MC is scheduled to come off warranty in two groups on September 1, 2013 and January 1, 2014. The current delegated authority is insufficient to cover the equipment. DHS is requesting the Board's approval to increase the maximum obligation to allow this critical equipment be maintained to meet the Joint Commission requirements.

Two Agreements

The two Agreements contain all of the Board's required provisions. DHS has determined that these Agreements are not Proposition A agreements because the services provided are intermittent and highly specialized. Therefore, the County's Living Wage Program (County Code Charter 2.201) does not apply.

County Counsel reviewed and approved Exhibit I and II as to form. The Chief Information Officer (CIO) reviewed the Amendments and recommends approval (Parata CIO Analysis Attachment A and Talyst CIO Analysis Attachment B).

CONTRACTING PROCESS

Parata is OEM of the automated outpatient pharmaceutical dispensing systems. Talyst is the OEM of the software used in the automated medication management systems. These OEM's use proprietary technology in their equipment and software to ensure that the competitors cannot service the equipment or limit the availability of parts to the third party. When the original equipment purchase warranty expires, the best option is to contract with the OEM to ensure the equipment is maintained in accordance with equipment specifications. Another benefit to contracting with OEM is the guarantee of faster access to OEM parts when repair services, especially for emergencies, are needed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the ongoing maintenance and repair services for the automated outpatient pharmaceutical dispensing systems at various DHS facilities.

Respectfully submitted,

Mitchell H. Katz, M.D.
Director

RICHARD SANCHEZ
Chief Information Officer

MHK:RC:jc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO

CIO Analysis

NUMBER:	DATE:
CA 13-13	06/20/13

SUBJECT:

APPROVAL OF AMENDMENTS TO TWO AGREEMENTS FOR PREVENTIVE MAINTENANCE AND REPAIR SERVICES

RECOMMENDATION:

☒ Approve ☐ Approve with Modification ☐ Disapprove

CONTRACT TYPE:

☐ New Contract ☐ Sole Source

☒ Amendment to Agreement #: **H-702976** ☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software ☒ Hardware

☐ Telecommunications ☒ Professional Services

SUMMARY:

Department Executive Sponsor: **Mitchell H. Katz, M.D., Director, Department of Health Services**

The proposed amendment will:

1. Authorize the Director, or his designee, to execute Amendment No. 2 to Agreement H-702976 with Parata Systems, LLC. (Parata), effective upon Board approval, to extend the term of the Agreement for the period of September 1, 2013 through August 31, 2016, for the continued provision of preventive maintenance and repair services for the automated outpatient pharmaceutical dispensing systems at Department of Health Services (DHS) with a maximum obligation of $1,386,591 for a three-year period.

2. Delegate authority to the Director, or his designee, to amend the above mentioned Agreement to increase the total maximum obligation for a total potential annual increase of $184,879 for any additional maintenance and repair services.

Agreement Amount: **$5,053,962** Funding Source: **DHS FY 2013-14 Adopted budget**

☐ Legislative or Regulatory Mandate ☐ Subvened/Grant Funded: Enter %

Strategic and Business Analysis	PROJECT GOALS AND OBJECTIVES: The project objective is to continue the medication safety and operational efficiency initiatives for the outpatient pharmacies. Parata's automated drug dispensing capability will improve the speed and accuracy of medication dispensing.
	BUSINESS DRIVERS: The addition of the three-years of equipment maintenance and repair services will enable DHS to ensure operational efficiency and standardization of workflow of DHS Outpatient Pharmacy Parata will integrate with the planned Cerner Etreby pharmacy software implementation.
	PROJECT ORGANIZATION: This Agreement is managed by DHS Pharmacy Affairs and includes business and Information Technology (IT) stakeholders at each facility. The Project sponsor is Amy Gutierrez, Pharm.D. and the Project Director/Project Manager is Shane D'Souza, Pharm.D.
	PERFORMANCE METRICS: The primary performance metrics of this system is to improve the speed of dispensing. This along with its future integration with Cerner Eterby pharmacy software implementation will enhance operational efficiencies.
	STRATEGIC AND BUSINESS ALIGNMENT: PARATA aligns with the Department's goal to improve patient care.
	PROJECT APPROACH: The overall approach is to ensure the Amendment is approved as the first step. The next step will be to develop the replacement strategy for the equipment (AccuMed) that will no longer be supported after August 2013, and develop an approach to support Cerner Etreby pharmacy software integration and pharmacy standardization efforts.
	ALTERNATIVES ANALYZED: No other alternatives were considered. Parata is the Original Equipment Manufacturer (OEM) and the equipment software proprietary. The system already exists, this is an Amendment to the original Agreement.
Technical Analysis	ANALYSIS OF PROPOSED IT SOLUTION: Parata will efficiently dispense medications in DHS' outpatient pharmacies. The functionalities include: 1. Parata AccuMed, Mini, and Max automated dispensing cabinets electronically receive detailed prescription information for the intention of dispensing medications to fill/refill the prescription. The automated dispensing cabinets interpret the electronic prescription information and accurately count tablets and capsules at a high speed. The dispensing is barcode driven which allows for additional

	layers to ensure patient safety. The automated dispensing cabinets are a stand-alone machine which interfaces with the P2000 software for transmitting prescriptions electronically for dispensing. A workstation console is attached to each cabinet, which is utilized for barcode scan prescription fills and report queries. In the future state, the automated dispensing cabinets will interface with Cerner Etreby pharmacy software, resulting in the replacement of the P2000 software. 2. The Parata P2000 Workflow provides the outpatient pharmacies with prescription scanning capability to promote an efficient electronic movement of the prescription to different staff members and provides patient safety features to view the original prescription image during each step of the filling process. This provides added layer of patient safety enhancements to ensure the correct prescription dispensed to the patient. The P2000 Workflow is an integral part of bridging the outpatient pharmacy system with the automated dispensing cabinets by transmit prescription information to the automated dispensing cabinets for fills.
Financial Analysis	BUDGET: Contract Costs: Ongoing Annual Costs: Services ..... $1,386,591 **Sub-total Contract Costs:** $1,386,591 Other County costs: N/A (fully hosted and managed by vendor) Previous Agreement Cost: $3,122,734 (Original Agreement and Amendment 1) **Agreement Sum: $4,509,325** **Optional Cost: $ 554,637 ($184,879/ year for 3 years)** **Total Agreement Cost (maximum): $5,053,962**
Risk Analysis	RISK MITIGATION: There are no significant risks in this project. This Amendment will ensure the successful operation of automated dispensing cabinets deployed at the Department's outpatient pharmacies. The Chief Information Security Officer (CISO) has reviewed this Amendment and did not identify any IT security or privacy related issues.

CIO Approval	PREPARED BY:	
	Sanmay Mukhopadhyay, Sr. Associate CIO	7/22/13 Date
	APPROVED:	
	Richard Sanchez, County CIO	7-23-13 Date

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at http://ciointranet.lacounty.gov/

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO

CIO Analysis

NUMBER:	DATE:
CA 13-14	06/20/13

SUBJECT:

APPROVAL OF AMENDEMENTS TO TWO AGREEMENTS FOR PREVENTIVE MAINTENANCE AND REPAIR SERVICES

RECOMMENDATION:

☒ Approve ☐ Approve with Modification ☐ Disapprove

CONTRACT TYPE:

☐ New Contract ☐ Sole Source

☒ Amendment to Agreement #: **H-705375** ☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software ☒ Hardware

☐ Telecommunications ☒ Professional Services

SUMMARY:

Department Executive Sponsor: **Mitchell H. Katz, M.D., Director, Department of Health Services**

The proposed Amendment to Agreement H-705375 with Talyst Inc. (Talyst) will expand the use of the Talyst inventory management system to LAC+USC Medical Center (LAC+USC MC) and increase the maximum obligation by $340,080 to a total revised maximum obligation of $1,381,208 for the term of the Agreement from May 15, 2012 through May 14, 2017.

Contract Amount: **$1,381,208** Funding Source: **DHS FY 2013-14 Adopted budget**

☐ Legislative or Regulatory Mandate ☐ Subvened/Grant Funded: Enter %

Strategic and Business Analysis

PROJECT GOALS AND OBJECTIVES:

The goal of this project is to extend the implementation of the Talyst system to LAC+USC MC.

BUSINESS DRIVERS:

The implementation of the Talyst inventory management system for all inpatient hospital medications will automate the much needed manual inventorying and ordering of drugs. This will reduce the drug inventory to optimal levels and improve efficiency of drug ordering. The Talyst inventory management system will maximize efficiency by increasing the number of inventory turn-around and changing it to a "just-in-time" inventory model.

	PROJECT ORGANIZATION: This Agreement managed by DHS Pharmacy Affairs and includes business and Information Technology (IT) stakeholders at each facility. The Executive Sponsor is Amy Gutierrez and Project Manager is Kim Le.
	PERFORMANCE METRICS: The key metrics of this project is inventory turn-around. At the end of each fiscal year, the pharmacy department will calculate the annual inventory turn-around. After the implementation of the Talyst inventory management system an inventory turn-around increase is expected.
	STRATEGIC AND BUSINESS ALIGNMENT: The TALYST project is aligned with the Department's goal to improve patient care and decrease overall cost. The inventory management system has the ability to barcode medications, which is stored securely within the carousel. Talyst software has the ability to maintain minimum amounts or levels (PAR) and generates daily orders to our wholesaler when inventory falls below PAR. This ability allows the pharmacy department to increase inventory turn-around by purchasing it, in a "just-in-time" basis. The return on investment is projected to be accomplished prior to the end of this Agreement.
	PROJECT APPROACH: This project under the leadership of Kim Le was completed at the beginning of 2013, thereby completing all installation at each one of the Los Angeles County sites.
	ALTERNATIVES ANALYZED: No other alternatives were considered. Talyst is the Original Equipment Manufacturer (OEM) and the equipment software is proprietary. This Amendment is to the original Agreement that was approved on May 15, 2012.
Technical Analysis	ANALYSIS OF PROPOSED IT SOLUTION: The Talyst inventory management system consists of both hardware and software. LAC+USC MC is equipped with three Talyst carousels, an automated drug packager, an automatic labeler, as well as multiple workstations needed to operate the system. The AutoPharm software manages inventory across the health-system and is operated on a Windows environment. The carousel provides automated storage of medications. The carousel will streamline stocking and selecting hospital medications and decrease required space by 30-50%. The carousel also accurately fills medications by barcode verification. The carousel also interfaces with current automated dispensing cabinets and will have the ability to interface with the new electronic health record.

Financial Analysis	BUDGET: Contract costs One-time costs: N/A Ongoing annual costs: FY 2013-14: Hardware.....$ 44,673 Software .....$ 900 FY 2014-15: Hardware.....$ 91,020 Software .....$ 2,400 FY 2015-16: Hardware .....$ 95,571 Software .....$ 2,520 FY 2016-17 (up to 5/14/17): Hardware.....$ 100,350 Software .....$ 2,646 **Sub-total Contract Costs: .....$** 340,080 Other County costs: N/A (fully managed and maintained by vendor) Previous contract cost: $1,041,128 **Total contract cost: $1,381,208**
Risk Analysis	RISK MITIGATION: There are no significant risks in this project. The Chief Information Security Officer (CISO) has reviewed this purchase and did not identify any IT security or privacy related issues.
CIO Approval	PREPARED BY: Sanmay Mukhopadhyay, Sr. Associate CIO — Date 7/22/13 APPROVED: Richard Sanchez, County CIO — Date 7-23-13

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Attachment C

DEPARTMENT OF HEALTH SERVICES

Equipment Preventive Maintenance and Repair Services

Parata Systems, LLC - Extended term September 1, 2013 through August 31, 2016

	Contract Years			
DHS Facilities	9/1/13 - 8/31/14	9/1/14 - 8/31/15	9/1/15 - 8/31/16	Total
LAC+USC MC	$71,983	$71,983	$71,983	$215,950
El Monte CHC	$45,160	$45,160	$45,160	$135,480
Hudson CHC	$47,895	$47,895	$47,895	$143,685
Roybal CHC	$31,771	$31,771	$31,771	$95,313
H-UCLA MC	$60,655	$60,655	$60,655	$181,966
Long Beach CHC	$27,217	$27,217	$27,217	$81,650
MLK MACC	$42,353	$42,353	$42,353	$127,060
Humphrey CHC	$32,751	$32,751	$32,751	$98,254
RLANRC	$22,187	$22,187	$22,187	$66,561
OV-UCLA MC	$46,194	$46,194	$46,194	$138,581
Mid Valley CHC	$34,030	$34,030	$34,030	$102,091
Total Maximum Obligation	**$462,197**	**$462,197**	**$462,197**	**$1,386,591**

	Fiscal Years				
DHS Facilities	FY 2013-14 (9/1/13 - 6/30/14)	FY 2014-15	FY 2015-16	FY2016-17 (7/1/16 - 8/31/16)	Total Cost
LAC+USC MC	$59,987	$71,983	$71,983	$11,997	$215,950
El Monte CHC	$37,633	$45,160	$45,160	$7,527	$135,480
Hudson CHC	$39,913	$47,895	$47,895	$7,982	$143,685
Roybal CHC	$26,476	$31,771	$31,771	$5,295	$95,313
H-UCLA MC	$50,546	$60,655	$60,656	$10,109	$181,966
Long Beach CHC	$22,681	$27,217	$27,217	$4,535	$81,650
MLK MACC	$35,295	$42,353	$42,353	$7,059	$127,060
Humphrey CHC	$27,293	$32,751	$32,751	$5,459	$98,254
RLANRC	$18,489	$22,187	$22,187	$3,698	$66,561
OV-UCLA MC	$38,494	$46,194	$46,194	$7,699	$138,581
Mid Valley CHC	$28,359	$34,030	$34,030	$5,672	$102,091
Total Maximum Obligation	**$385,166**	**$462,196**	**$462,197**	**$77,032**	**$1,386,591**

Talyst Inc.

	Contract Years					
DHS FACILITIES	5/15/12-5/14/13	5/15/13-5/14/14	5/15/14-5/14/15	5/15/15-5/14/16	5/15/16-5/14/17	Total
HARBOR-UCLA MC	$73,620	$73,620	$73,620	$77,301	$81,166	$379,327
OLIVE VIEW-UCLA MC	$73,620	$73,620	$73,620	$77,301	$81,166	$379,327
RLANRC	$16,540	$48,790	$68,880	$72,324	$75,940	$282,474
LAC+USC MC	$0	$45,573	$93,420	$98,091	$102,996	$340,080
Total Maximum Obligation	**$163,780**	**$241,603**	**$309,540**	**$325,017**	**$341,268**	**$1,381,208**

	Fiscal Years						
DHS FACILITIES	FY 2011-12 (5/15/12 - 6/30/12)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY2016-17 (7/1/16 - 5/14/17)	Total
HARBOR-UCLA MC	$9,203	$73,620	$73,620	$74,080	$77,784	$71,020	$379,327
OLIVE VIEW-UCLA MC	$9,203	$73,620	$73,620	$74,080	$77,784	$71,020	$379,327
RLANRC	$2,067	$20,571	$51,301	$69,311	$72,776	$66,448	$282,474
LAC+USC MC	$0	$0	$57,250	$94,004	$98,704	$90,122	$340,080
Total Maximum Obligation	**$20,473**	**$167,811**	**$255,791**	**$311,475**	**$327,048**	**$298,610**	**$1,381,208**

EXHIBIT I

Agreement No. H-702976-2

PREVENTATIVE MAINTENANCE AND REPAIR SERVICES OF AUTOMATED OUTPATIENT PHARMACY WORKFLOW SOFTWARE SYSTEM

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this ____ day of _____, 2013.

By and between COUNTY OF LOS ANGELES (hereafter "County")

And PARATA SYSTEMS, LLC. (hereafter "Contractor").

Business Address:
2600 Meridian Parkway, Suite 100
Durham, NC 27713

WHEREAS, reference is made to that certain document entitled, "PREVENTIVE MAINTENANCE AND REPAIR SERVICES OF AUTOMATED OUTPATIENT PHARMACY WORKFLOW SOFTWARE SYSTEM", dated September 1, 2007, and further identified as County Agreement No. H-702976 and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, the parties acknowledge that on April 15, 2012, Exhibit B, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 and Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement), was added and incorporated into this Agreement by Administrative Amendment; and,

WHEREAS, it is the intent of the parties hereto to extend its term and make other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance with Paragraph 16, ALTERATION OF TERMS, may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. This Amendment shall commence and become effective upon execution.

2. Agreement, Paragraph 1, Term, shall be deleted in its entirety and replaced as follows:

"1. TERM:

A. The term of this Agreement shall commence on September 1, 2007, and shall continue in full force and effect to midnight, August 31, 2016, unless sooner canceled or terminated as provided herein.

B. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.

C. The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in this Agreement, Paragraph 18, NOTICES, A(1). "

3. Agreement Paragraph 5, Maximum Obligation of County, is deleted in its entirety and replaced as follows::

"5. Maximum Obligation of the County

A. The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in this Agreement, Paragraph 18, NOTICES, A(1).

B. Between September 1, 2007 through August 31, 2012, the maximum obligation of County for all services provided hereunder shall not exceed Two Million, Six Hundred Ninety-Seven Thousand, One Hundred Thirty-Two Dollars ($2,697,132).

C. Between September 1, 2012 through August 31, 2013, the maximum obligation of County for all services shall not exceed Three Hundred Ninety-Two Thousand, Eighty-One Dollars ($392,081).

D. Between September 1, 2013 through August 31, 2016 the maximum obligation of County for all services provided hereunder shall not exceed One Million, Three Hundred Eighty-Six Thousand, Five Hundred Ninety-Two Dollars ($1,386,592).

E. During the term of this Agreement, the Director, or his designee, may amend this Agreement if additional maintenance and repair services and as-needed professional services are needed, and may adjust the maximum obligation by no more than One Hundred Eighty-Four Thousand, Eight Hundred Seventy-Nine Dollars ($184,879) annually. In order to effectuate such a change a written amendment to the Agreement, which is formally approved by the parties, must be executed."

4. Agreement, Paragraph 12, Compliance with Health Insurance Portability and Accountability Act of 1996, is deleted in its entirety and replaced as follows:

"12. <u>CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE" UNDER HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH)</u>

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, the Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit B in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit B, Contractor's Obligations As a "Business Associate" Under Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) (Business Associate Agreement)."

5. Agreement, Standard Provisions, Paragraph 49, "Background and Security Investigations," shall be added as follows:

”49. BACKGROUND AND SECURITY INVESTIGATIONS

49.1 At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor’s staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

49.2 County may request that the Contractor’s staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor’s staff any information obtained through the County conducted background clearance.

49.3 County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor’s staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.

49.4 Disqualification, if any, of the Contractor’s staff, pursuant to this Sub-paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.”

6. Agreement, Exhibit A, Statement of Work, Schedule 1, Schedule 2, and Schedule 3 shall be deleted in their entirety and replaced by Exhibit A, Statement of Work, Schedule 4, attached hereto and incorporated herein by reference. All references to Exhibit A, Statement of Work, Schedule 1, Schedule 2, and Schedule 3 in the Agreement shall hereafter be replaced by Exhibit A, Statement of Work, Schedule 4.

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, on the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

PARATA SYSTEMS, LLC
Contractor

_____
Signature

By _____
Printed Name

Title _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENT FOR AUTOMATED OUTPATIENT PHARMACEUTICAL DISPENSING SYSTEMS WITH PARATA SYSTEMS, LLC

I. DHS FACILITIES COVERED BY AGREEMENT EFFECTIVE SEPTEMBER 1, 2007 THROUGH AUGUST 31, 2012

NO.	FACILITY	ANNUAL AMOUNT	EFFECTIVE DATE
1.	LAC+USC Medical Center Outpatient Department	$ 41,033.58	September 1, 2007
2.	MLK-Harbor Hospital	$ 21,844.80	September 1, 2007
3.	Humphrey Comprehensive Health Center	$ 42,835.34	September 1, 2007
4.	Roybal Comprehensive Health Center	$ 40,088.33	September 1, 2007
	SUB-TOTAL	**$ 145,802.05**	

II. DHS FACILITIES COVERED BY AGREEMENT ONE-YEAR AFTER EQUIPMENT INSTALLATION

NO.	FACILITY	ANNUAL AMOUNT	EFFECTIVE DATE
1.	El Monte Comprehensive Health Center	$40,539.80	To be determined.
2.	Harbor-UCLA Medical Center	$43,835.34	To be determined.
3.	High Desert Health System	$25,276.68	To be determined.
4.	Hudson Comprehensive Health Center	$35,119.83	To be determined.
5.	LAC+USC Replacement Project	$56,351.53	To be determined.
6.	Long Beach Comprehensive Health Center	$41,838.79	To be determined.
7.	Mid-Valley Comprehensive Health Center	$34,411.12	To be determined.
8.	Olive View-UCLA Medical Center	$39,542.80	To be determined.
9.	Rancho Los Amigos National Rehabilitation Center	$26,221.93	To be determined.
10.	San Fernando Health Center	$25,073.95	To be determined.
11.	Wilmington Health Center	$25,276.68	To be determined.
	SUB-TOTAL	**$393,488.45**	
	TOTAL	**$539,290.50**	

DEPARTMENT OF HEALTH SERVICES

PARATA SYSTEMS, LLC
Equipment Preventive Maintenance and Repair Services

Effective September 1, 2012 through August 31, 2013

DHS Facilities	Pharmacy 2000 Configuration	AccuMed Cabinets	Max/Mini	Cost Adjustment	Revised Annual Cost
LAC+USC Medical Center	18 Image, 17 Fill, 18 Check Stations, 11 Packing Boxes	30	0	$ -	$97,386
El Monte Comprehensive Health Center	9 Image, 6 Fill, 6 Check Stations, 5 Packing Boxes	0	1 Max/1 Mini	$ 3,735	$44,275
Edward R. Roybal Comprehensive Health Center	4 Image, 5 Fill, 5 Check Stations, 3 Packing Boxes	10	0	$ -	$40,088
* H.D. Hudson Comprehensive Health Center	4 Image, 5 Fill, 6 Check Stations, 4 Packing Boxes	0	4 Mini	$ 11,836	$46,956
Rancho Los Amigos National Rehabilitation Center	2 Image, 2 Fill, 3 Check Stations, 1 Packing Boxes	5	0	$ -	$26,222
Martin Luther King, Jr. - MACC	4 Image, 4 Fill, 6 Check Stations, 1 Packing Boxes	0	4 Mini	$ 19,678	$41,523
H.H. Humphrey Comprehensive Health Center	4 Image, 4 Fill, 5 Check Stations, 3 Packing Boxes	12	0	$ -	$42,835
Long Beach Comprehensive Health Center	3 Image, 4 Fill, 5 Check Stations, 1 Packing Boxes	12	0	$ -	$41,839
Mid Valley Comprehensive Health Center	4 Image, 4 Fill, 3 Check Stations, 2 Packing Boxes	0	3 Mini	$ (1,048)	$33,363
** Harbor UCLA Medical Center N22	1 Image, 3 Fill, 3 Check Stations, 2 Packing Boxes	0	3 Mini	$ 4,247	$4,247
** Olive View Medical Center	5 Image, 4 Fill, 7 Check Stations, 4 Packing Boxes	0	4 Mini	$ 7,548	$7,548
			Total	**$ 45,996**	**$426,282**

* H.D. Hudson CHC effective 9/30/12
** Harbor UCLA Medical Center and Olive View Medical Center effective 7/1/13

PARATA SYSTEMS, LLC

Preventive Maintenance and Repair Services of
Automated Outpatient Pharmacy Workflow Software System
Effective September 1, 2013 through August 31, 2016

DHS Facilities	Pharmacy 2000 Configuration	AccuMed Cabinets	MAX/Mini *	9/1/13 - 8/31/14	9/1/14 - 8/31/15	9/1/15 - 8/31/16	Total
LAC+USC MC	18 Image, 17 Fill, 18 Check Stations, 11 Packing Boxes	30	0	$71,983.44	$71,983.44	$71,983.44	**$215,950.32**
El Monte CHC	4 Image, 4 Fill, 6 Check Stations, 5 Packing Boxes	0	1 MAX/1 Mini	$45,159.92	$45,159.92	$45,159.92	**$135,479.76**
Hudson CHC	4 Image, 5 Fill, 6 Check Stations, 4 Packing Boxes	0	4 Mini	$47,895.12	$47,895.12	$47,895.12	**$143,685.36**
Roybal CHC	4 Image, 5 Fill, 5 Check Stations, 3 Packing Boxes	10	0	$31,770.96	$31,770.96	$31,770.96	**$95,312.88**
H-UCLA MC	5 Image, 5 Fill, 6 Check Stations, 6 Packing Boxes	0	4 Mini	$34,663.68	$34,663.68	$34,663.68	**$103,991.04**
H-UCLA MC N22	1 Image, 3 Fill, 3 Check Stations, 2 Packing Boxes	0	3 Mini	$25,991.64	$25,991.64	$25,991.64	**$77,974.92**
Long Beach CHC	3 Image, 4 Fill, 5 Check Stations, 1 Packing Boxes	12	0	$27,216.66	$27,216.66	$27,216.66	**$81,649.98**
MLK MACC	4 Image, 4 Fill, 6 Check Stations, 1 Packing Boxes	0	4 Mini	$42,353.46	$42,353.46	$42,353.46	**$127,060.38**
Humphrey CHC	4 Image, 4 Fill, 5 Check Stations, 3 Packing Boxes	12	0	$32,751.18	$32,751.18	$32,751.18	**$98,253.54**
RLANRC	2 Image, 2 Fill, 3 Check Stations, 1 Packing Boxes	5	0	$22,187.04	$22,187.04	$22,187.04	**$66,561.12**
OV-UCLA MC	5 Image, 4 Fill, 7 Check Stations, 4 Packing Boxes	0	4 Mini	$46,193.76	$46,193.76	$46,193.76	**$138,581.28**
Mid Valley CHC	4 Image, 3 Fill, 4 Check Stations, 2 Packing Boxes	0	3 Mini	$34,030.30	$34,030.30	$34,030.30	**$102,090.90**
			TOTAL MAXIMUM OBLIGATION:	**$462,197.16**	**$462,197.16**	**$462,197.16**	**$1,386,591.48**

Number of preventive maintenance visits per year: 4

Invoice shall reflect prorated cost of service provided to County. Parata shall immediately cease billing P2000 and AccuMed Cabinets once remove from operations without further action required by County.

***** Detailed explanation set forth on page 4 or 4 of this schedule.

Effective September 1, 2013 through August 31, 2016

*** Detailed Breakdown of Max/Mini Annual Payment**

DHS Facilities	MAX/Mini	9/1/13 - 8/31/14	9/1/14 - 8/31/15	9/1/15 - 8/31/16	Total
LAC+USC MC	0	$0.00	$0.00	$0.00	**$0.00**
El Monte CHC	1 MAX/1 Mini	$14,894.08	$14,894.08	$14,894.08	**$44,682.24**
Hudson CHC	4 Mini	$22,528.00	$22,528.00	$22,528.00	**$67,584.00**
Roybal CHC	0	$0.00	$0.00	$0.00	**$0.00**
H-UCLA MC	4 Mini	$22,528.00	$22,528.00	$22,528.00	**$67,584.00**
H-UCLA MC N22	3 Mini	$16,896.00	$16,896.00	$16,896.00	**$50,688.00**
Long Beach CHC	0	$0.00	$0.00	$0.00	**$0.00**
MLK MACC	4 Mini	$22,528.00	$22,528.00	$22,528.00	**$67,584.00**
Humphrey CHC	0	$0.00	$0.00	$0.00	**$0.00**
RLANRC	0	$0.00	$0.00	$0.00	**$0.00**
OV-UCLA MC	4 Mini	$22,528.00	$22,528.00	$22,528.00	**$67,584.00**
Mid Valley CHC	3 Mini	$16,896.00	$16,896.00	$16,896.00	**$50,688.00**
Total Maximum Obligation		**$138,798.08**	**$138,798.08**	**$138,798.08**	**$416,394.24**

Number of preventive maintenance visits per year: 4
Any addition of Mini and Max at any Medical Facility shall be at the same equivalent rate as indicated above.

Contract No. H-702976- BA

Amendment to HIPAA Business Associate Agreement to Implement Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009

THIS AMENDMENT is made and effective April 15, 2012, by and between COUNTY OF LOS ANGELES (hereafter "County"), and Parata Systems, LLC (hereafter "Contractor") who have previously entered into a written Agreement identified by the Agreement Number or Contract Number indicated at the top of this page, and any subsequent amendments (hereafter collectively "Agreement");

WHEREAS, Agreement includes a provision regarding Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996,* ("HIPAA"), (provision hereafter referred to as "Business Associate Agreement");

WHEREAS, on January 7, 2003, the County's Board of Supervisors delegated authority to the Directors of all HIPAA-covered Departments to make all necessary alterations and adjustments to Business Associate Agreements to bring them into compliance with changes in HIPAA laws and regulations;

WHEREAS, the Business Associate Agreement provides that Contractor and County will take action as is necessary to amend that Business Associate Agreement in order for the County to comply with its obligations under the *Health Insurance Portability and Accountability Act of 1996*;

WHEREAS, Title XIII and Title IV of Division B of the *American Recovery and Reinvestment Act of 2009* (Pub. L. 111-5), entitled the *Health Information Technology for Economic and Clinical Health Act* ("HITECH"), requires the County to amend its

Business Associate Agreements effective February 17, 2010, to incorporate the increased privacy and security requirements applicable to business associates;

WHEREAS, County and Contractor intend to amend Agreement only as described hereunder;

WHEREAS, County and Contractor intend that the provisions of such prior Business Associate Agreement shall be entirely superseded as of February 17, 2010, by the provisions of the attachment entitled "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996* and the *Health Information Technology for Economic and Clinical Health Act*."

NOW, THEREFORE, the parties agree that Agreement shall be amended only as follows:

1. The provision in Agreement entitled "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996*," whether a paragraph within Agreement, amendment to Agreement, attachment to Agreement or in any other form, is deleted in its entirety and replaced effective February 17, 2010, with the attachment entitled "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996* and the *Health Information Technology for Economic and Clinical Health Act* (Business Associate Agreement)";

2. The attachment entitled "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996* and the *Health Information Technology for Economic and Clinical Health Act* (Business Associate Agreement)" is deemed incorporated herein by reference;

3. Any reference in Agreement to "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996*" is deemed a reference to "Contractor's Obligations as a Business Associate Under the *Health Insurance Portability and Accountability Act of 1996* and the *Health Information Technology for Economic and Clinical Health Act* (Business Associate Agreement)";

4. Except as provided in this Amendment, all other terms and conditions of Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Director of the Department listed below or his designee, 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

Mitchell H. Katz, M.D.
Director

PARATA SYSTEMS, LLC

By
Authorized Signature

Graham Schillmoller
Name (Print)

Director of Finance
Title

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (BUSINESS ASSOCIATE AGREEMENT)

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services.

Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (together, the "Privacy and Security Regulations"). The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate ("Business Associate Agreement") in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Further, pursuant to the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("HITECH Act"), effective February 17, 2010, certain provisions of the HIPAA Privacy and Security Regulations apply to Business Associates in the same manner as they apply to Covered Entity and such provisions must be incorporated into the Business Associate Agreement.

This Business Associate Agreement and the following provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Business Associate in compliance with HIPAA's Privacy and Security Regulations and the HITECH Act, as they now exist or may hereafter be amended.

Therefore, the parties agree as follows:

DEFINITIONS

1.1 "Breach" has the same meaning as the term "breach" in 45 C.F.R. § 164.402.

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

1.3 "Electronic Health Record" has the same meaning as the term "electronic health record" in the HITECH Act, 42 U.S.C. section 17921. Electronic Health Record means an electronic record of health-related information on an individual that is

created, gathered, managed, and consulted by authorized health care clinicians and staff.

1.4 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

1.5 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

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

1.7 "Minimum Necessary" refers to the minimum necessary standard in 45 C.F.R. § 162.502 (b) as in effect or as amended.

1.8 "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164, also referred to as the Privacy Regulations.

1.9 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made

accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

1.10 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.11 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.12 "Security Rule" means the Security Standards for the Protection of Electronic Health Information also referred to as the Security Regulations at 45 Code of Federal Regulations (C.F.R.) Part 160 and 164.

1.13 "Services" has the same meaning as in the body of this Agreement.

1.14 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

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

1.16 Terms used, but not otherwise defined in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Regulations and HITECH Act.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information only as necessary to perform the Services, and as provided in Sections 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

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

(i) Use Protected Health Information; and

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

Business Associate shall not Use or Disclose Protected Health Information for any other purpose or in any manner that would constitute a violation of the Privacy Regulations or the HITECH Act if so Used or Disclosed by Covered Entity.

2.2 Prohibited Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall not Use or Disclose Protected Health Information for fundraising or marketing purposes.

(b) shall not disclose Protected Health Information to a health plan for payment or health care operations purposes if the Individual has requested this special restriction and has paid out of pocket in full for the health care item or service to which the Protected Health Information solely relates.

(c) shall not directly or indirectly receive payment in exchange for Protected Health Information, except with the prior written consent of Covered Entity and as permitted by the HITECH Act. This prohibition shall not effect payment by Covered Entity to Business Associate. Covered Entity shall not provide such written consent except upon express approval of the departmental privacy officer and only to the extent permitted by law, including HIPAA and the HITECH Act.

2.3 Adequate Safeguards for Protected Health Information. Business Associate:

(a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Business Associate Agreement. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the Minimum Necessary in accordance with the Privacy Regulation's minimum necessary standard as in effect or as amended.

(b) as to Electronic Protected Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information; effective February 17, 2010, said safeguards shall be in accordance with 45 C.F.R. Sections 164.308, 164.310, and 164.312, and shall comply with the Security Rule's policies and procedure and documentation requirements.

2.4 Reporting Non-Permitted Use or Disclosure and Security Incidents and Breaches of Unsecured Protected Health Information. Business Associate:

(a) shall report to Covered Entity each Use or Disclosure of Protected Health Information that is made by Business Associate, its employees, representatives, Agents, subcontractors, or other parties under Business Associate's control with access to Protected Health Information but which is not specifically permitted by this Business Associate Agreement or otherwise required by law.

(b) shall report to Covered Entity each Security Incident of which Business Associate becomes aware. (c) shall notify Covered Entity of each Breach by Business Associate, its employees, representatives, agents or subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of the Business Associate as determined in accordance with the federal common law of agency.

2.4.1 Immediate Telephonic Report. Except as provided in Section 2.4.3, notification shall be made immediately upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information by telephone call to (562) 940-3335.

2.4.2 Written Report. Except as provided in Section 2.4.3, the initial telephonic notification shall be followed by written notification made without unreasonable delay and in no event later than three (3) business days from the date of discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach by the Business Associate to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 525
Los Angeles, California 90012
HIPAA@auditor.lacounty.gov
(213) 974-2166

(a) The notification required by section 2.4 shall include, to the extent possible, the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used, or Disclosed; and

(b) the notification required by section 2.4 shall include, to the extent possible, all information required to provide notification to the Individual under 45 C.F.R. 164.404(c), including:

(i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(iii) Any other details necessary to conduct an assessment of whether there is a risk of harm to the Individual;

(iv) Any steps Business Associate believes that the Individual could take to protect him or herself from potential harm resulting from the breach;

(v) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to the Individual, and to protect against any further Breaches; and;

(vi) The name and contact information for the person most knowledge regarding the facts and circumstances of the Breach.

If Business Associate is not able to provide the information specified in section 2.3.2 (a) or (b) at the time of the notification required by section 2.4.2, Business Associate shall provide such information promptly thereafter as such information becomes available.

2.4.3 Request for Delay by Law Enforcement. Business Associate may delay the notification required by section 2.4 if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security. If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay notification, notice, or posting for the time period specified by the official; if the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay the notification, notice, or posting temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in paragraph (a) of this section is submitted during that time.

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

2.6 Breach Notification. Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information, provide Breach notification for each and every Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or subcontractors, in a manner that permits Covered Entity to comply with its obligations under Subpart D, Notification in the Case of Breach of Unsecured PHI, of the Privacy and Security Regulations, including:

(a) Notifying each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of such Breach;

(b) The notification required by paragraph (a) of this Section 2.6 shall include, to the extent possible:

(i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(iii) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;

(iv) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and

(v) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

(vi) The notification required by paragraph (a) of this section shall be written in plain language.

Covered Entity, in its sole discretion, may elect to provide the notification required by this Section 2.6, and Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, including costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information.

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

2.8 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.

2.9 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered

Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.10 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors, in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528 and/or the HITECH Act which requires an Accounting of Disclosures of Protected Health Information maintained in an Electronic Health Record for treatment, payment, and health care operations.

Any accounting provided by Business Associate under this Section 2.10 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.10, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.10 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.

2.11 Indemnification. Business Associate shall indemnify, defend, and hold harmless Covered Entity, including its elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, penalties and fines (including regulatory penalties and/or fines), and expenses (including attorney and expert witness fees), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement; Business Associate's obligations under this provision extend to compliance and/or enforcement actions and/or activities, whether formal or informal, of Secretary of the federal Department of Health and Human Services and/or Office for Civil Rights.

OBLIGATION OF COVERED ENTITY

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

TERM AND TERMINATION

4.1 Term. The term of this Business Associate Agreement shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

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

(a) Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party;

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

(c) If neither termination nor cure is feasible, report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

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

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Business Associate Agreement to such

Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

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

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Business Associate Agreement.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Business Associate Agreement is contrary to another provision of this Agreement, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of this Agreement.

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

5.5 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations and other privacy laws governing Protected Health Information.

EXHIBIT II
Agreement No. H-705375-1

AUTOMATED MEDICATION MANAGEMENT SYSTEM
EQUIPMENT PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this ___ day of _____, 2013

By and between	COUNTY OF LOS ANGELES (hereafter "County")
And	TALYST INC. (hereafter "Contractor").
	Business Address: 11335 NE 122nd Way, Suite 200 Kirkland, WA 98034

WHEREAS, reference is made to that certain document entitled, "AUTOMATED MEDICATION MANAGEMENT SYSTEM EQUIPMENT PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT", dated May 15, 2012, and further identified as County Agreement No. H-705375 and any amendments thereto (hereafter referred to as “Agreement”); and

WHEREAS, on February 17, 2013 under delegated authority, DHS amended the Agreement to add Rancho Los Amigos National Rehabilitation Center; and

WHEREAS, it is the intent of the parties hereto to amend Agreement to add LAC+USC Medical Center equipment to this Agreement, to increase the maximum obligation, and to provide for the other changes set forth hereinafter; and

WHEREAS, Agreement provides that changes in accordance with Subparagraph 8.1.1 of Paragraph 8, AMENDMENTS, 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 commence and become effective upon execution.

2. Agreement, Paragraph 4.0, Term of Agreement, Subparagraph 4.4 shall be added as follows:

"4.4 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option."

3. Agreement, Paragraph 5.0, Agreement Sum, Billing and Payment, Subparagraph 5.1, shall be deleted in its entirety and replaced as follows:

"5.1 County agrees to compensate Contractor in accordance with the terms set forth in this Paragraph 5.0, Agreement Sum, Billing and Payment. The rates to be paid for services are as set forth in Exhibit B(1)."

4. Agreement, Paragraph 5.0, Agreement Sum, Billing and Payment, Subparagraph 5.5, Invoices and Payments, Subparagraph 5.5.5, shall be deleted in its entirety and replaced as follows:

"5.5.5 All invoices under this Agreement shall be submitted in two (2) copies to the following address:

County of Los Angeles
Harbor-UCLA Medical Center
Attn: General Accounting Unit, Box 479
1000 West Carson Street, Building 3.5
Torrance, CA 90509

County of Los Angeles
LAC+USC Medical Center
Attn: Expenditure Management
P.O. Box 861749
Los Angeles, CA 90086-1749

County of Los Angeles
Olive View-UCLA Medical Center
Attn: Materials Management
14445 Olive View Drive
Sylmar, CA 91342

County of Los Angeles
Rancho Los Amigos National Rehabilitation Center
Attention: General Accounting
SSA Building Room 2208
7601 E. Imperial Highway
Downey, CA 90242."

5. Agreement, Paragraph 5.0, Agreement Sum, Billing and Payment, Subparagraph 5.6, Maximum Obligation of County, Subparagraph 5.6.1, shall be deleted in its entirety and replaced as follows:

"5.6 Maximum Obligation of County

5.6.1. Between May 15, 2012 through May 14, 2013, the maximum obligation of County for all services provided hereunder shall not exceed One Hundred Sixty-Three Thousand, Seven Hundred Eighty Dollars ($163,780).

5.6.2 Between May 15, 2013 through May 14, 2014, the maximum obligation of County for all services provided hereunder shall not exceed Two Hundred Forty-One Thousand, Six Hundred Three Dollars ($241,603).

5.6.3 Between May 15, 2014 through May 14, 2015, the maximum obligation of County for all services provided hereunder shall not exceed Three Hundred Nine Thousand, Five Hundred Forty Dollars ($309,540).

5.6.4 Between May 15, 2015 through May 14, 2016, the maximum obligation of County for all services provided hereunder shall not exceed Three Hundred Twenty-Five Thousand, Seventeen Dollars ($325,017).

5.6.5 Between May 15, 2016 through May 14, 2017, the maximum obligation of County for all services provided hereunder shall not exceed Three Hundred Forty-One Thousand, Two Hundred Sixty-Eight Dollars ($341,268)."

6 Agreement, Paragraph 8.26, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), shall be deleted in its entirety and replaced as follows:

"8.26 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH)

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH). Under this Agreement, the Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit K in order to provide those services. The County

and the Contractor therefore agree to the terms of Exhibit K, Contractor's Obligations as a "Business Associate" Under Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) (Business Associate Agreement)."

7. Agreement, Exhibit B, Pricing Schedule, is deleted and replaced in its entirety by Exhibit B(1), attached hereto and incorporated herein by reference. All references to Exhibit B in the Agreement shall hereafter be replaced by Exhibit B(1).

8. Agreement, Exhibit K, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), is added to this Agreement, attached hereto and incorporated herein by reference.

9. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, on the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

TALYST INC. _____
Contractor

_____
Signature

By _____
Printed Name

Title _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

Exhibit B(1)

Pricing Schedule

TALYST INC.
PREVENTIVE MAINTENANCE & REPAIR SERVICES
AUTOMATED MEDICATION MANAGEMENT SYSTEM

Summary

DHS FACILITIES	Year 1 5/15/12-5/14/13	Year 2 5/15/13-5/14/14	Year 3 5/15/14-5/14/15	Year 4 5/15/15-5/14/16*	Year 5 5/15/16-5/14/17*	Total
Harbor-UCLA Medical Center	$73,620	$73,620	$73,620	$77,301	$81,166	$379,327
Olive View-UCLA Medical Center	$73,620	$73,620	$73,620	$77,301	$81,166	$379,327
Rancho Los Amigos National Rehabilitation Center	$16,540	$48,790	$68,880	$72,324	$75,940	$282,474
LAC+USC Medical Center	$0	$45,573	$93,420	$98,091	$102,996	$340,080
Total Maximum Obligation	**$163,780**	**$241,603**	**$309,540**	**$325,017**	**$341,268**	**$1,381,208**

TALYST INC.

HARBOR-UCLA MEDICAL CENTER

Qty	Serial Number	Description	Year 1 5/15/12-5/14/13	Year 2 5/15/13-5/14/14	Year 3 5/15/14-5/14/15	Year 4 5/15/15-5/14/16*	Year 5 5/15/16-5/14/17*
1	2200000269	Auto-Carousel System	$9,600	$9,600	$9,600	$10,080	$10,584
1	2200000270	Auto-Carousel System	$9,600	$9,600	$9,600	$10,080	$10,584
1		Auto Label	$5,280	$5,280	$5,280	$5,544	$5,821
1	K01SAY3FO	Packager	$26,340	$26,340	$26,340	$27,657	$29,040
1		AutoPharm Workstation	$10,200	$10,200	$10,200	$10,710	$11,246
1		AutoPharm Workstation	$10,200	$10,200	$10,200	$10,710	$11,246
1		AutoPharm Zone Workstation	$1,200	$1,200	$1,200	$1,260	$1,323
1		AutoPharm Zone Workstation	$1,200	$1,200	$1,200	$1,260	$1,323
		Maximum Obligation	**$73,620**	**$73,620**	**$73,620**	**$77,301**	**$81,166**

GOLD Level Support

1) Support will be provided 24 hours a day, 7 days a week, and 365 days a year.
2) Support calls will be responded to by Talyst by phone within four (4) hours; if the support call is determined to be mission-critical, Talyst will escalate and/or address within 24 hours (including , if appropriate, by providing on-site support within 24 hours).
3) Monthly service cost includes all travel expenses.
4) One annual web-base training at no cost to County.

5) On-Site Preventive Maintenance (PM) visits for each item of equipment in accordance with its general PM schedule.

Additional Services

1) **Hourly Rate** @ - $175.00 24 hours a day, 7 days a week and 365 days a year.
2) **Mileage and Travel Expenses** - All mileage and travel fees are included in the service charge above and shall not be billed as a separate charge to County.
3) **Additional Services** - All additional services will be paid under DHS Delegated Authority as stated in Agreement, sub-paragraph 8.1 - Amendments.

* 5% increase for Year 4 & 5% increase for Year 5

TALYST INC.

OLIVE VIEW-UCLA MEDICAL CENTER

QTY	Serial Number	Description	Year 1 5/15/12-5/14/13	Year 2 5/15/13-5/14/14	Year 3 5/15/14-5/14/15	Year 4 5/15/15-5/14/16*	Year 5 5/15/16-5/14/17*
1	2200000274	Auto-Carousel System	$9,600	$9,600	$9,600	$10,080	$10,584
1	2200000275	Auto-Carousel System	$9,600	$9,600	$9,600	$10,080	$10,584
1		Auto Label System	$5,280	$5,280	$5,280	$5,544	$5,821
1	I0ISAY3A6	Auto Pack System	$26,340	$26,340	$26,340	$27,657	$29,040
1		AutoPharm Workstation	$10,200	$10,200	$10,200	$10,710	$11,246
1		AutoPharm Workstation	$10,200	$10,200	$10,200	$10,710	$11,246
1		AutoPharm Zone Workstation	$1,200	$1,200	$1,200	$1,260	$1,323
1		AutoPharm Zone Workstation	$1,200	$1,200	$1,200	$1,260	$1,323
		Maximum Obligation	**$73,620**	**$73,620**	**$73,620**	**$77,301**	**$81,166**

GOLD Level Support Services

1) Support will be provided 24 hours a day, 7 days a week, and 365 days a year.
2) Support calls will be responded to by Talyst by phone within four (4) hours; if the support call is determined to be mission-critical, Talyst will escalate and/or address within 24 hours (including , if appropriate, by providing on-site support within 24 hours).
3) Monthly service cost includes all travel expenses.
4) One annual web-base training at no cost to County.

5) On-Site Preventive Maintenance (PM) visits for each item of equipment in accordance with its general PM schedule.

Additional Services

1) **Hourly Rate** @ - $175.00 24 hours a day, 7 days a week and 365 days a year.
2) **Mileage and Travel Expenses** - All mileage and travel fees are included in the service charge above and shall not be billed as a separate charge to County.
3) **Additional Services** - All additional services will be paid under DHS Delegated Authority as stated in Agreement, sub-paragraph 8.1 - Amendments.

* 5% increase for Year 4 & 5% increase for Year 5

TALYST INC.

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

Qty.	Serial Number	Description	Year 1 5/15/12-5/14/13	Year 2 5/15/13-5/14/14	Year 3 5/15/14-5/14/15	Year 4 5/15/15-5/14/16*	Year 5 5/15/16-5/14/17*
1		Auto-Packager	$15,000	$17,000	$24,000	$25,200	$26,460
1		Auto-Label	$1,540	$3,740	$5,280	$5,544	$5,821
2		Auto Carousel/ Auto Pharm	$0	$28,050	$39,600	$41,580	$43,659
		Maximum Obligation	**$16,540**	**$48,790**	**$68,880**	**$72,324**	**$75,940**

GOLD Level Support Services

1) Support will be provided 24 hours a day, 7 days a week, and 365 days a year.
2) Support calls will be responded to by Talyst by phone within four (4) hours; if the support call is determined to be mission-critical, Talyst will escalate and/or address within 24 hours (including , if appropriate, by providing on-site support within 24 hours).
3) Monthly service cost includes all travel expenses.
4) One annual web-base training at no cost to County.

5) On-Site Preventive Maintenance (PM) visits for each item of equipment in accordance with its general PM schedule.

Additional Services

1) **Hourly Rate** @ - $175.00 24 hours a day, 7 days a week and 365 days a year.
2) **Mileage and Travel Expenses** - All mileage and travel fees are included in the service charge above and shall not be billed as a separate charge to County.
3) **Additional Services** - All additional services will be paid under DHS Delegated Authority as stated in Agreement, sub-paragraph 8.1 - Amendments.

* 5% increase for Year 4 & 5% increase for Year 5

TALYST INC.

LAC+USC MEDICAL CENTER

QTY	Serial Number	Description	Year 1 5/15/12-5/14/13	Year 2 5/15/13-5/14/14	Year 3 5/15/14-5/14/15	Year 4 5/15/15-5/14/16*	Year 5 5/15/16-5/14/17*
1		AutoPack**	$0	$18,658	$26,340	$27,657	$29,040
1		AutoLabel**	$0	$3,740	$5,280	$5,544	$5,821
3		AutoCarousel/AutoPharm***	$0	$22,275	$59,400	$62,370	$65,489
2		Workstations***	$0	$900	$2,400	$2,520	$2,646
		Maximum Obligation	**$0**	**$45,573**	**$93,420**	**$98,091**	**$102,996**

GOLD Level Support Services

1) Support will be provided 24 hours a day, 7 days a week, and 365 days a year.
2) Support calls will be responded to by Talyst by phone within four (4) hours; if the support call is determined to be mission-critical, Talyst will escalate and/or address within 24 hours (including , if appropriate, by providing on-site support within 24 hours).
3) Monthly service cost includes all travel expenses.
4) One annual web-base training at no cost to County.

5) On-Site Preventive Maintenance (PM) visits for each item of equipment in accordance with its general PM schedule.

Additional Services

1) **Hourly Rate** @ - $175.00 24 hours a day, 7 days a week and 365 days a year.

2) **Mileage and Travel Expenses** - All mileage and travel fees are included in the service charge above and shall not be billed as a separate charge to County.
3) **Additional Services** - All additional services will be paid under DHS Delegated Authority as stated in Agreement, sub-paragraph 8.1 - Amendments.

* 5% increase for Year 4 & 5% increase for Year 5
** Auto Pack and Auto Label added effective 9/1/13
*** Auto Carousel/AutoPharm and Workstations added effective 1/1/14

CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (BUSINESS ASSOCIATE AGREEMENT)

Under this Agreement, ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate may receive, have access to or creates Protected Health Information in order to provide those Services. The provisions in this Business Associate Agreement are binding only to the extent they are applicable to Business Associate access to the PHI of Covered Entity.

Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (together, the "Privacy and Security Regulations"). The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate ("Business Associate Agreement") in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Further, pursuant to the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("HITECH Act"), effective February 17, 2010, certain provisions of the HIPAA Privacy and Security Regulations apply to Business Associates in the same manner as they apply to Covered Entity and such provisions must be incorporated into the Business Associate Agreement.

This Business Associate Agreement and the following provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Business Associate in compliance with HIPAA's Privacy and Security Regulations and the HITECH Act, as they now exist or may hereafter be amended.

Therefore, the parties agree as follows:

DEFINITIONS

1.1 "Breach" has the same meaning as the term "breach" in 45 C.F.R. § 164.402.

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

1.3 "Electronic Health Record" has the same meaning as the term "electronic health record" in the HITECH Act, 42 U.S.C. section 17921. Electronic Health Record means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

1.4 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

1.5 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

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

1.7 "Minimum Necessary" refers to the minimum necessary standard in 45 C.F.R. § 162.502 (b) as in effect or as amended.

1.8 "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164, also referred to as the Privacy Regulations.

1.9 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to

identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

1.10 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.11 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.12 "Security Rule" means the Security Standards for the Protection of Electronic Health Information also referred to as the Security Regulations at 45 Code of Federal Regulations (C.F.R.) Part 160 and 164.

1.13 "Services" has the same meaning as in the body of this Agreement.

1.14 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

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

1.16 Terms used, but not otherwise defined in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Regulations and HITECH Act.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information only as necessary to perform the Services, and as provided in Sections 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

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

(i) Use Protected Health Information; and

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

Business Associate shall not Use or Disclose Protected Health Information for any other purpose or in any manner that would constitute a violation of the Privacy Regulations or the HITECH Act if so Used or Disclosed by Covered Entity.

2.2 Prohibited Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall not Use or Disclose Protected Health Information for fundraising or marketing purposes.

(b) shall not disclose Protected Health Information to a health plan for payment or health care operations purposes if the Individual has requested this special restriction and has paid out of pocket in full for the health care item or service to which the Protected Health Information solely relates.

(c) shall not directly or indirectly receive payment in exchange for Protected Health Information, except with the prior written consent of Covered Entity and as permitted by the HITECH Act. This prohibition shall not effect payment by Covered Entity to Business Associate. Covered Entity shall not provide such written consent except upon express approval of the departmental privacy officer and only to the extent permitted by law, including HIPAA and the HITECH Act.

2.3 Adequate Safeguards for Protected Health Information. Business Associate:

(a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Business Associate Agreement. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the Minimum Necessary in accordance with the Privacy Regulation's minimum necessary standard as in effect or as amended.

(b) as to Electronic Protected Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information; effective February 17, 2010, said safeguards shall be in accordance with 45 C.F.R. Sections 164.308, 164.310, and 164.312, and shall comply with the Security Rule's policies and procedure and documentation requirements.

2.4 Reporting Non-Permitted Use or Disclosure and Security Incidents and Breaches of Unsecured Protected Health Information. Business Associate:

(a) shall report to Covered Entity each Use or Disclosure of Protected Health Information that is made by Business Associate, its employees, representatives, Agents, subcontractors, or other parties under Business Associate's control with access to Protected Health Information but which is not specifically permitted by this Business Associate Agreement or otherwise required by law.

(b) shall report to Covered Entity each Security Incident of which Business Associate becomes aware.

(c) shall notify Covered Entity of each Breach by Business Associate, its employees, representatives, agents or subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of the Business Associate as determined in accordance with the federal common law of agency.

2.4.1 Immediate Telephonic Report. Except as provided in Section 2.4.3, notification shall be made immediately upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or

Breach of Unsecured Protected Health Information by telephone call to (800) 711-5366.

2.4.2 Written Report. Except as provided in Section 2.4.3, the initial telephonic notification shall be followed by written notification made without unreasonable delay and in no event later than three (3) business days from the date of discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach by the Business Associate to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 525
Los Angeles, California 90012
HIPAA@auditor.lacounty.gov
(213) 974-2166

(a) The notification required by section 2.4 shall include, to the extent possible, the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used, or Disclosed; and

(b) the notification required by section 2.4 shall include, to the extent possible, all information required to provide notification to the Individual under 45 C.F.R. 164.404(c), including:

(i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(iii) Any other details necessary to conduct an assessment of whether there is a risk of harm to the Individual;

(iv) Any steps Business Associate believes that the Individual could take to protect him or herself from potential harm resulting from the breach;

(v) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to the Individual, and to protect against any further Breaches; and;

(vi) The name and contact information for the person most knowledge regarding the facts and circumstances of the Breach.

If Business Associate is not able to provide the information specified in section 2.3.2 (a) or (b) at the time of the notification required by section 2.4.2, Business Associate shall provide such information promptly thereafter as such information becomes available.

2.4.3 Request for Delay by Law Enforcement. Business Associate may delay the notification required by section 2.4 if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security. If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay notification, notice, or posting for the time period specified by the official; if the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay the notification, notice, or posting temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in paragraph (a) of this section is submitted during that time.

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

2.6 Breach Notification. Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information, provide Breach notification for each and every Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or subcontractors, in a manner that permits Covered Entity to comply with its obligations under Subpart D, Notification in the Case of Breach of Unsecured PHI, of the Privacy and Security Regulations, including:

(a) Notifying each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of such Breach;

(b) The notification required by paragraph (a) of this Section 2.6 shall include, to the extent possible:

(i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social

security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(iii) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;

(iv) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and

(v) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

(vi) The notification required by paragraph (a) of this section shall be written in plain language.

Covered Entity, in its sole discretion, may elect to provide the notification required by this Section 2.6, and Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, including costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information.

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

2.8 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.

2.9 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.10 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors, in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528 and/or the HITECH Act which requires an Accounting of Disclosures of Protected Health Information maintained in an Electronic Health Record for treatment, payment, and health care operations.

Any accounting provided by Business Associate under this Section 2.10 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.10, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.10 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.

2.11 Indemnification. Business Associate shall indemnify, defend, and hold harmless Covered Entity, including its elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, penalties and fines (including regulatory penalties and/or fines), and expenses (including reasonable attorney and expert witness fees), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement; Business Associate's obligations under this provision extend to compliance and/or enforcement actions and/or activities, whether formal or informal, of Secretary of the federal Department of Health and Human Services and/or Office for Civil Rights.

OBLIGATION OF COVERED ENTITY

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

TERM AND TERMINATION

4.1 Term. The term of this Business Associate Agreement shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

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

(a) Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party;

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

(c) If neither termination nor cure is feasible, report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

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

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

MISCELLANEOUS

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

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Business Associate Agreement.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Business Associate Agreement is contrary to another provision of this Agreement, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of this Agreement.

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

5.5 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations and other privacy laws governing Protected Health Information.

IN WHITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date stated above.

Business Associate

TALYST INC.
Company Name

By: Carla Corkern
Print Name

By: _____
Signature

Title: CEO

Date: 5-16-12

Covered Entity

County of Los Angeles
Department of Health Services

By: _____

Director,
Title: Contract Admin & Monitoring

Date: 5-30-12