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

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

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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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September 15 ~~August 11,~~ 2015

REVISED

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

31 September 15, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

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 A PROPOSITION A AGREEMENT FOR A 340B PHARMACY SERVICES ADMINISTRATOR WITH VENTEGRA, INC. TO SUPPORT THE MY HEALTH LOS ANGELES PROGRAM (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Approval of a Proposition A Agreement with Ventegra, Inc. for a 340B Pharmacy Services Administrator for the My Health Los Angeles Program.

IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that contracting for a 340B Pharmacy Services Administrator (PSA) as described herein, can be performed more economically by an independent contractor.

2. Approve and instruct the Mayor of the Board to execute a Proposition A (Prop A) Agreement with Ventegra, Inc. (Ventegra) effective upon Board approval through June 30, 2016, with four one-year automatic renewal periods through June 30, 2020; ~~with~~ and an option to further extend the term of the Agreement for five additional one-year automatic renewal periods through June 30, 2025, for the provision of a PSA with an estimated total of $180,000, for clinic administrative and claims fees plus reimbursement for pharmaceutical ingredient costs and dispensing fees not to exceed, in totality, $7.0 million annually which comprises the My Health Los Angeles (MHLA) Pharmacy Program allocation. ~~for the initial period through June 30, 2016~~.

3. Delegate authority to the Director, or his designee, to amend the Agreement to: (1) add the negotiated contract pharmacy dispensing fees; (2) exercise the additional five one-year automatic renewal periods; (~~2~~3) add, delete, and/or change certain terms and conditions as required under Federal or State law or regulation, County policy, County's Board of Supervisors and Chief Executive Officer; (~~3~~4) incorporate necessary changes within the scope of work and pricing schedule in the event there are changes to the ~~My Health Los Angeles (~~MHLA~~)~~ Program that impact the PSA Agreement; and (~~4~~5) approve a Cost-of-Living Adjustment (COLA) annually, at the Director's discretion, consistent with the Board's COLA policy.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Board approved various Agreements with Community Partners on September 23, 2014, for the provision of primary care and dental care services for the ~~My Health Los Angeles (~~MHLA~~)~~ program established to meet the health care needs of low-income, uninsured residents throughout Los Angeles County. An essential part of the MHLA program includes the provision of pharmacy services for eligible MHLA patients, along with a PSA to administer that part of the program.

Approval of the first recommendation is necessary to comply with Los Angeles County Code Section 2.121.420. Contracting under Prop A requirements has been determined to be cost-effective for the provision of a PSA by the Department of Health Services (DHS). Attachment I provides the cost analysis. Due to the lack of specific data about the volume of future claims and the timing on full implementation with all MHLA clinics participating, certain assumptions were made to develop the Prop A cost analysis. It is based on Ventegra's estimate of the staff and support services needed at full implementation of the agreement and based on an estimated maximum of 146,000 MHLA participants and 1,000,000 claims processed annually for those participants. As a result, the Prop A cost is higher than the estimated initial contract period fees, the latter of which also takes into consideration the ramp up of the agreement and MHLA clinic participation. The recommended agreement is for specific levels of 340B PSA services, not for specific numbers of contractor staff. Ventegra understands that the contractual service levels must be met and will allocate its resources accordingly during the term of the agreement.

Approval of the second recommendation will allow the Mayor to execute a new Prop A Agreement with Ventegra, Exhibit I, to provide a PSA to facilitate the provision of prescription drugs to MHLA patients. The recommended term of the Agreement is aligned with the term of the MHLA agreements, plus an additional year to ensure sufficient time to complete MHLA pharmacy claims processing.

Managing the Health Resource and Services Administration (HRSA) 340B dispensing and regulatory compliance for a network of eligible providers, patients, and contracted

pharmacies is a highly complex and specialized function, requiring a robust software and tracking system, and expertise in the HRSA 340B program. DHS does not have the infrastructure and ability to manage these functions independently. The recommended contractor, Ventegra, will provide the expertise, infrastructure and technology required to effectively manage the 340B and retail contract pharmacy program for MHLA patients. Their role as the 340B PSA will be to manage 340B drug replenishment for MHLA clinics using a contracted pharmacy network, process pharmaceutical payments, and utilize proprietary tools to allow MHLA clinics the ability to maximize compliance with 340B contract pharmacy requirements. As part of their 340B PSA role, Ventegra will also track 340B eligible prescription dispenses, maintain 340B virtual inventories for each MHLA prescription processed under 340B pricing, maintain wholesaler replenishment orders and invoices/payments, and process and adjudicate electronic claims for eligible 340B prescriptions. Ventegra will not directly dispense pharmaceuticals, but will manage the infrastructure that will allow the MHLA program to provide pharmacy access to enrolled patients, and for MHLA clinics with tools to monitor 340B contract pharmacy compliance with HRSA requirements, including ongoing audits of 340B transactions for each participating clinic. For 340B and non-340B transactions, the vendor will serve as a Pharmacy Benefit Manager (PBM) that will verify patient eligibility, MHLA formulary compliance, and provide a host of clinical drug verifications and tracking for enrolled patients. Ventegra will also provide a network of contracted retail pharmacies throughout Los Angeles County for non-340B patient access, given that Ventegra currently has a geographically diverse network of over 1,700 retail pharmacies with readily accessible pharmacy services for MHLA participants.

MHLA patients will also have the option to receive medications from approved MHLA Clinic with State licensed dispensaries. On a daily basis, the MHLA Clinics with participating State licensed dispensaries will send medication dispensary data to Ventegra in an approved format for those MHLA participants who received medications from the dispensary. Ventegra will convert the medication dispensary data into the National Council for Prescription Drug Programs (NCPDP) format and upload to the MHLA medication database to facilitate access to this history to other providers and pharmacies where the patient may be treated. Although Ventegra will not process claims for medications dispensed at MHLA Clinic dispensaries, Ventegra will provide DHS with a list of actual medication ingredient claims in order for DHS to directly reimburse the MHLA Clinics.

Approval of the third recommendation will allow the Director to add the contract pharmacy dispensing fees and exercise the option to extend the term of the Agreement for an additional five one-year automatic renewal periods through June 30, 2025. In compliance with Los Angeles County Code Section 2.121.300, the Agreement contains an express delegation of this authority to the Director to exercise the option to extend the term of the PSA Agreement. Approval of this recommendation will also allow the Director to amend the Agreement to add, delete and/or change non-substantive terms

and conditions in the Agreement; incorporate changes to the scope of work and pricing schedule that are necessary due to changes in the MHLA Program that impact the PSA Agreement; and approve an annual COLA, at the Director's discretion, in accordance with the Board COLA Policy 5.070.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year 2015-16 Adopted Budget and will be requested as continuing appropriation in future fiscal years, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As part of the contracted responsibilities, Ventegra will track 340B and non-340B pharmaceutical claims for dispensed prescriptions to MHLA patients, and as the County's fiscal intermediary, will reimburse the MHLA contracted clinics and pharmacies for the cost of pharmaceutical ingredients. In addition, Ventegra will reimburse the contracted pharmacies a negotiated pharmacy dispensing fee for their dispensing services. DHS will provide a county-run retail pharmacy for processing of 340B prescriptions for MHLA clinic patients, utilizing DHS' contracted central fill mail service pharmacy for prescription fulfillment. All pharmaceutical ingredient and dispensing fee costs incurred for MHLA prescriptions will be paid to Ventegra from the existing MHLA pharmaceutical budget. At the Director's discretion, a COLA may be granted annually to Ventegra for the non-labor component in accordance with County policy.

The estimated ~~first period~~ annual cost for the PSA is $180,000, which includes establishment of the contract pharmacy networks, including MHLA clinic 340B networks. The Ventegra agreement fee schedule is set up so that Ventegra will receive payment for the greater of: (a) a $15,000 per month clinic administration fee; or (b) the sum of the total amount of per claim fees multiplied by the number of claims, plus the medication dispensary data fee multiplied by the number of times the data is transmitted to DHS. The number of claims that will be processed under the agreement is unknown at this time so the estimated annual cost is twelve months multiplied by the $15,000 month clinic administration fee which equals the $180,000 estimate. Additional costs under the Agreement include reimbursement amounts for ingredient costs and the contract pharmacy dispensing fees which will be negotiated after approval of this Agreement. All costs associated with the PSA Agreement will be funded as part of the MHLA Pharmacy Program for which $7 million is currently allocated annually.

It has been determined that the provision of services by the recommended Contractor under the recommended Agreement is subject to Prop A guidelines which include the Living Wage Program set forth in Los Angeles County Code Chapter 2.201. The recommended Contractor is in compliance with the Living Wage Program requirements. The award of this Agreement will not result in unauthorized disclosure of confidential information.

Departments are required by the Board of Supervisors to submit cost analyses for Prop A contracts to the Auditor-Controller (A-C) for approval except when the annual contract amount is less than $1.0 Million. A cost analysis for 340B PSA was prepared. However, it was not sent to the A-C as the annual estimated amount is below the threshold for the A-C's review.

The Agreement includes all Board of Supervisors' required provisions. Additionally, language is included regarding information security requirements to secure systems and data, including Personal Information, Protected Health Information, and County Confidential Information, against internal and external threats and risks. County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

On October 8, 2014, a Request For Proposals (RFP) was released to identify the most qualified proposers for a 340B PSA. DHS sent e-mails to potential proposers, and a notice of the RFP was posted and made available for downloading on the DHS and Internal Services Department (ISD) websites. In accordance with Prop A requirements, an advertisement was placed in the Metropolitan News-Enterprise and the Los Angeles Bulletin. A mandatory proposers' conference was held October 21, 2014, at DHS headquarters. The conference was attended by three potential proposers.

Subsequently, DHS cancelled the RFP and released a second RFP after addressing some issues raised by the vendor community. The revised RFP was posted on October 29, 2014, and made available for downloading on the DHS and ISD websites. An e-mail notification was also sent to potential proposers and another advertisement was placed in the Metropolitan News-Enterprise and Los Angeles Bulletin. On November 12, 2014, a mandatory proposers' conference was held at DHS headquarters and two potential proposers attended. Proposers who attended the mandatory proposers' conference on October 21, 2014, were not required to attend the mandatory proposers' conference again. Two proposals were received by the December 4, 2014 deadline.

An Evaluation Committee comprised of DHS Subject Matter Experts evaluated the two proposals. The Committee evaluated each proposal based on criteria identified in the RFP including: Background and Experience, Performance History/References, Project Plan, Live Demonstration, and Administrative Fees. At the time of proposal submission, Ventegra was certified as a Local Small Business Enterprise (LSBE) by the County of

Los Angeles, consistent with Chapter 2.204 of the Los Angeles County Code Small Business Administration.

Using the informed averaging methodology, Ventegra was determined to be the highest ranked proposer. Although Ventegra qualified for the LSBE preference, it was not necessary to apply it since Ventegra had the lowest price proposal. The non-selected proposer was offered and given a debriefing. There were no protests as a result of this solicitation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Prop A requires that departments assess any potential impact of the recommended Agreement. There is no risk exposure to the County. The award of this Agreement will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. The Agreement will not result in reduced services, and there is no employee impact as a result of this Agreement since services are currently being provided under a contract. In addition, the Department has determined that it has alternative resources available in the event of default. Approval of the recommendations will ensure MHLA patients have access to a large number of licensed pharmacies throughout Los Angeles County for their pharmaceutical needs.

Respectfully submitted,

for Mitchell H. Katz, M.D.
Director

MHK:sa

Enclosures (2)

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

Attachment I

DEPARTMENT OF HEALTH SERVICES

340B PHARMACY SERVICES ADMINISTRATOR

FY 2015-2016

PROP A COST ANALYSIS - VENTEGRA (MY HEALTH LOS ANGELES)

CONTRACTOR COSTS						COUNTY COSTS							
	(A)	(B)	(C	(D)	(E)			(F)	(G)	(H)	(I)	(J)	(K)
CLASSIFICATION	NO. OF FULL TIME EQUIVALENT POSITIONS [1]	ANNUAL SALARIES	ANNUAL EMPLOYEE BENEFITS	ANNUAL EMPLOYEE PAYROLL TAXES	TOTAL SALARIES, BENEFITS, & TAXES	ITEM NO.	CLASSIFICATION [2]	STAFFING BASED ON PWH [3] (A * 1.18) [AMTS	ANNUAL SALARIES [4] (MTHLY SLRY * 12 * F)	APPLICABLE BONUSES [5] (EMPLOYEE MOU)	5TH STEP VARIANCE [6] My Health Los Angeles (G * 92.0512%)	EMPLOYEE BENEFITS [7] My Health Los Angeles (I * 51.53%)	TOTAL ANNUAL S&EB My Health Los Angeles (H + I + J)
Management	0.2	$156,000.00			$31,200.00	5529	Pharmacy Services Chief II	1	$149,798.16	$0.00	$137,891.00	$71,055.23	$208,946.24
Account Management	1.5	$72,800.00			$109,200.00	5504	Pharmacy Technician	2	$87,008.64	$0.00	$80,092.50	$41,271.66	$121,364.16
Client/Customer Service	2.0	$29,120.00			$58,240.00	1138	Intermediate Clerk	2	$77,229.84	$0.00	$71,090.99	$36,633.19	$107,724.18
Labor Costs	3.7	$257,920.00			$198,640.00	Labor Costs		5	$314,036.64	$0.00	$289,074.50	$148,960.09	$438,034.58
Employee Benefits & Payroll Taxes			$38,220.00	$29,100.00	$67,320.00	Employee Benefits & Payroll Taxes							Included Above
ANNUAL LABOR COSTS	**3.7**	**$257,920.00**	**$38,220.00**	**$29,100.00**	**$265,960.00**	**ANNUAL LABOR COSTS**		**5**	**$314,036.64**	**$0.00**	**$289,074.50**	**$148,960.09**	**$438,034.58**
ANNUAL SUPPLIES & SERVICES COSTS					**$382,584.00**	**ANNUAL SUPPLIES AND SERVICES COSTS**							**$382,584.00**
ANNUAL INDIRECT COSTS					**$45,600.00**	**ANNUAL INDIRECT COSTS [8]**							**$0.00**
ANNUAL PROFIT (%)						**ANNUAL PROFIT**							**$0.00**
TOTAL ANNUAL COSTS	**3.7**	**$257,920.00**	**$38,220.00**	**$29,100.00**	**$694,144.00**	**TOTAL ANNUAL COSTS**		**5**	**$314,036.64**	**$0.00**	**$289,074.50**	**$148,960.09**	**$820,618.58**

TOTAL ESTIMATED AVOIDABLE COSTS:	**$820,618.58**
TOTAL ESTIMATED CONTRACT COSTS:	**$694,144.00**
ESTIMATED SAVINGS FROM CONTRACTING:	**$126,474.58**
ESTIMATED SAVINGS PERCENTAGE:	**15.41%**

SCHEDULE NOTES:

(1) We obtained the number of positions from the Contractor's Sample Budget Sheet For 340B Pharmacy Services Administrator (Exhibit 12).

(2) We determined the County staff classifications based on the Contractor's Sample Budget Sheet For 340B Pharmacy Services Administrator (Exhibit 12). We compared the titles/responsibilities of each staff and their hourly wage rate to the Department of Human Resources' (DHR) Class Specifications and Class and Salary Listing. Based on this comparison, we selected the County position that was comparable to the Contractor's position.

(3) We obtained the productivity factor from the A-C Accounting Division website (http://auditorweb.co.la.ca.us/Auditor-Controller/Accounting/Cost%20Accounting). We used the FY 2014-15 rate since it was the most current rate as of May 2015. The rate was calculated as follows: 2,080 Total Labor Hours / 1,760 Annual Productive Work Hours (PWH) = 1.18.

(4) The salary rates are based on the DHR's Class and Salary Listings as of April 1, 2015 (http://cao.lacounty.gov/pdf/alpha.pdf). This was the most current listing as of May 2015.

(5) We obtained the bonus information from each employee's Memorandum of Understanding (MOU). According to MOU 111, Intermediate Clerks and MOU 221, Pharmacy Technicians ...

(6) The Top Step Variance Factors for FY 2015-16 were obtained from Auditor-Controller - Accounting Division. The Top Step Variance Factor for Department of Health Services is 92.0512%.

(7) We used the Department of Health Services, Controllers Division's FY 2015-16 Adopted Budget to obtain the Budgeted Employee Benefits (EB) Rate of 51.53%.

(8) The County will not incur incremental indirect costs since they are absorbed by existing County resources.

DEPARTMENT OF HEALTH SERVICES

78414

AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

VENTEGRA, INC.

FOR

340B PHARMACY SERVICES ADMINISTRATOR

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N BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

O CHARITABLE CONTRIBUTIONS CERTIFICATION

AGREEMENT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

VENTEGRA, INC.

FOR

340B PHARMACY SERVICES ADMINSTRATOR

This Agreement and Exhibits made and entered into this 15th day of September, 2015 by and between the County of Los Angeles, hereinafter referred to as County and Ventegra, Inc. hereinafter referred to as Contractor. Contractor is located at 450 N. Brand Blvd., Suite 600, Glendale, CA 91203.

RECITALS

WHEREAS, the County may contract with private businesses for 340B Pharmacy Services Administrator when certain requirements are met; and

WHEREAS, the Contractor is a private firm that provides and manages transparent 340B pharmacy programs, provides pharmacy claims processing and adjudication, negotiates and manages contracts between itself and its network pharmacies, provides 340B administrative services, and provides for other related contract pharmacy administrative services; and

78414

WHEREAS, the County operates the My Health Los Angeles (MHLA) program that provides health care services to low-income uninsured residents of Los Angeles County; and

WHEREAS, the County requires the services for a 340B Pharmacy Services Administrator (PSA) to meet the health care needs of patients enrolled in My Health LA or any successor program; and

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract for a 340B PSA; and

WHEREAS, this Agreement is therefore authorized under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K L, M, N, and O are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits according to the following priority.

Standard Exhibits:

1.1 EXHIBIT A - Statement of Work

1.2 EXHIBIT B - Pricing Schedule

1.3 EXHIBIT C - Intentionally Omitted

1.4 EXHIBIT D - Contractor's EEO Certification

1.5 EXHIBIT E - County's Administration

1.6 EXHIBIT F - Contractor's Administration

1.7 EXHIBIT G - Contractor Acknowledgement and Confidentiality Agreement

1.8 EXHIBIT H - Jury Service Ordinance

1.9 EXHIBIT I - Safely Surrendered Baby Law

Unique Exhibits:

Prop A - Living Wage Program

1.10 EXHIBIT J - Living Wage Ordinance

1.11 EXHIBIT K - Monthly Certification for Applicable Health Benefit Payments

1.12 EXHIBIT L - Payroll Statement of Compliance

1.13 EXHIBIT M - Information Security Requirements

1.14 EXHIBIT N - Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

1.15 EXHIBIT O - Charitable Contributions Certification

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1 Agreement: This contract executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.

2.2 Contractor: The sole proprietor, partnership, limited liability company or corporation that has entered into this Agreement with the County to perform or execute the work covered by the Statement of Work, Exhibit A.

2.3 Contractor Project Manager: The individual designated by the Contractor to administer the Agreement operations after the Agreement award.

2.4 Day(s): Calendar day(s) unless otherwise specified.

2.5 DHS: Department of Health Services

2.6 Director: Director of Health Services or his/her authorized designee.

2.7 Facility: Medical Centers, Health Centers, or Outpatient Centers all within Department of Health Services.

2.8 County Project Director: Person designated by County with authority for County on administrative matters relating to this Agreement that cannot be resolved by the County's Project Manager.

2.9 County Project Manager: Person designated by Facility's Project Director to manage the operations under this Agreement.

2.10 County Project Monitor: Person with responsibility to oversee the day to day activities of this Agreement. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.

2.11 Fiscal Year: The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

3.1 Pursuant to the provisions of this Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County, unless those tasks, deliverables, goods, services or other work is added to this Agreement as an Amendment in accordance with sub-paragraph 8.1 Amendments.

4.0 TERM OF AGREEMENT

4.1 The Term of this Agreement initially shall be from the effective date through June 30, 2016, and shall include four (4) one (1)-year automatic renewal periods through June 30, 2020, unless sooner extended or terminated, in whole or in part, as provided herein.

4.2 County shall have the sole option to extend the Agreement Term for an additional five (5) one (1)-year automatic renewal periods, for a total Term through June 30, 2025, all subject to availability and approval of funding by the Los Angeles County Board of Supervisors. Each next contract period shall automatically renew unless County provides written notification of non-renewal at least thirty (30) days prior to the last date of the existing contract period. Each such automatic renewal period shall be exercised at the sole discretion of the Director or his/her designee.

4.3 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.

4.4 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 Exhibit E - County's Administration.

5.0 AGREEMENT SUM, BILLING AND PAYMENT

5.1 Contractor shall be paid in accordance with the Fee Schedule as referenced in Exhibit B – Pricing Schedule.

5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.3 Intentionally Omitted

5.4 No Payment for Services Provided Following Expiration/ Termination of Agreement

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

5.4.2 Upon the expiration or termination of this Agreement, Contractor shall process only those claims which are for prescriptions dispensed prior to the expiration or termination date and which are received by Contractor within thirty (30) days of the expiration or termination date.

5.5 Invoices and Payments

5.5.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement. The Contractor's payments shall be as provided in Exhibit B - Pricing Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County

does not approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule.

5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The Contractor shall submit the monthly Administrative Fees invoices to the County by the 15th calendar day of the month following the month of service.

Prop A - Living Wage Program:

No invoice will be approved for payment unless the following is included:

- **Exhibit K - Monthly Certification for Applicable Health Benefit Payments**
- **Exhibit L - Payroll Statement of Compliance**

5.5.5 The Contractor shall submit the bi-weekly Prescription Reimbursement invoices to the County by the 7th calendar day after the ending of each bi-weekly period.

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

Department of Health Services
313 N. Figueroa Street, Room 701
Los Angeles, CA 90012
Attention: Nadrine Balady-Bouziane

5.5.7 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Project Manager prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.8 Local Small Business Enterprises – Prompt Payment Program

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice.

5.6 Cost of Living Adjustments (COLA's)

If requested by the Contractor, the Agreement's (hourly, daily, monthly, etc.) amount may, at the sole discretion of the County, be increased annually based on the most recently published percentage change in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the 12-month period preceding the Agreement anniversary date, which shall be the effective date for any Cost of Living Adjustment (COLA). However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Executive Officer as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no COLA will be granted. Where the County decides to grant a COLA pursuant to this Paragraph for living wage Agreements, it may, in its sole discretion exclude the cost of labor (including the cost of wages and benefits paid to employees providing services under this Agreement) from the base upon which a COLA is calculated, unless the Contractor can show that his/her labor cost will actually increase. Further, before any COLA increase shall take effect and become part of this Agreement, it shall require a written amendment to this Agreement first, that has been formally approved and executed by the parties, in accordance with Sub-paragraph 8.1 – Amendments.

6.0 ADMINISTRATION OF AGREEMENT - COUNTY

COUNTY ADMINISTRATION

The Director shall have the authority to administer this Agreement on behalf of the County. The Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all County Administration referenced in the following Sub-paragraphs is

designated in Exhibit E - County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Project Director

Responsibilities of the Facility Project Director include:

- ensuring that the objectives of this Agreement are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Project Manager

6.2.1 The responsibilities of the County's Project Manager include:

- meeting with the Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

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

6.3 County's Project Monitor

The County's Project Monitor is responsible for overseeing the day-to-day administration of this Agreement. The Project Monitor reports to the County's Project Manager.

7.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR

7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit F - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with County's Project Manager and County's Project Monitor on a regular basis.

7.1.3 Contractor shall provide a full-time Project Manager. Contractor shall provide a telephone number and an email address where the Contractor Project Manager shall be reached on a twenty-four (24) hour per day basis.

7.1.4 Contractor Project Manager shall act as a central point of contact with the County.

7.1.5 Contractor Project Manager shall have full authority to act for Contractor on all matters relating to the daily operation of the Agreement.

7.1.6 Contractor Project Manager shall ensure that day-to-day operations run smoothly, address non-routine patient issues, and respond to other County Program maintenance issues and/or concerns.

7.1.7 Contractor Project Manager shall be available for weekly meetings, or as otherwise specified, with County.

7.1.8 Contractor Project Manager shall be able to effectively communicate, in English, both orally and in writing.

7.1.9 County, in its sole discretion, may request the removal of Contractor Project Manager and Contractor shall be responsible for providing a replacement immediately.

7.2 Contractor's Authorized Official(s)

7.2.1 Contractor's Authorized Official(s) are designated in Exhibit F. Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of Contractor.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

7.4 Contractor's Staff Identification

Contractor shall provide, at Contractor's expense, all staff providing services under this Agreement with a photo identification badge.

7.5 Background and Security Investigations

7.5.1 All Contractor staff performing work under this Agreement may 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 shall perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

7.5.2 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.

7.5.3 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.

7.5.4 Disqualification, if any, of the Contractor's staff, pursuant to this Sub-paragraph 7.5, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

7.6 Confidentiality

7.6.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, or caused by any failure by Contractor, its officers, employees, agents, or subcontractors, to

comply with this Sub-paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph 7.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality and indemnification provisions of this Agreement. Contractor shall report to County any Security Incident of which Contractor becomes aware; provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Contractor to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below).

"Unsuccessful Security Incidents" are pings and other broadcast attacks on Contractor's firewall, port scans, unsuccessful log on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of Protected Health Information.

7.6.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G.

7.7 Staff Performance under the Influence

Contractor shall not knowingly permit any employee to perform services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic, or other substance which might impair their physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 For any change which affects the scope of work, term, Administrative Fees, payments, or any term or condition included under this Agreement, an Amendment shall be prepared by the County and then executed by the Contractor and by the Board of Supervisors or its authorized designee.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors, Chief Executive Officer or designee. To implement such changes, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.

8.1.3 The Director or his/her designee, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Agreement. The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.

8.1.4 The Director or his/her designee may require, at his/her sole discretion, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in federal or state law or regulation, during the term of this Agreement. The County reserves the unilateral right to add and/or change such provisions as required by law or regulation, without the need for Contractor's written consent, to preserve this Agreement's conformity and compliance to federal and state law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.

8.2 ASSIGNMENT AND DELEGATION

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Sub-paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

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

8.4 BUDGET REDUCTIONS

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly via an Amendment in accordance with sub-paragraph 8.1 Amendments. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within ninety (90) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors, other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of the aforementioned parties either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.6.1 Within thirty (30) business days after Agreement effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

8.6.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.6.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within ten (10) business days for County approval.

8.6.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

8.6.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.

8.6.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.6.7 Copies of all written responses shall be sent to the County's Project Manager within five (5) business days of mailing to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

8.7.1 In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to standards of The Joint Commission (when applicable), its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

8.7.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs,

and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, or caused by any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph 8.7 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS-
ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

8.8.2 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or

mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.8.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.8.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation.

8.8.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

8.8.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.8 when so requested by the County.

8.8.7 If the County finds that any provisions of this Sub-paragraph 8.8 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this

Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

8.8.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

8.8.9 **Anti-discrimination in Services:**

Contractor shall not discriminate in the provision of services hereunder because of race, color, religious creed, national origin, ethnic group identification, ancestry, age, sex, sexual orientation, medical condition, marital status, political affiliation, or physical or mental disability in accordance with requirements of Federal and State laws. For the purpose of this Sub-paragraph, discrimination in the provision of services may include, but is not limited to, the following: Denying any person any service or benefit or the availability of a facility; providing any service or benefit to a person which is not equivalent or is provided in a non-equivalent manner or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religious creed, national origin, ethnic group identification, ancestry, sex, sexual orientation, age, medical condition, marital status, political affiliation, physical or mental disability.

8.8.10 The Contractor shall certify to, and comply with, the provisions of Exhibit D - Contractor's EEO Certification.

8.9 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program:

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Agreement.

8.9.2 Written Employee Jury Service Policy.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are

not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.

3. If the Contractor is not required to comply with the Jury Service Program when this Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Sub-paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with the County enables such employee to influence the award or administration of this Agreement or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's

approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.10.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Sub-paragraph shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS FOR EMPLOYMENT

8.12.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services (DPSS) Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

8.12.2 In the event that both laid-off County employees and

GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

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

8.13.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.13.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.13.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor

in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

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

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

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect

for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County Contractors.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.15 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.15.1 Contractor hereby warrants that neither it nor any of its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify Director within ten (10) calendar days in writing of: (1) any event that would require Contractor or any of the aforementioned parties' mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties' barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

8.15.2 Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program.

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

8.16 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

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

8.16.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with

all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.17 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.17.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.17.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206.

8.18 COUNTY'S QUALITY ASSURANCE PLAN

8.18.1 The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

8.18.2 Contractor shall establish and utilize a comprehensive Quality Assurance Plan in accordance with Section 8.18 of the Agreement to assure the County a consistently high level of service throughout the term of the Agreement. The Quality Assurance Plan shall be submitted to the County Project Monitor for review on a quarterly basis unless otherwise directed by the MHLA Program. The Quality Assurance Plan shall include, but may not be limited to the following:

8.18.2.1 Method of monitoring to ensure that Agreement requirements are being met.

8.18.2.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.

8.19 INTENTIONALLY OMITTED

8.20 EMPLOYMENT ELIGIBILITY VERIFICATION

8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

8.21 FACSIMILE REPRESENTATIONS

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

8.22 FAIR LABOR STANDARDS

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

8.23 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(l) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(l) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorize representatives, the Agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

8.24 CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER

The Contractor recognizes that health care Facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

8.25 GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.26 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this Agreement, the Contractor provides services to the County and the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit N in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit N, Business Associate Under Health Insurance Portability and Accountability Act of 1996 (HIPAA).

8.27 INDEPENDENT CONTRACTOR STATUS

8.27.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the

County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.27.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.27.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.

8.27.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.6 - Confidentiality.

8.28 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from, or caused by any failure by Contractor, its officers, employees, agents, or subcontractors, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.29 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense for services related to this Agreement, insurance coverage satisfying the requirements specified in Sub-paragraphs 8.29 and 8.30 of this Agreement.

These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

8.29.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s)

and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6th Floor East
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.29.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.29.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

8.29.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.29.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.29.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.29.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.29.8 INTENTIONALLY OMITTED

8.29.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.29.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

8.29.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.29.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.29.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.29.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.30 INSURANCE COVERAGE

8.30.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

8.30.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.30.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement

(providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.30.4 Unique Insurance Coverage

- **Professional Liability/Errors and Omissions**

  Insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than $1 million per claim and $2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

8.31 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by law which are applicable to their performance of services hereunder. All such licenses, permits, registrations, accreditations, and certifications relating to services hereunder shall be made available to County upon request.

8.32 LIQUIDATED DAMAGES

8.32.1 If, in the judgment of the Director, or his/her designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from

payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or his/her designee, in a written notice describing the reasons for said action.

8.32.2 If the Director, or his/her designee, determines that there are deficiencies in the performance of this Agreement that the Director, or his/her designee, deems are correctable by the Contractor over a certain time span, the Director, or his/her designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or his/her designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Agreement Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is Five Hundred Dollars ($500) and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving three (3) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private Contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.32.3 The action noted in Sub-paragraph 8.32.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Agreement.

8.32.4 This Sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Agreement provided by law or Sub-paragraph 8.32.2, and shall not, in any manner, restrict or limit the County's right to terminate this Agreement as agreed to herein.

8.33 INTENTIONALLY OMITTED

8.34 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the Department of Health Services from acquiring similar, equal or like goods and/or services from other entities or sources.

8.35 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.36 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Agreement. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Director or his/her designee shall resolve it.

8.37 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.38 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

8.39 NOTICES

8.39.1 All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E - County's Administration and F - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party.

8.39.2 **Electronic Notice:** In addition, the Director, or his/her designee, shall have the authority to issue any notice to Contractor electronically via e-mail at the designated email address as identified in Exhibit F – Contractor's Administration. This includes all notices or demands required or permitted by the County under this Agreement.

8.40 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the term of this Agreement and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.41 PUBLIC RECORDS ACT

8.41.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.43 - Record Retention and Inspection/Audit Settlement of this Agreement; as well as any documents that may have been submitted in response to a solicitation process for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.41.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.42 PUBLICITY

8.42.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and

- During the term of this Agreement, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the Director or his/her designee. The County shall not unreasonably withhold written consent.

8.42.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.42 shall apply.

8.43 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.43.1 The Contractor shall maintain, and provide upon request by County, accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

8.43.2 The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to

examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.43.3 In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then the Contractor shall file a copy of each such audit report, including Service Organization Controls (SOC1) Reports, with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.43.4 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.43 shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

8.43.5 If, at any time during the term of this Agreement or within five (5) years after the expiration or termination of this Agreement, representatives of the County conduct an audit of the Contractor regarding the work performed under this Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the

County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Agreement or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Agreement exceed the funds appropriated by the County for the purpose of this Agreement.

8.43.6 In addition to the above, the Contractor agrees, should the County or its authorized representatives determine, in the County's sole discretion, that it is necessary or appropriate to review a broader scope of the Contractor's records (including, certain records related to non-County Agreements) to enable the County to evaluate the Contractor's compliance with the County's Living Wage Program, that the Contractor shall promptly and without delay provide to the County, upon the written request of the County or its authorized representatives, access to and the right to examine, audit, excerpt, copy, or transcribe any and all transactions, activities, or records relating to any of its employees who have provided services to the County under this Agreement, including without limitation, records relating to work performed by said employees on the Contractor's non-County Agreements. The Contractor further acknowledges that the foregoing requirement in this Sub-paragraph relative to Contractor's employees who have provided services to the County under this Agreement is for the purpose of enabling the County in its discretion to verify the Contractor's full compliance with and adherence to California labor laws and the County's Living Wage Program. All such materials and information, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such materials and information prior to such time. All such materials and information shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such materials and information is located outside Los Angeles County, then, at the County's option, the Contractor shall

pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such materials and information at such other location.

8.43.7 Audit/Compliance Review

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

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

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

8.44 RECYCLED BOND PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.45 RESTRICTIONS ON LOBBYING

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

8.46 SUBCONTRACTING

Subcontracting is prohibited in this Agreement. Any reference to subcontracting in this Agreement shall be disregarded. A Switch Vendor, Contract Pharmacies under the Contract Pharmacy Network, and an entity providing third party electronic system(s) are not considered subcontractors.

8.47 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.16 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to Sub-paragraph 8.50 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.48 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.17 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue

debarment of Contractor, pursuant to County Code Chapter 2.206.

8.49 TERMINATION FOR CONVENIENCE

8.49.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.49.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Agreement on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.49.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with Sub-paragraph 8.43, Record Retention and Inspection/Audit Settlement.

8.50 TERMINATION FOR DEFAULT

8.50.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of the Director or his/her designee:

- Contractor has materially breached this Agreement; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Agreement; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing)

after receipt of written notice from the County specifying such failure.

8.50.2 In the event that the County terminates this Agreement in whole or in part as provided in Sub-paragraph 8.50.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Sub-paragraph.

8.50.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.50.2 if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or Contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

8.50.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.50, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.50, or that the default was excusable under the provisions of Sub-paragraph 8.50.3, the rights and obligations of the parties shall be the same as if the notice of termination had been

issued pursuant to Sub-paragraph 8.49 - Termination for Convenience.

8.50.5 The rights and remedies of the County provided in this Sub-paragraph 8.50 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR IMPROPER CONSIDERATION

8.51.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.51.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.

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

8.52 TERMINATION FOR INSOLVENCY

8.52.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.52.2 The rights and remedies of the County provided in this Sub-paragraph 8.52 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.53 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

8.54 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Agreement in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.55 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere

where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.56 UNLAWFUL SOLICITATION

Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e. State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees that if a patient requests assistance in obtaining the services of any attorney, it will refer the patient to the attorney referral service of all those bar associations within Los Angeles County that have such a service.

8.57 VALIDITY

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

8.58 WAIVER

No waiver by the County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.59 WARRANTY AGAINST CONTINGENT FEES

8.59.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.59.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or

otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

9.1.1 Living Wage Program

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit J and incorporated by reference into and made a part of this Agreement.

9.1.2 Payment of Living Wage Rates

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County, including, without limitation, "Travel Time" as defined below at subsection 5 of this Sub-paragraph 9.1.2 under the Agreement:

    a. Not less than $11.84 per hour if, in addition to the per-hour wage, the Contractor contributes less than $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

    b. Not less than $9.64 per hour if, in addition to the per-hour wage, the Contractor contributes at least $2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed $2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Agreement, the Contractor contributes less than $2.20 per hour towards the provision of

bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Agreement. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Agreement. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

3. If the Contractor is required to pay a living wage when the Agreement commences, the Contractor shall continue to pay a living wage for the entire term of the Agreement, including any option period.

4. If the Contractor is not required to pay a living wage when the Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Agreement, including any option period. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or

that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, “Travel Time” shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different Agreements between the Contractor and the County (of which both Agreements are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time.

9.1.3 Contractor’s Submittal of Certified Monitoring Reports

The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor’s Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor’s current health care benefits plan, and the Contractor’s portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (Exhibit K and Exhibit L), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it

may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

9.1.4 Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims

During the term of the Agreement, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's Agreement with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

9.1.5 County Auditing of Contractor Records

Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

9.1.6 Notifications to Employees

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year.

The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

9.1.7 Enforcement and Remedies

If the Contractor fails to comply with the requirements of this Sub-paragraph, the County shall have the rights and remedies described in this Sub-paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Agreement. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

    a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until the Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

    b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion,

assess against the Contractor liquidated damages in the amount of $100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Agreement. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated

damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of $50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.

3. Debarment. In the event the Contractor breaches a requirement of this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

9.1.8 Use of Full-Time Employees

The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Agreement unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Agreement unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

9.1.9 Contractor Retaliation Prohibited

The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit

of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any other public or private agency, entity or person. A violation of the provisions of this Sub-paragraph may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.

9.1.10 Contractor Standards

During the term of the Agreement, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

9.1.11 Neutrality in Labor Relations

The Contractor shall not use any consideration received under the Agreement to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

9.2 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

9.2.1 This Agreement is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.2.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local SBE.

9.2.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by

affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local SBE.

9.2.4 If the Contractor has obtained certification as a Local SBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Agreement to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Agreement amount and what the County's costs would have been if the Agreement had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the Agreement; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

9.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification, Exhibit O, the County seeks to ensure that all County Contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits

a material breach subjecting it to either Agreement termination or debarment proceedings or both. (County Code Chapter 2.202)

9.4 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

9.4.1 This Agreement is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.4.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.4.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.4.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Agreement to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Agreement amount and what the County's costs would have been if the Agreement had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting an Agreement award.

9.5 DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM

9.5.1 This Agreement is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.

9.5.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.

9.5.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.

9.5.4 If Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Agreement to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Agreement amount and what the County's costs would have been if the Agreement had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the Agreement; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and ISD of this information prior to responding to a solicitation or accepting an Agreement award.

9.6 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

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

9.7 REPORTING OF CHILD/ELDER AND DEPENDENT ADULT ABUSE

9.7.1 Contractor staff working on this Agreement shall comply with California Penal Code (hereinafter "PC") Section 11164 et seq., shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by these code sections and shall submit all required information, in accordance with the PC Sections 11166 and 11167.

9.7.2 Contractor staff working on this Agreement shall comply with California Welfare and Institutions Code (WIC), Section 15600 et seq. and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by these code sections. The Contractor staff working on this Agreement shall make the report on such abuse, and shall submit all required information, in accordance with the WIC Sections 15630, 15633 and 15633.5.

9.7.3 Contractor staff's failure to report as required is considered a breach of this Agreement subject to immediate termination and is also a misdemeanor, punishable by up to one year in jail, a fine of up to $5,000 or both.

/

IN WITNESS WHEREOF, Contractor has executed this Agreement, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR:

VENTEGRA, INC.

By Joyce Howe
Name

VP Business Operations
Title

COUNTY OF LOS ANGELES

By Mike Antonovich
Mayor, Board of Supervisors

78414

ATTEST:
PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By Carla Little

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By Carla Little
Deputy

APPROVED AS TO FORM:
Mary C. Wickham
Interim Chief Deputy

By William Russell
Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#31 SEP 15 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

340B PHARMACY SERVICES ADMINISTRATOR

STATEMENT OF WORK

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EXHIBIT A
STATEMENT OF WORK

1.0 SCOPE OF WORK

1.1 Contractor shall serve as a 340B Pharmacy Services Administrator (PSA) to meet the pharmaceutical needs of eligible Patients in Los Angeles County's (County) My Health LA (MHLA) Program. Such services shall consist of claims processing and adjudication in accordance with the MHLA Pharmacy Services Program, along with facilitating the development and oversight of Health Resource and Services Administration (HRSA) 340B-compliant pharmacy networks for MHLA Clinics providing PSA services. Generic low cost medications shall be dispensed through Contract Pharmacy Network (CPN). All claims shall be submitted via National Council for Prescription Drug Programs (NCPDP) claims process and shall originate from a California-licensed pharmacy.

Designated specialty or higher cost medications shall be dispensed directly to Patient. DHS Central Pharmacy medications will be mailed directly to Patient or MHLA Clinic via the Department of Health Services (DHS) Specialty Pharmacy, which will be a contracted pharmacy that is approved under HRSA's 340B Drug Pricing Program. DHS Specialty Pharmacy will utilize the DHS central fill pharmacy for medication fulfillment.

MHLA Clinics with HRSA approved on-site pharmacies shall be eligible to participate in the CPN and in the dispensing of specialty or higher cost medications if they meet the PSA CPN requirements. Designated pharmaceuticals dispensed by the on-site pharmacy will be paid by County at that clinic's current 340B Acquisition Cost plus the negotiated dispensing fee. For these pharmacies, Contractor shall be responsible to pay claims to the CPN directly.

All claims for pharmaceutical dispensing for MHLA Program enrolled participants shall be dispensed from a California-licensed pharmacy. Claims originating from a pharmaceutical dispensary will not be eligible for reimbursement.

In addition, the MHLA Pharmacy Services Program will be allowing approved MHLA Clinic dispensaries to dispense medications directly to patients. Claims will not be processed for the MHLA Clinic dispensaries. Contractor will receive medication dispensary data from the MHLA Clinic dispensaries on a daily basis, and Contractor will provide the data to County in NCPDP format.

1.2 Contractor shall:

1.2.1 Possess excellent knowledge and understanding of the Federal 340B Drug Pricing Program, including and not limited to the following: all regulations and requirements of the program, contract pharmacy arrangements, virtual inventory management procedures, drug replenishment using 11-digit National Drug Code (NDC) processes, and HRSA and 340B Contract Pharmacy auditing requirements.

1.2.2 Possess ability to effect a Lower of Pricing reimbursement methodology on each claim at the time of submission, selecting the lowest reimbursement for each claim and providing immediate response to the pharmacy submitting the claim.

1.2.3 Possess the ability to verify 340B Patient eligibility for each submitted claim, utilizing HRSA Patient definition requirements to validate 340B eligibility for each claim. Provide an electronic system to screen for appropriate patients per HRSA 340B Patient definition at the time of prescription claim, and provide processes to place Wholesaler order(s), track receipt, and monitor for compliance to 340B requirements.

1.2.4 Designate a dedicated account manager and service representative for the County.

1.2.5 Ensure that at least one of the Proposer's employees is a member of the National Council for Prescription Drug Programs (NCPDP) and, as such, adheres to NCPDP standards in its performance of electronic, real-time claims adjudication, including acceptance and processing of electronically transmitted prescriptions.

2.0 DEFINITIONS

2.1 **"340B Contract Pharmacy"** means a California licensed pharmacy in good standing with no restrictions, which has entered into a Pharmacy Provider Agreement with a Covered Entity. The DHS Specialty Pharmacy and on-site and other HRSA-approved MHLA Clinic designated 340B Contract Pharmacies will be included within the Contract Pharmacy Network upon County approval.

2.2 **"340B Contract Pharmacy Agreement"** means the agreement, facilitated by Contractor, between a Covered Entity and the 340B Contract Pharmacy for dispensing 340B-purchased pharmaceuticals. The 340B Contract Pharmacy Agreement shall include those minimum elements required by HRSA for 340B Covered Entity and 340B Drug and associated services.

2.3 **"340B Covered Drug"** means a drug subject to a discount under the Federal 340B Drug Pricing Program.

2.4 **"340B Drug Pricing Program"** means the federal drug discount program established under Section 340B of the Public Health Service Act, 42 U.S.C. § 256b.

2.5 **"340B Acquisition Cost"** means the 340B cost of the drug charged by the manufacturer to each Covered Entity plus any Wholesaler fee.

2.6 **"Authorized Provider"** means any individual licensed to prescribe medication in the State of California that is employed or contracted by the MHLA Clinic to prescribe medications to a Patient. Covered Entity Authorized Providers shall meet HRSA 340B regulations.

2.7 **"Claim"** means a CPN's billing for a single prescription for pharmaceuticals dispensed to a Patient.

2.8 **"Claims Adjudication"** means processing of electronic claims for prescriptions which includes full compliance with 340B Patient eligibility requirements, which include but are not limited to: verifying Patient and provider eligibility and formulary status of prescribed medication. The electronic claims adjudication process shall include a real time Lower of Pricing analysis to verify the lowest cost alternative for the specific claim, communicated back to the CPN at the time of claims adjudication.

2.9 **"Clean Claim"** means a Claim that has no defect, impropriety or special circumstance, including incomplete documentation that delays timely payment.

2.10 **"Contract Pharmacy"** means a California licensed pharmacy in good standing with no restrictions, which has entered into a Pharmacy Provider Agreement with Contractor.

2.11 **"Contract Pharmacy Network (CPN)"** means the network of pharmacies that have an executed Pharmacy Provider Agreements with Contractor.

2.12 **"Covered Entity"** means a clinic in County's MHLA Program that is eligible to participate in the 340B Drug Pricing Program.

2.13 **"Dispensing Fee"** means the negotiated amount payable to a Contract Pharmacy for pharmaceutical dispensing as pre-approved by County.

2.14 **"Formulary"** means a listing of all medications that are covered by County MHLA Program, along with restrictions.

2.15 **“HRSA”** means the Health Resources and Services Administration, which is the Federal agency that administers the 340B Drug Pricing Program through its Office of Pharmacy Affairs.

2.16 **"Lower of Pricing"** means the lower of (1) 340B Acquisition Cost of the drug plus negotiated dispensing fee, or (2) the usual and customary pharmacy charge, or (3) MAC cost plus negotiated MAC dispensing fee, or (4) non-340B drug reimbursement as set forth by MHLA.

2.17 **"Maximum Allowable Cost (MAC)"** means the maximum ingredient unit cost, not to exceed the California Medi-Cal MAC or Federal Upper Limit (FUL) pricing schedules on a per Claim basis.

2.18 **“My Health Los Angeles (MHLA) Program”** is operated by County to provide health care services for low-income residents of County. Individuals participating in MHLA Program include eligible persons, six years of age and older enrolled in County’s Low Income Health Program (LIHP) or in a successor program, as well as uninsured low-income individuals who are ineligible to enroll in the LIHP or in a successor program.

2.19 **“MHLA Clinic”** means any clinic contracted with County to provide primary and ancillary care services through the MHLA Program.

2.20 **"MHLA Pharmacy Services Program"** means the drug standards established by County, including the Formulary, deductibles, maximum quantities, maximum days, prior authorization requirements, eligibility, limitations, the corresponding accurate price calculations, and clinical parameters, as appropriate, and as defined by MHLA.

2.21 **“Patient”** means an individual who meets the definition of a patient established by HRSA with respect to a Covered Entity and who is an enrolled participant with a MHLA Clinic.

2.22 **"Pharmacy Provider Agreement (PPA)”** means the agreement between Contractor and each pharmacy within the CPN that sets forth the Dispensing Fee and obligations of the pharmacy with respect to pharmacy services provided to MHLA Program Patients.

2.23 **“Switch Vendor”** provides a telecommunication connection to send electronic NCPDP transactions between the PSA’s claims adjudication system and pharmacies in the CPN.

2.24 **"Usual and Customary"** means the lowest price each pharmacy in the CPN would charge to a Patient if the Patient were paying cash for the identical Formulary Drug on the same date of services. This includes any applicable discounts including, but not limited to, senior discounts, frequent shopper discounts and other special discounts offered to customers, inclusive of the dispensing fee.

2.25 **"Wholesaler"** means the contracted distributor for 340B Covered Drugs designated by the Covered Entity as the distributor from whom 340B Covered Drugs are purchased by the Covered Entity.

3.0 GENERAL CONTRACTOR RESPONSIBILITIES

Contractor shall:

3.1 Adhere to the implementation timeline established by County which shall be within ninety (90) days of contract execution.

3.2 Prepare and submit invoices for all services provided, including prescription processing fees by CPN, in format and frequency specified by County.

3.3 Assist each Covered Entity with the HRSA application process for the established DHS Specialty Pharmacy, if applicable. In addition, assist each Covered Entity with the required ship to/bill to Wholesaler arrangements for the MHLA Clinic designated 340B pharmacy, establishing Wholesaler accounts and assisting with processing of Wholesaler payments.

3.4 Provide an electronic system and infrastructure to allow the Covered Entity and the DHS Specialty Pharmacy to manage the 340B inventory requirements and prescription tracking for eligible Patients to maximize compliance with Federal requirements. Provide a real-time web-based system to County to review claims history for all transactions.

3.5 Have the ability to receive secured electronic transmission of claims (real-time online adjudication) in accordance with most current HIPAA compliant NCPDP Telecommunication Standard.

3.6 Ensure that all Contractor's electronic systems and transmission of data shall be HIPAA compliant in accordance with Exhibit M.

3.7 Not use a subcontractor. A Switch Vendor, Contract Pharmacies under the Contract Pharmacy Network, and an entity providing third party electronic system(s) are not considered subcontractors.

3.8 Implement fraud monitoring processes for the CPN. Conduct audits and other quality improvement activities of Contractor's services and the CPN, as defined by County.

3.9 Provide a dedicated help line for MHLA staff, MHLA Clinics, and County's contract administrator during the term period of the Agreement.

3.10 Provide training to MHLA staff and MHLA Clinics for all systems utilized by Contractor and provide training and support to Covered Entities on the HRSA Contract Pharmacy enrollment process.

3.11 Provide threshold language-capability for pharmacies in the CPN, as set forth in Exhibit A, Attachment I – County Required Threshold Languages.

3.12 Meet with County MHLA Program staff on a monthly basis unless requested more frequently.

3.13 Implement modifications if County requests a modification to its MHLA Program, and adjudicate claims in accordance with the modification. Dependent on the complexity and breadth of the MHLA Program parameter change, Contractor shall implement a change request as soon as possible but shall not take longer than thirty (30) calendar days.

4.0 THIRD PARTY CLAIMS ADJUDICATION COORDINATION

Contractor shall:

4.1 Adjudicate all claims based on MHLA Program requirements and in accordance with Federal 340B and MHLA Program Formulary requirements. Contractor shall verify that each Claim is a Clean Claim.

4.2 Provide the ability for County pharmacy staff, who handle all prior authorization (PA) reviews, to upload PA approvals real-time for network pharmacy review.

4.3 Communicate changes in MHLA Program policies, relevant to this Agreement, to all Pharmacies within twenty-four (24) hours of receipt of notification to Contractor of change.

4.4 Remove and/or add pharmacy(ies) to the CPN at the discretion of the County. Changes to the CPN shall occur within five (5) business days of receipt of written notice to Contractor by County. All CPN additions or deletions shall be pre-approved by County.

4.5 Securely transmit electronic prescription data from Contractor to County's electronic database in a format and timeline determined by County.

4.6 Upload two separate formularies, the MHLA Program and the DHS formularies to Surescripts (an e-prescribing transaction services that is not considered a subcontractor) or an equivalent electronic process for use in electronic prescribing. County will maintain two separate formularies which will be updated by Contractor as communicated by County.

4.7 Arrange for pricing to be updated and loaded for Claims Adjudication. Contractor shall retain the fiduciary responsibility to approve the invoices for all 340B Covered Drugs and monitor and manage the 340B pricing information. 340B Covered Drug Pricing information shall be used in the creation of County invoices for 340B priced drugs.

4.8 Make payments to the Covered Entity for 340B Covered Drugs dispensed to Patients of the Covered Entity at the 340B Acquisition Cost. Contractor shall pay the Dispensing Fee for 340B Covered Drugs to the 340B Contract Pharmacy, per established agreement rate. Any payment to the 340B Contract Pharmacy shall be determined by Lower of Pricing and may include MAC-priced and usual and customary-priced agents.

4.9 Provide all Claims payment data as submitted in the NCPDP format to County in the Claims file.

4.10 Operate the online claims adjudication twenty-four (24) hours per day, seven (7) days per week. Downtime shall be no more than 1% of total operating time within each month; performance significantly outside the established threshold of 1% shall be reflected in Contractor's annual monitoring report, which may be a material breach of the Agreement.

4.11 Except for those claims submitted by MHLA Clinic onsite 340B Contract Pharmacies, Contractor shall ensure adequate screening processes and tracking mechanisms to ensure that 340B Covered Drug claims are not approved for individuals who are not Patients of the 340B Covered Entity.

4.12 Possess robust systems to compare and apply different pricing and cost information (e.g. MAC pricing, pharmacy "usual and customary" price) to individual adjudicated claims based on MHLA Program established parameters and criteria, and bill County the lowest of negotiated County dispensing fee and other applied pricing parameter (e.g. MAC pricing, pharmacy "usual and customary" price.). If dispensed through 340B pricing, have the ability to initiate the Wholesaler ship to/bill to process for each specific 340B Covered Entity.

4.13 Track drug claims by 11-digit NDC number, identify which drugs may be purchased for replenishment using 340B pricing and which drugs are optimally purchased at other than 340B through Lower of Pricing analysis, and provide each County contracted 340B Covered Entity with online access to reports of drugs ordered for replenishment by claim, 11-digit NDC number, 340B Covered Entity for whom purchased and by 340B Contract Pharmacy.

4.14 Adjudicate Claims in accordance with the Formulary and accept monthly updates to the approved MHLA Program drug formulary via electronic

communication, and apply the updated information to the formulary database within one (1) business day.

4.15 Possess the ability for County pharmacists to upload PA approvals electronically into Contractor's system, and have the ability for the pharmacy in the CPN to access this PA approval information within one hour of electronic upload.

4.16 Communicate medication therapy management (MTM) interventions to the pharmacies in the CPN per MHLA Program specifications. Contractor shall have the ability to communicate MHLA Program pre-defined or individual MTM parameters for specific clinical situations, based upon Patient information. Contractor shall possess the ability to communicate these MTM interventions to the pharmacies in the CPN.

4.17 Prevent duplicate manufacturer discounts, provide documentation that County Claims, and prescription claim data are excluded from manufacturer rebate programs engaged in by Contractor.

4.18 Ensure all Formulary edits shall contain explicit criteria that are measurable in the pharmacy claims supporting invoices. All edits, clinical and value-add programs shall individually contain explicit measurable criteria and return-on-investment parameters. Contractor shall provide a pass through arrangement with County, and therefore, shall not keep any spread or rebates on drugs purchased through pharmacies in the CPN and the amount billed to County. Contractor shall provide monthly reports designed to ensure that the pass through arrangement is appropriate and provides value.

4.19 Process only those Claims which are for prescriptions dispensed by CPN prior to the expiration or termination date of this Agreement and which are received by Contractor within thirty (30) days of the expiration or termination date of this Agreement.

5.0 CPN COORDINATION

Contractor shall:

5.1 Provide a CPN that will consist of patient accessible California licensed pharmacies to provide medications dispensing for most generic medications. These pharmacies in the CPN must be nearby to the MHLA Clinics. Accessibility to a 24/7 pharmacies in the CPN must be available in strategic geographical locations within each Service Planning Area (SPA) as identified by MHLA Program.

5.2 Provide support to the DHS Specialty Pharmacy for all relevant 340B claims, by managing HRSA-approved contract between the DHS Specialty 340B Contract Pharmacy and each Covered Entity.

5.3 Ensure that all pharmacies in the CPN meet the following requirements:

5.3.1 Possess a current and valid pharmacy license without restrictions, issued by the California State Board of Pharmacy, and is recognized as a pharmacy provider by the National Association of Boards of Pharmacy (NABP). Each pharmacy in the CPN shall abide by all California State Board of Pharmacy regulations.

5.3.2 Be an authorized California State Medi-Cal provider.

5.3.3 Be an authorized AIDS Drug Assistance Program (ADAP) provider when applicable.

5.3.4 Possess an electronic patient drug profile system that provides concurrent information to the dispensing pharmacist on patient-specific drug-drug interactions, drug-nutrient interactions, and potential adverse effects. The electronic system must also be able to generate written drug information and dosing instructions intended for the lay public that may be provided to the Patient.

5.3.5 Agree to accept the lesser of agreed upon dispensing fee and MAC or pharmacy in the CPN "usual and customary" price for each prescription dispensed.

5.3.6 Agree to maintain auditable records of purchasing, inventory management, prescription transactions and prescription receipt verification. These records shall be provided to County upon request.

5.3.7 Comply with County and MHLA Program policies regarding approved formulary, maximum days' supply, lost prescriptions, acceptable refill intervals, non-formulary drug requests, PA guidelines and other relevant prescription dispensing activities.

5.3.8 Have implemented fraud monitoring processes within the pharmacies in the CPN.

6.0 DRUG FORMULARY AND PRIOR AUTHORIZATIONS (PAs)

6.1 Contractor shall be reimbursed only for those medications that are on the MHLA Program Formulary as indicated in Section 2.14.

6.2 MHLA Program mandates the use of generic pharmaceuticals whenever possible in accordance with applicable law or regulations. Payments are restricted to MHLA Program clinical parameters, as appropriate and as defined by County. In order to ensure that therapeutic integrity is maintained in the face of cost considerations, only generics rated as therapeutically equivalent (so-called "A" or "AB rated"), or rated equivalent by the FDA are covered.

6.3 Exclusions from the Formulary include pharmaceuticals not listed in the Formulary. The MHLA Program in rare cases may cover a non-Formulary pharmaceutical, but only through the PA approval process. Contractor shall not be reimbursed for any pharmaceuticals authorized outside the scope of the Formulary, without a proper approved PA.

6.4 Contractor shall provide an electronic system for County to enter in pharmaceutical PA approvals. This system shall provide a web-based, real-time upload, with information accessed by the pharmacy in the CPN.

6.5 In the event that County determines to discontinue a pharmaceutical from inclusion in the Formulary, County shall notify Contractor within one (1) business day and Contractor shall account, within fifteen (15) calendar days after the discontinuation of such pharmaceutical, for the 340B accumulated credit and/or inventory of such discontinued pharmaceutical. Arrangements shall be made by Contractor, as applicable for the return of any remaining inventory of discontinued 340B Covered Drug to the Wholesaler for appropriate credit if possible.

6.6 In the event that market conditions are such that the cost exceeds the MAC list, Contractor shall process the PA to County before dispensing pharmaceutical to Patient.

7.0 AUDITS AND QUALITY CONTROL

7.1 Contractor shall provide audit rights to County or its agents in all areas included in this Agreement. Contractor shall provide audit rights to Covered Entities to assess HRSA 340B compliance. Contractor confirms acceptance of County's audit requirements and an unrestricted ability for County or its agents to obtain all documentation, fee schedules, etc., consistent with Contractor's performance under this Agreement.

7.2 Contractor shall provide its current MAC List to County immediately after execution of this Agreement and within five (5) business days of any changes during the entire duration of the Agreement.

7.3 Contractor shall allow audits related to County's Claims activity to be performed by County. Claims shall be audited, at a minimum, on a monthly

basis and any findings may result in withholding of payment for a Claim until all issues are resolved.

7.4 Contract Pharmacy Network audits shall include, but not be limited to a review of the following:

a. Formulary and drug utilization review (DUR) compliance
b. Usual & Customary compliance
c. Patients' complaints
d. Lower than average generic substitution rate
e. Lower than average Formulary compliance
f. High controlled substance percent
g. Percentage use of "Do Not Substitute" indicators
h. Higher than average number of prescriptions per Patient
i. Higher than average days' supply per prescription
j. Higher than average ingredient cost per prescription
k. Higher than average quantity billed per prescription
l. 340B compliance issues
m. Compliance with governmental regulations
n. Review of insurance signature logs
o. Formulary awareness
p. Consultations provided
q. Record retention
r. Expired medications
s. Verification of prescription-specific information including:
    i. Patient name
    ii. Drug name and strength
    iii. Directions for use
    iv. Quantity
    v. Number of authorized refills
    vi. Allowance of generic substitution ("Dispense As Written" notation)
    vii. Quality of Service provided to customers
    viii. 340B regulatory compliance on HRSA audit preparedness

7.5 In the event of fraud detection, Contractor shall immediately notify County. In the event of 340B compliance issues, Contractor shall immediately notify County and the appropriate Covered Entity. After consultation with County, appropriate action shall be taken including but not limited to removing the pharmacy from the CPN. County will make the final decision regarding the appropriate action needed.

7.6 Contractor shall provide independent 340B audits consistent with HRSA regulations for each 340B Contract Pharmacy relationship except for those MHLA Clinic on-site 340B Contract Pharmacies. Audit findings shall be provided to the Covered Entity and County no later than 30 days after completion.

7.7 Contractor shall allow County to audit payments for CPN to ensure compliance with all agreement provisions. This shall include any services that are performed on behalf of County.

7.8 Contractor shall provide complete electronic claims details in NCPDP format, or most recent industry standard format, to accompany each invoice along with required MHLA Program data elements. It shall be the responsibility of Contractor to cure these exception claims or assume responsibility for incorrect payments. Contractor shall also provide PA, edits, and prospective DUR numbers and descriptions to County no later than 30 days after processing of claim.

7.9 Contractor shall provide County with data for prescription invoices in electronic NCPDP format for each invoice with all edits, PAs, and other relevant information to support reimbursements. The invoice shall include 100% of all dispensed prescriptions to MHLA Patients. This invoice shall be forwarded to County on a bi-weekly basis, or as otherwise specified by County.

7.10 Contractor shall provide data, which includes amount paid to MHLA Clinics, Wholesaler, and pharmacy in the CPN, check date, and payment date. This data shall be provided to County no later than 30 days after the claim is processed, and shall include the electronic NCPDP original claims file for County to audit all approved claims.

7.11 Contractor shall perform dispensing audits of pharmacies in CPN at an agreed upon sampling data as specified and updated by County.

7.12 County personnel may observe performance, activities, and review documents relevant to this Agreement at any time during normal business hours. However, these personnel may not unreasonably interfere with Contractor's performance.

7.13 County will evaluate Contractor's performance under this Agreement using the Quality Assurance Plan as referenced in Paragraph 8.18 of the Agreement.

8.0 DRUG ORDERING AND VIRTUAL INVENTORY FOR 340B PHARMACEUTICALS

Contractor shall:

8.1 Have experience managing virtual inventory systems for 340B Contract Pharmacies.

8.2 Manage a real-time, web-based claims adjudication electronic system to adjudicate claims for 340B covered drugs using the current system that

adheres to NCPDP standards and allows PA approvals to be uploaded to the system.

8.3 Generate and submit to each Covered Entity an electronic purchase order for drugs to replenish the 340B-drug inventory. Purchase orders will specify drugs by 11-digit NDC number, unit quantity and other required data needed to complete such purchase order. Upon receipt of approval from the Covered Entity, Contractor shall electronically submit such purchase order to the Covered Entity's Wholesaler. The frequency of these purchase orders shall be commensurate with prescription volume from Covered Entity. For Covered Entities with high prescription volume, Contractor shall have the ability to issue daily purchase orders.

8.4 Provide an electronic system to enable each Covered Entity, County and 340B Contract Pharmacy(ies) to validate and communicate 340B-drug shipment from the Wholesaler to the Covered Entity and the 340B Contract Pharmacy(ies). All discrepancies shall be reported to the Covered Entity within five (5) business days after receipt of such shipments.

8.5 Manage each Covered Entity's individual 340B Contract Pharmacy inventory through its electronic system which will generate orders to replenish the 340B inventory based on replenishment levels established by the MHLA Program. The replenishment of the inventory shall be made at the then current 340B Acquisition Cost of the 340B Covered Drugs. The system shall have the ability to track partial package sizes, and accumulate into an order when the package size is reached.

8.6 Upload valid processed Claims by 340B Contract Pharmacy of 340B Covered Drugs into an electronic system for drug replenishment for each Covered Entity.

8.7 Manage and track current 340B Covered Drug inventories by 11-digit NDC number including unit quantities used and unit quantities remaining with each 340B Contract Pharmacy for each Covered Entity.

9.0 REQUIRED REPORTS

Contractor shall provide:

9.1 Monthly management reports that include and are not limited to: Patient prescription services utilization; individual and aggregate provider prescribing patterns by drug and cost; prescription costs per therapeutic class.

9.2 Monthly financial reports that include and are not limited to: co-payment amounts collected by pharmacies in the CPN; prescription claims by number and costs; total of individual claim charges to MHLA Program

showing use of prescription dispensing fee or MAC/pharmacy 'usual and customary' price and deduction from charge of prescription co-payment amount.

9.3 Inventory reports, at periods specified by County, that include and are not limited to: 11-digit NDC number, name and description of drugs dispensed for report period listed by 340B Contract Pharmacy; replenishment order quantities per 340B Contract Pharmacy and Pharmacy account name and number; quantities of drugs not replenished and carried over to next replenishment period, by 11-digit NDC number and 340B Contract Pharmacy.

9.4 Monthly reports, by 340B Contract Pharmacy and 11-digit NDC number, of 340B drugs not reaching replenishment levels (full package size) 180-days after last dispensed, and amount owed to the 340B Contract Pharmacy for non-replenished drug based on a billing algorithm established by County.

9.5 Monthly reports of drugs replenished to 340B Contract Pharmacies identifying individual Covered Entities from which claims used for replenishment report were generated. Report of replenished and non-replenished drugs for this report shall be listed by 11-digit NDC number, drug name, quantities dispensed, and quantities replenished.

9.6 Quarterly reports on total operating down times for Contractor's website/electronic system for each month, calls to the customer service help line, and responses to these calls.

9.7 Electronic system with ad hoc report writing capabilities.

9.8 Monthly reports within ten (10) days after the end of the calendar month to County electronically.

9.9 Encounter data for all claims processed under this Agreement. Data shall contain sufficient service-level detail, as identified by County, which at minimum is considered a Claims remittance file. Encounter data to be provided at least on a monthly basis, or if requested by County on a more frequent basis.

9.9.1 Data file shall be transmitted via secured HIPAA compliant system/File Transfer Protocol as required in Exhibit M.

9.9.2 Contractor's information system shall include hosting, redundancy, back-up, and disaster recovery processes to ensure 24/7 operations.

9.10 Complete claims data for each MHLA Clinic to meet any requirements for audit by County, MHLA Clinic, HRSA Office of Pharmacy Affairs and/or Office of Inspector General, to assure the integrity of the 340B Drug Pricing Program.

Data collected and reported by Contractor shall be sufficient to monitor 340B Covered Drug purchase orders, 340B Covered Drug payments, and 340B Covered Drug inventory, including partial units dispensed, of each 340B Contract Pharmacy. Data shall be made available in an electronic data file via Contractor system or via an electronic data exchange at a frequency as mutually agreed upon by County and Contractor. Data shall be reported within ten (10) calendar days after the calendar month's end to County electronically and shall include, but not limited to, the following:

9.10.1 The MHLA Clinic name where the prescription was prescribed.
9.10.2 The prescription number or the unique serial number of the prescription which is dispensed by CPN to Patient.
9.10.3 The calendar date of the Claim.
9.10.4 The unique identification number assigned to the Patient.
9.10.5 The Patient's gender.
9.10.6 The Patient's last name.
9.10.7 The Patient's first name.
9.10.8 The Patient's date of birth.
9.10.9 Sliding-scale co-payment level, if applicable.
9.10.10 The Authorized Provider's unique identification number.
9.10.11 The first and last name of the Authorized Provider.
9.10.12 The NPI assigned to the pharmacy in the CPN.
9.10.13 The name of the pharmacy in the CPN dispensing the prescription to the Patient.
9.10.14 The 11-digit NDC Number of the medication dispensed to the Patient.
9.10.15 The name, strength and dosage form of the medication dispensed to the Patient.
9.10.16 The quantity of dosage units (number) of medication being dispensed to the Patient.
9.10.17 The calculated number of days (dosage days) the prescription should cover if the medication is taken as prescribed by the Authorized Provider.
9.10.18 Whether the dispensed medication is a generic or a brand named drug item.
9.10.19 The Acquisition Cost of the drug.
9.10.20 The Dispensing Fee.

9.11 Upon request, the following reports through an electronic system for users defined by County:

	Description	Purpose
1	Summary of Top Drugs Dispensed	Summarizes the top drugs dispensed. Includes number of prescriptions, average paid/prescription, and average quantity/prescription.
2	Summary Report Card of Activity	Includes number of members served, amount paid, average prescription cost (generic, multi-sources, and single-source brands), generic percentage.

3	Alphabetical Drug Utilization	Lists number of prescriptions, total cost, total due, average cost, and average amount due.
4	Top Patients Summary Report	Summary of the top Patients based on claim cost and prescription volume.
5	Top Patients Controlled Substance Report	Summary of the top Patients based on controlled substance claim cost and prescription volume.
6	Therapeutic Drug Class Summary	Details drug utilization by therapeutic category. Includes number for prescriptions, average paid, average cost, and generic index.
7	Prescription Utilization Summary	Summarizes approved/non-reversed prescription claims utilization over any given period of time based on adjudication date.
8	Brand/Generic Utilization	Summarizes and compare prescription claims based on the brand class attributes (single-source, multi-source, and generic).
9	Top Drugs by Label Name	Summary of the top utilized drugs by both claim cost and volume of prescriptions.
10	Top Drugs by Generic Name	Summary of the top utilized drugs by both claim cost and volume of prescriptions.
11	Top Drugs by 11-digit NDC number	Summary of the top utilized drugs by both claim cost and volume of prescriptions.
12	Top Therapeutic Classes by HIC-3	Summary of the top HIC-3 therapeutic drug classes by both claim cost and volume of prescriptions.
13	Top Pharmacy Summary Report	Summary of the top pharmacies based on claim cost and prescription volume.
14	Top Authorized Providers Summary Report	Summary of the top authorized providers based on claim cost and prescription volume.
15	Inventory Order	Summary of 340B replenishment orders.
16	Top 340B Covered Entity Summary Report	Summary of the top Covered Entities based on claim cost and prescription volume.
17	Top Non-Formulary/PA Utilization	Summary of the top non-Formulary/ PA drugs by both claim cost and prescription volume.
18	Monthly Report to MHLA Clinics	Monthly electronic system to each MHLA Clinic that will provide management reports that include and are not limited to Patient prescriptions dispensed, including all necessary data fields allowing the 340B Covered Entity to monitor 340B Contract Pharmacy compliance, Patient dispensing history and inventory management.
19	Financial Reports	Online access to monthly financial reports that include and are not limited to: • co-payment amounts collected by individual network pharmacies;

		• prescription claims by number and costs per participating pharmacy; • total of individual claim charges to MHLA Clinic showing use of prescription dispensing fee or MAC/pharmacy 'usual and customary' price and • deduction from charge of prescription copayment amount; • revenue realized by claim from commercial; and • medical managed care prescription payer sources.

9.12 Customized additional performance report packages according to the needs and goals of the MHLA Program. These reports may also be used to determine Contractor's adherence to performance guarantees.

9.13 Management and performance report packages directed to Contractor, Formulary, and drug allowance enhancements at meetings with County on a quarterly basis or more frequently. These meetings shall also review performance statistics, clinical reviews, and management reports and current projects. In addition, a summary of customer service calls and prescription claims shall be discussed to determine whether any adjustments need to be made.

9.14 Online access to ongoing inventory reports that shall include and are not limited to: 11-digit NDC number, name and description of drugs dispensed for report period listed by participating network pharmacy; replenishment order quantities per participating 340B Contracted Pharmacy and pharmacy account name and number; quantities of drugs not replenished and carried over to next replenishment period, by 11-digit NDC number and participating pharmacy. Access to these reports shall be provided by Contractor for all MHLA Clinics. Each MHLA Clinic shall have online access to reports for their specific patients and pharmacy in the CPN.

9.15 Online access to ongoing reports, by 340B Contract Pharmacy and 11-digit NDC number, of drugs not reaching replenishment levels (full package size) 180-days after last dispensed, and amount owed to the 340B Contract Pharmacy for non-replenished drugs based on a billing algorithm established by the County.

9.16 Online access to reports of drugs replenished to 340B Contract Pharmacies identifying individual clinics from which claims used for replenishment report were generated. Report of replenished and non-replenished drugs for this report shall be listed by 11-digit NDC number, drug name, quantities dispensed, and quantities replenished. Access to these reports shall be provided by Contractor for all Covered Entities.

9.17 Each MHLA Clinic online access to reports for their specific Patients and Contract Pharmacy.

9.18 Electronic system by which the Covered Entity and County may remotely view and track 340B Claims and purchase order data for 340B Covered Drugs that the Covered Entity receives from their Wholesaler. The Software License shall be provided for use of Contractor's proprietary software application on or after the effective date of this Agreement to County and each Covered Entity that enters into an Agreement with Contractor.

9.19 Online access to all reports in formats that can be exported into spreadsheets (e.g. Excel) and data base management (e.g. Access) programs for data analysis. Online access to data must be provided for a period of no less than three years.

10.0 PATIENT ELIGIBILITY DATABASE

10.1 County shall send Contractor, via a secure File Transfer Protocol method, daily eligibility files. Once the information is uploaded into Contractor's system, within 2 hours of receipt, the information contained in the Patient profiles shall be updated in a real-time mode for Pharmacy Claims processing.

10.2 Contractor shall provide the ability for County designated staff to add Patients to Contractor's system between eligibility transmissions and/or override MHLA Program benefits for select Patients as needed, online and in real-time.

10.3 If Patient eligibility files fall outside of the expected parameters including delay of transmission, termination of member, or unreadable records, Contractor shall proactively contact County staff to resolve the issues. When an eligibility load occurs, Contractor shall securely e-mail back to County a report detailing updated, termed and pending records.

11.0 CONTRACTOR WEBSITE, STAFFING AND CUSTOMER SERVICE

11.1 The following information, provided and updated by Contractor shall be available to the public via Contractor's web site: Pharmacy location for each pharmacy in the CPN including address, hours of operation, website and phone numbers.

11.2 Contractor's Customer Service Representatives shall have access to Contractor's MHLA Program claims processing electronic system. The claims processing electronic system shall provide profiles for each Patient based upon claims submitted by pharmacies in the CPN. The information contained in the profiles shall be updated in a real-time mode as the pharmacy in the

CPN dispenses a prescription, thereby providing accurate information to Customer Service Representatives at all times.

11.3 Contractor's customer service call center shall maintain an e-mail address and toll-free telephone number that shall be staffed to assist with questions by County staff, MHLA Clinics, providers, and pharmacies in the CPN. Contractor's customer service call center shall feature live agents who answer the phone 24 hours a day, seven days a week, 365 days a year. Contractor shall train a sufficient number of Customer Services Representatives to handle call volume during the implementation period and on an on-going basis throughout the term of the Agreement. Contractor's pharmacists shall be available during regular business hours to take calls that are transferred from the customer service area. Contractor shall also provide emergency access to Contractor's pharmacist 24 hours a day. Contractor's call center shall handle inquiries from pharmacies in the CPN to clarify prescription information for the MHLA Program.

11.4 Contractor shall use a call management tracking system to log calls and establish an escalation procedure to handle caller inquiries. Each call shall be logged and given a code that translates into the type of call received (e.g., eligibility, pharmacy location, co-pay or service question, etc.). Notes shall be documented by the Customer Service Representative indicating which Pharmacy called, the name of the caller, the problem, and the solution. In order to ensure excellent customer service and satisfaction, Contractor's customer service group should be answered within 5-10 minutes.

11.5 Contractor shall train and instruct the Customer Service Representatives in the intricacies of the MHLA Program. Contractor shall provide the customer service representatives written reference information regarding the MHLA Program design, as approved by County. Specific documentation for the customer service department shall be created by Contractor based upon the needs of the MHLA Program. Contractor shall provide follow-up refresher training at regular intervals. In addition, Contractor shall monitor all calls and provide County with quarterly statistics on call performance.

11.6 For non-English speaking calls, Contractor's customer service representatives shall provide immediate interpreters in County's threshold languages, as set forth in Exhibit A, Attachment I. For the hearing and speech impaired, Contractor shall provide TDD-TTY telecommunications.

12.0 CONTRACTOR ACCOUNT MANAGEMENT TEAM

12.1 Written notification of an Agreement discrepancy will be made to Contractor Project Manager as soon as possible whenever a discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by County and Contractor.

12.2 Contractor shall assign an account team to oversee services required under this Agreement. This account team shall schedule on-site meetings with County Project Manager and other County representatives to review performance and address concerns. The individuals who will have direct responsibility for services provided in accordance with this Agreement shall be identified by Contractor to meet the following needs:

12.2.1 Review utilization figures and make recommendations on updating County Program design, locate opportunities to further control costs, monitor drug utilization patterns, participate in quality improvement and utilization management efforts, and coordinate with County Project Manager.

12.2.2 Monitor HRSA 340B enrollment process, from both the Covered Entity perspective, as well as 340B Contract Pharmacy and Wholesaler account set-up. Provide weekly implementation reports during transition and start-up period until full implementation.

12.2.3 Research/document customer issues, monitor performance standards, and certify operational issues or County requests are addressed immediately.

12.2.4 Track MHLA Program utilization and costs, handle the analytical needs of County as well as ad-hoc projects.

12.2.5 Oversee MHLA Program design setup ensuring that all MHLA Program-specific edits are correctly programmed, performing continual quality checks, developing and maintaining informational materials for customer service agents.

12.2.6 Implement County's process for sending eligibility, managing the data load and exchanges.

12.2.7 Submit required data files and reports, ensure data quality and accuracy, and update systems as needed.

12.3 Contractor shall provide County a minimum of sixty (60) days advance written notice of any changes to the proposed account management team and a description of qualifications and training for new team members.

12.4 All Patient communications, other than appropriate for dispensing/refilling a prescription, must be approved by County Project Manager. County Project Manager retains the right to determine if communications are of marketing or other nature that is inconsistent with MHLA Program policies.

13.0 MHLA CLINIC MEDICATION DISPENSARY DATA TRANSMISSION

13.1 Approved MHLA Clinic dispensaries will provide Contractor with medication dispensary data in a format mutually agreed upon by the parties and in accordance with the provisions of the MHLA Clinics' Agreement with the County. Attachment II provides the data that MHLA Clinic dispensaries will transmit to Contractor.

13.2 Contractor shall provide medication dispensary data from approved MHLA Clinic dispensaries in NCPDP format to County within 1 business day upon receipt from MHLA dispensaries.

13.3 County will work with Contractor to ensure that operating policies and procedures are in place for successful implementation of medication dispensary data transmission.

LOS ANGELES COUNTY THRESHOLD LANGUAGES

1) Arabic
2) Armenian (Eastern)
3) Chinese (Traditional)
4) English
5) Farsi
6) Khmer (Cambodian)
7) Korean
8) Russian
9) Spanish
10) Tagalog
11) Thai
12) Vietnamese

MEDICATION DISPENSARY DATA TRANSMISSION

Contractor will receive MHLA Clinic medication dispensary data in the following format:

Field	Format	Detail
Patient Last Name	Text	No additional detail beyond field name
Patient First Name	Text	No additional detail beyond field name
Patient Zip Code	Text (9)	Include only the digits, not a dash or space in the case of a 9 digit zip code.
Patient Date-of-Birth	Date	No additional detail beyond field name
MHLA ID	Text	MHLA program unique Patient Identifier
Visit ID	Text	Unique Visit Identifier (if available, optional)
Prescription/Dispense Number	Text	Prescription/Dispense claim/record number
Fill Number	Integer	Initial fills should be reported as 0 and refills should be a value >= 1
National Drug Code	Text (11)	No additional detail beyond field name
Physician NPI	Text	National Provider Identifier
Physician Name	Text	No additional detail beyond field name
Fill Date	Date	No additional detail beyond field name
Quantity	Numeric (18, 4)	Amount; Precision of 18 and scale of 4
Ingredient Cost	Numeric (12, 4)	Precision of 12 and scale of 4 (optional for dispensary only)
Prior Authorization Number	Numeric	No additional detail beyond field name
Days Supply	Number	No additional detail beyond field name
SIG	Text	No additional detail beyond field name

EXHIBIT B

PRICING SCHEDULE

A. Administration Fees

Each paid claim will be processed applying the appropriate claim fee(s) as referenced in the following:

Processing Services	Associated Fees	
Clinic Administration Fee		$15,000 per month
340B Pharmacy Services Administration (PSA) Fee for 340B Eligible Drugs	0 – 10,000 claims per month	$5.50 per claim
	10,001 – 50,000 claims per month	$5.00 per claim
	50,001 – 100,000 claims per month	$4.00 per claim
	100,001 – 300,000 claims per month	$3.25 per claim
	300,001 – 900,000 claims per month	$2.50 per claim
	> 900,000 claims per month	$2.25 per claim
PSA Claim Processing Fee (applies to 340B and non-340B claims)		$0.15 per claim
Medication Dispensary Data Fee		$0.95 per electronic claim $1.95 per manual claim

On a monthly basis, County will pay Contractor the greater of 1) the Clinic Administration Fee or 2) the combination of the 340B PSA Fee for 340B Eligible Drugs, the PSA Claims Processing Fee, which applies to 340B and non-340B Claims, and the Medication Dispensary Data Fee.

B. Prescription Reimbursement

On a bi-weekly basis, County shall pay Contractor for the following disbursements:

1. For each designated specialty or higher cost medications, Contractor shall make payment to the Covered Entity for 340B Covered Drugs dispensed to Patients of the Covered Entity, at the 340B Acquisition Cost. Contractor shall pay the Dispensing Fee for 340B Covered Drugs to the 340B Contract Pharmacy, per established agreement rate with the Contractor. Any payment to the 340B Contract Pharmacy shall be determined by Lower of Pricing and may include Maximum Allowable Cost (MAC) priced, and usual and customary-priced agents.

2. For each designated Generic low-cost pharmaceutical dispensed by the CPN, Contractor shall pay a negotiated all inclusive flat rate with no associated Dispensing Fee. For these Generic low-cost pharmaceuticals, Contractor shall be responsible to pay claims to the CPN directly.

EXHIBIT C

INTENTIONALLY OMITTED

EXHIBIT D

PROPOSER'S EEO CERTIFICATION

Company Name: Ventegra, LLC

Address: 450 N. Brand Blvd., Suite 600, Glendale, CA 91203

Internal Revenue Service Employer Identification Number: 38-3713042

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	[X]	[ ]
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	[X]	[ ]
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	[X]	[ ]
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	[X]	[ ]

Signature

Date:12/1/14

Name of Signer: Peter Payabyab

Title: 340B Program Manager

COUNTY'S ADMINISTRATION

AGREEMENT NO. _____

COUNTY'S PROJECT DIRECTOR:

Name: Kathy K. Hanks, C.P.M.
Title: Director, Contracts and Grants
Address: 313 N. Figueroa Street, 6th Floor East
Los Angeles, CA 90012
Telephone: 213-240-7919
Facsimile: 213-250-2958
E-Mail Address: khanks@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER:

Name: Amy Gutierrez, Pharmacy Director
Title: DHS Pharmacy Services Director
Address: 313 N. Figueroa Street, Suite 701
Los Angeles, CA 90012
Telephone: 213-240-7717
Facsimile: 213-975-9623
E-Mail Address: agutierrez@dhs.lacounty.gov

Alternate
Name: Nadrine Balady-Bouziane
Title: Pharmacy Services Chief II
Address: 313 N. Figueroa Street, Suite 1236A
Los Angeles, CA 90012
Telephone: 213-240-7771
Facsimile: 213-972-9623
E-Mail Address: nbalady@dhs.lacounty.gov

COUNTY'S PROJECT MONITOR:

Name: Nadrine Balady-Bouziane
Title: Pharmacy Services Chief II
Address: 313 N. Figueroa Street, Suite 1236A
Los Angeles, CA 90012
Telephone: 213-240-7771
Facsimile: 213-972-9623
E-Mail Address: nbalady@dhs.lacounty.gov

EXHIBIT F

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: Ventogra, Inc.

AGREEMENT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: Sandra Patel
Title: Manager, PSA Operations
Address: 450 N. Brand Blvd, Suite 600
Glendale, CA 91203
Telephone: 858.551.8111 Ext. 8401
Facsimile: 858.551.8175
E-Mail Address: Sandra@Ventogra.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Robert Taketomo
Title: President / CEO
Address: 450 N. Brand Blvd, Suite 600
Glendale, CA 91203
Telephone: 858.551.8111 Ext. 109
Facsimile: 858.551.8175
E-Mail Address: Bob@Ventagra.com

Name: Joyce Howie
Title: Vice President, Business Operations
Address: 450 N. Brand Blvd, Suite 600
Glendale, CA 91203
Telephone: 858.551.8111 Ext. 105
Facsimile: 858.551.8175
E-Mail Address: Joyce@Ventogra.com

Notices to Contractor shall be sent to the following:

Name: Mariana Mitchie
Title: V.P. Contracts, Ventogra
Address: 450 N. Brand Blvd, Suite 600
Glendale, CA 91203
Telephone: 858.551.8111 Ext. 111
Facsimile: 858.551.8175
E-Mail Address: Mariana@Ventogra.com

EXHIBIT G

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Agreement No._____

GENERAL INFORMATION:

The Contractor referenced above has entered into an Agreement with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Agreement between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.

C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

3. A purchase made through a state or federal contract; or

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or

2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,

2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,

3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

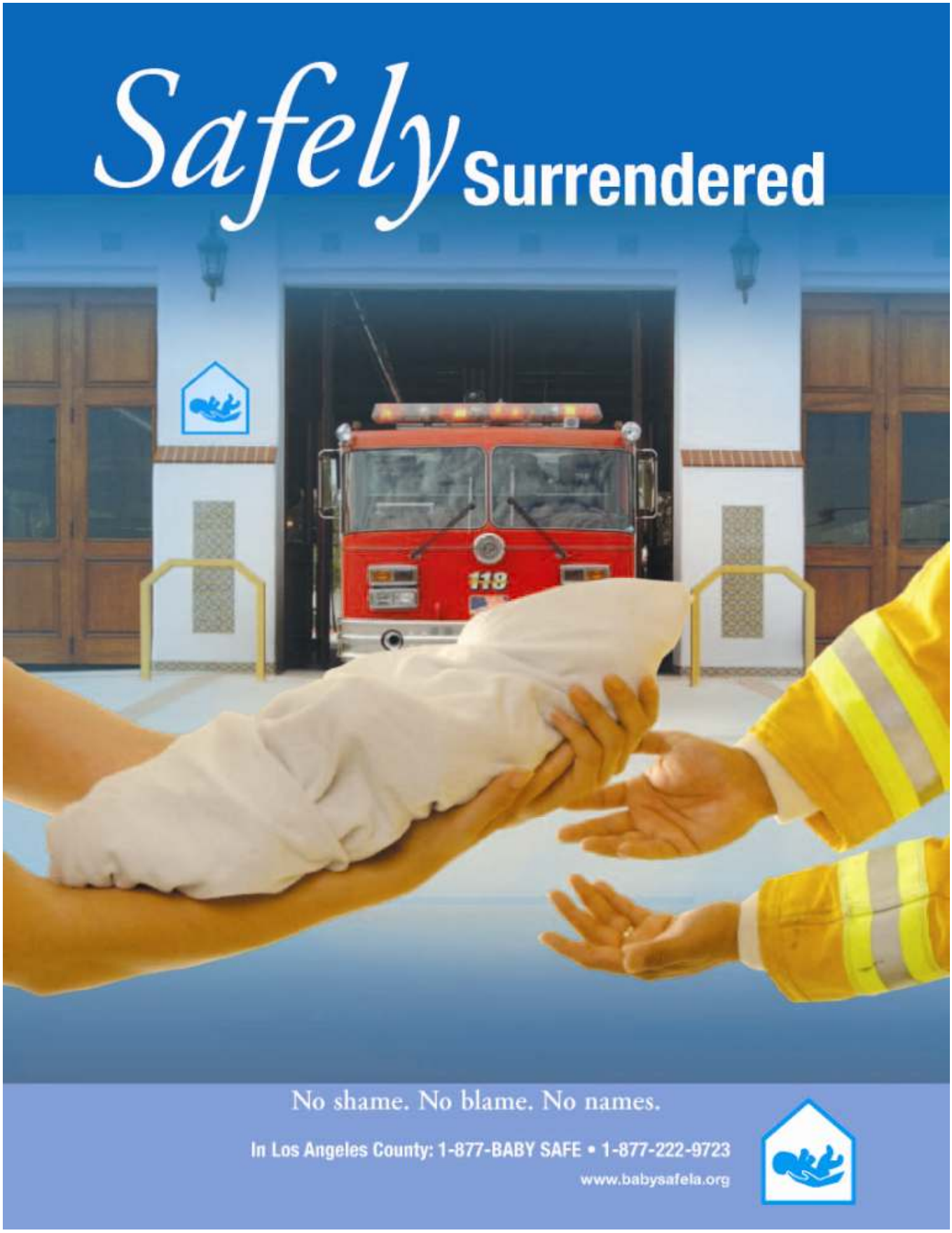
"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

SAFELY SURRENDERED BABY LAW


Safely Surrendered
118
No shame. No blame. No names.
In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

In Los Angeles County: 1 877 BABY SAFE 1 877 222 9723
www.babysafela.org

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at **1-800-540-4000**.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

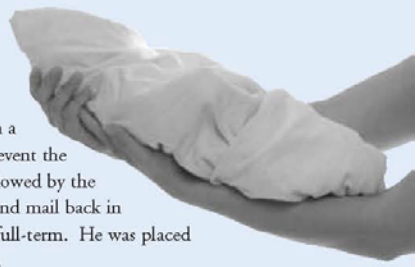
What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

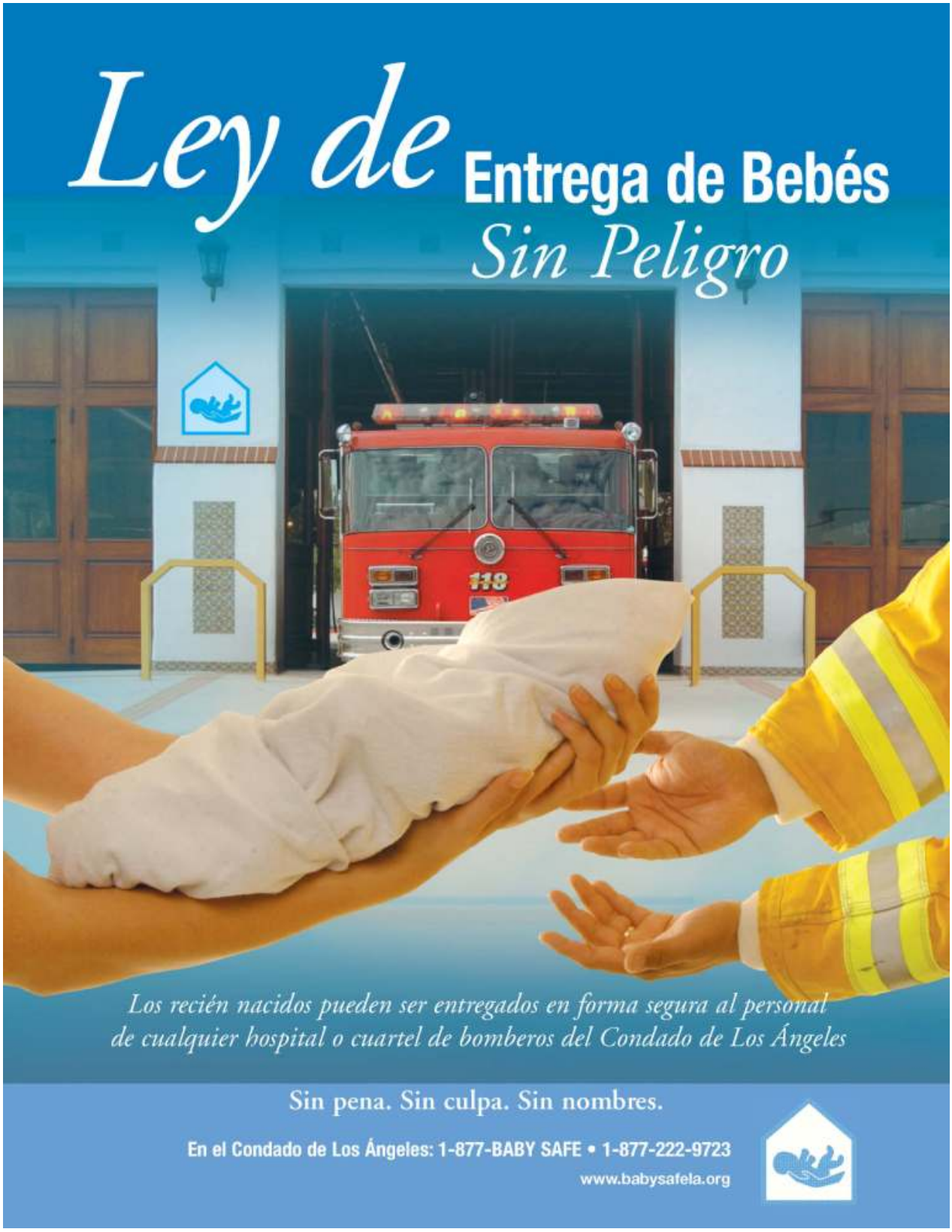
Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

A baby's story



Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.


Ley de Entrega de Bebés
Sin Peligro
118
Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles
Sin pena. Sin culpa. Sin nombres.
En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

Ley de Entrega de Bebés *Sin Peligro*

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al **1-800-540-4000**.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan *si tienen custodia legal.*

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la **Ley de Entrega de Bebés sin Peligro** es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La **Ley de Entrega de Bebés sin Peligro** impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

PROP A - LIVING WAGE PROGRAM

EXHIBITS J, K & L

2.201.010 Findings.
The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

2.201.020 Definitions.

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the county:

a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of $25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.

E. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)
* **Editor's note:** Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be $9.64 per hour with health benefits, or $11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least $2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007: Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue

interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

2.201.070 Employee retention rights.

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;

2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and

3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or

2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or

2. Recommend to the board of supervisors the termination of the contract; and/or

3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007: Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

2. Has 20 or fewer employees during the contract period, including full time and part time employees; and

3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $1,000,000.00; or

4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed $2,500,000.00.

“Dominant in its field of operation” means having more than 20 employees, including full time and part time employees, and more than $1,000,000.00 in annual gross revenues or $2,500,000.00 in annual gross revenues if a technical or professional service.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999: Ord. 99-0048 § 1 (part), 1999.)

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999)

Exhibit K

COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE

MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

Instruction Box: Please complete all sections of this form. *(Information to complete this form can be obtained from your weekly certified payroll rerorts)* Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the reverse side of this form before submitting.

(1) Name: Contractor ☐ Subcontractor ☐		Address: (Street, City, State, Zip)	
(2) Payroll No.:	(3) Work Location:	(4) From payroll period: ____/____/____ to payroll period: ____/____/____	(5) For Month Ending:
(6) Department Name:	(7) Contract Service Description:	(8) Contract Name & Number:	
(9) Contractor Health Plan Name(s):		(10) Contractor Health Plan ID Number(s):	

(11) Employee Name, Address & Last 4 digits of SS#	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggre-- gate Hours	(15) Employer Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate $ Health Benefits Paid (16+18)
		1	2	3	4	5						
1												
2												
3												
4												
5												
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.	Total (This Page)											
Print Authorized Name:	Grand Total (All Pages)											

Authorized Signature:	Date: / /	Title:	Telephone Number (include area code) ( )	Page: _____ of _____

COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM
PAYROLL STATEMENT OF COMPLIANCE

I, _____, _____
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by:

_____ on the _____ ;
(Company or subcontractor Name) (Service, Building or Work Site)

that during the payroll period commencing on the _____ day of _____,and
(Calendar day of Month) (Month and Year)

ending the _____ day of _____ all persons employed on said work site
(Calendar day of Month) (Month and Year)

have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of _____
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

   A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS
   □ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

   B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH
   □ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.	
Print Name and Title	Owner or Company Representative Signature:
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.	

EXHIBIT M

INFORMATION SECURITY REQUIREMENTS

This sets forth information security procedures to be established by Contractor before the Effective Date of the Agreement and maintained throughout the Term of the Agreement. These procedures are in addition to the requirements of the Agreement and the Business Associate Agreement between the Parties. They present a minimum standard only. However, it is Contractor's sole obligation to: (i) implement appropriate measures to secure its systems and data, including Personal Information, Protected Health Information, and County Confidential Information, against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum standards set forth in this Exhibit M (Information Security Requirements) will constitute a material, non-curable breach of the Agreement by Contractor, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Agreement, to immediately terminate the Agreement. Unless specifically defined in this Exhibit, capitalized terms shall have the meanings set forth in the Agreement.

1. **Security Policy**. Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor personnel in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.

2. **Personnel and Contractor Protections**. Contractor shall screen and conduct background checks on all Contractor personnel contacting County Confidential Information, including Personally Identifiable Information and Protected Health Information, for potential security risks and require all employees and contractors to sign an appropriate written confidentiality/non-disclosure agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its Contractor personnel with appropriate, ongoing training regarding information security procedures, risks, and threats. Contractor shall have an established set of procedures to ensure Contractor personnel promptly report actual and/or suspected breaches of security.

3. **Removable Media**. Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by County in writing, Contractor shall institute strict physical and logical security controls to prevent transfer of Personally Identifiable Information and Protected Health Information to any form of Removable Media. For purposes of this Exhibit M (Information Security Requirements), "**Removable Media**" means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), SmartMedia (SM), MultiMediaCard (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.

4. **Storage, Transmission, and Destruction of Protected Health Information.** All Protected Health Information shall be rendered unusable, unreadable, or indecipherable to

unauthorized individuals in accordance with HIPAA, as amended and supplemented by the HITECH Act. Without limiting the generality of the foregoing, Contractor will encrypt all electronic Protected Health Information (stored and during transmission) in accordance with HIPAA and the HITECH Act, as implemented by the U.S. Department of Health and Human Services. If Protected Health Information is no longer required to be retained by Contractor under the Agreement and applicable law, Contractor shall destroy such Protected Health Information by: (a) shredding or otherwise destroying paper, film, or other hard copy media so that the Protected Health Information cannot be read or otherwise cannot be reconstructed; and (b) clearing, purging, or destroying electronic media containing Protected Health Information consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization[1] such that the Protected Health Information cannot be retrieved.

5. **Data Control; Media Disposal and Servicing**. Subject to and without limiting the requirements under Section 4 (Storage, Transmission and Destruction of Protected Health Information), Personally Identifiable Information, Protected Health Information, and County Confidential Information: (i) may only be made available and accessible to those parties explicitly authorized under the Agreement or otherwise expressly Approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using appropriate encryption technology as designated or Approved by County in writing; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using encryption technology designated or Approved by County in writing. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all County Confidential Information, including Personally Identifiable Information and Protected Health Information, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization[2]).

6. **Hardware Return**. Upon termination or expiration of the Agreement or at any time upon County's request, Contractor will return all hardware, if any, provided by County containing Personally Identifiable Information, Protected Health Information, or County Confidential Information to County. The Personally Identifiable Information, Protected Health Information, and County Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County. In the event the hardware containing County Confidential Information or Personally Identifiable Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated County security representative within fifteen (15) days of termination or expiration of the Agreement or at any time upon County's request. Contractor's destruction or erasure of Personal Information and Protected Health Information pursuant to this Section shall be in compliance with industry Best Practices (*e.g.*, NIST Special Publication 800-88, Guidelines for Media Sanitization[3]).

[1] Available at http://www.csrc.nist.gov/
[2] Available at http://www.csrc.nist.gov/
[3] Available at http://www.csrc.nist.gov/

7. **Physical and Environmental Security**. Contractor facilities that process Personally Identifiable Information, Protected Health Information, or County Confidential Information will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

8. **Communications and Operational Management**. Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-viral software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.

9. **Access Control**. Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:

   a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;

   b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;

   c. Applications will include access control to limit user access to information and application system functions; and

   d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.

10. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304.

    a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated County security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.

    b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. A Security Incident includes instances in which internal personnel access systems in excess of their user rights or use the systems inappropriately.

    c. Contractor will provide a monthly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the County security representative on or before the first (1st) week of each calendar month. County or its third-party designee may, but

is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of Personally Identifiable Information, Protected Health Information, and County Confidential Information.

d. In the event County desires to conduct an unannounced penetration test, County shall provide contemporaneous notice to Contractor's Vice President of Audit, or such equivalent position. Any of County's regulators shall have the same right upon request. Contractor shall provide all information reasonably requested by County in connection with any such audits and shall provide reasonable access and assistance to County or its regulators upon request. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes. County reserves the right to view, upon request, any original security reports that Contractor has undertaken on its behalf to assess Contractor's own network security. If requested, copies of these reports will be sent via bonded courier to the County security contact. Contractor will notify County of any new assessments.

11. **Contractor Self Audit.** Contractor will provide to County a summary of: (1) the results of any security audits, security reviews, or other relevant audits listed below, conducted by Contractor or a third-party; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits.

Relevant audits conducted by Contractor as of the Effective Date include:

a. ISO 9001:2008 (Quality Systems) or FDA's Quality System Regulation, etc. – Contractor-Wide. A full recertification is conducted every three (3) years with surveillance audits annually.

(i) **External Audit –** Audit conducted by non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.

(ii) **Internal Audit –** Audit conducted by qualified Contractor Personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("**CQS**") in support of applicable regulations, standards, and requirements.

(iii) **Supplier Audit –** Quality audit conducted by qualified Contractor Personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.

(iv) **Detailed findings**- are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above and the ISO certificate is published on Cerner.com.

b. SSAE-16 (formerly known as SAS -70 II) – As to the Hosting Services only:

(i) Audit spans a full twelve (12) months of operation and is produced every six (6) months (end of June, end of December) to keep it "fresh."

(ii) The resulting detailed report is available to County.

Detailed findings are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above.

12. **Security Audits.** In addition to the audits described in Section 11 (Contractor Self Audit), during the Term of this Agreement, County or its third-party designee may annually, or more frequently as agreed in writing by the Parties, request a security audit of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the Parties, but in no event on a date more than ninety (90) days from the date of the request by County. County's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may filtered to remove the specific information of other Contractor customers such as IP address, server names, etc.. Contractor shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

13. **Confidentiality**

a. Except as provided in Section 13(b) (Exclusions) below, each Party agrees that all information supplied by one Party and its affiliates and agents (collectively, the "Disclosing Party") to the other ("Receiving Party") including, without limitation, (a) source code, prices, trade secrets, mask works, databases, designs and techniques, models, displays and manuals; (b) any unpublished information concerning research activities and plans, marketing or sales plans, sales forecasts or results of marketing efforts, pricing or pricing strategies, costs, operational techniques, or strategic plans, and unpublished financial information, including information concerning revenues, profits, and profit margins; (c) any information relating to County's customers, patients, business partners, or personnel; (d) Personally Identifiable Information (as defined below); and (e) Protected Health Information, as specified in Exhibit N (Business Associate Agreement), will be deemed confidential and proprietary to the Disclosing Party, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary" ("Confidential Information"). The foregoing definition shall also include any Confidential Information provided by either Party's contractors, agents, or vendors. To be deemed "Confidential Information", trade secrets and mask works must be plainly and prominently marked with restrictive legends.

b. **Exclusions.** Confidential Information will not include any information or material, or any element thereof, whether or not such information or material is Confidential Information for the purposes of this Agreement, to the extent any such information or material, or any element thereof: (a) has previously become or is generally known, unless it has become generally known through a breach of this Agreement or a similar confidentiality or non-disclosure agreement, obligation or duty; (b) was already rightfully known to the Receiving Party prior to being disclosed by or obtained from the Disclosing Party as evidenced by written records kept in the ordinary course of business or by proof of actual use by the Receiving

Party, (c) has been or is hereafter rightfully received by the Receiving Party from a third-party (other than the Disclosing Party) without restriction or disclosure and without breach of a duty of confidentiality to the Disclosing Party; or (d) has been independently developed by the Receiving Party without access to Confidential Information of the Disclosing Party. It will be presumed that any Confidential Information in a Receiving Party's possession is not within exceptions (b), (c) or (d) above, and the burden will be upon the Receiving Party to prove otherwise by records and documentation.

c. **Treatment of Confidential Information.** Each Party recognizes the importance of the other Party's Confidential Information. In particular, each Party recognizes and agrees that the Confidential Information of the other is critical to their respective businesses and that neither Party would enter into this Agreement without assurance that such information and the value thereof will be protected as provided in this Section 13 (Confidentiality) and elsewhere in this Agreement. Accordingly, each Party agrees as follows: (a) the Receiving Party will hold any and all Confidential Information it obtains in strictest confidence and will use and permit use of Confidential Information solely for the purposes of this Agreement. Without limiting the foregoing, the Receiving Party shall use at least the same degree of care, but no less than reasonable care, to avoid disclosure or use of this Confidential Information as the Receiving Party employs with respect to its own Confidential Information of a like importance; (b) the Receiving Party may disclose or provide access to its responsible employees, agents, and consultants who have a need to know and may make copies of Confidential Information only to the extent reasonably necessary to carry out its obligations hereunder; and (c) the Receiving Party currently has, and in the future will maintain in effect and enforce, rules and policies to protect against access to or use or disclosure of Confidential Information other than in accordance with this Agreement, including without limitation written instruction to and agreements with employees, agents, or consultants who are bound by an obligation of confidentiality no less restrictive than set forth in this Agreement to ensure that such employees, agents, and consultants protect the confidentiality of Confidential Information, including this Section 13 (Confidentiality) and Exhibit G (Acknowledgement, Confidentiality and Assignment Agreement). The Receiving Party will require its employees, agents, and consultants not to disclose Confidential Information to third-parties, including without limitation customers, or consultants, without the Disclosing Party's prior written consent, will notify the Disclosing Party immediately of any unauthorized disclosure or use, and will cooperate with the Disclosing Party to protect all proprietary rights in and ownership of its Confidential Information.

d. **Non-Exclusive Equitable Remedy.** Each Party acknowledges and agrees that due to the unique nature of Confidential Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may allow a Party or third-parties to unfairly compete with the other Party resulting in irreparable harm to such Party, and therefore, that upon any such breach or any threat thereof, each Party will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of this Section 13 (Confidentiality) shall constitute a material breach of this Agreement and be grounds for immediate termination of this Agreement in the exclusive discretion of the non-breaching Party.

e. **Compelled Disclosures.** To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Receiving Party, the Receiving Party may disclose Confidential Information in accordance with such law or order or requirement, subject to the following conditions: as soon as possible after becoming aware of such law, order, or requirement and prior to disclosing Confidential Information pursuant thereto, the Receiving Party will so notify the Disclosing Party in writing and, if possible, the Receiving Party will provide the Disclosing Party notice not less than five (5) Business Days prior to the required disclosure. The Receiving Party will use reasonable efforts not to release Confidential Information pending the outcome of any measures taken by the Disclosing Party to contest, otherwise oppose, or seek to limit such disclosure by the Receiving Party and any subsequent disclosure or use of Confidential Information that may result from such disclosure. The Receiving Party will cooperate with and provide assistance to the Disclosing Party regarding such measures. Notwithstanding any such compelled disclosure by the Receiving Party, such compelled disclosure will not otherwise affect the Receiving Party's obligations hereunder with respect to Confidential Information so disclosed.

f. **County Data.** All of the County Confidential Information, data, records, and information of County to which Contractor has access, or otherwise provided to Contractor under this Agreement ("County Data"), shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. The data of County shall not be used by Contractor for any purpose other than as required under this Agreement, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

g. **Personally Identifiable Information.** "Personally Identifiable Information" shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") §6801 et seq.), Protected Health Information, and "Personally Identifiable Information" as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

i. Personally Identifiable Information. In connection with this Agreement and performance of the services, Contractor may be provided or obtain, from County or otherwise, Personally Identifiable Information pertaining to County's current and prospective personnel, directors and officers, agents, investors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Agreement and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

ii. Treatment of Personally Identifiable Information. Without limiting any other warranty or obligations specified in this Agreement, and in particular the confidential provisions of Section 13 (Confidentiality), during the Term of this Agreement and

thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any Personally Identifiable Information to any third-party, except as expressly required to perform its obligations in this Agreement or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that Contractor will use and process Personally Identifiable Information only in compliance with (a) this Agreement, (b) County's then current privacy policy, and (c) all applicable local, state, and federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).

iii. Retention of Personally Identifiable Information. Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Agreement. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Agreement, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.

h. **Return of Confidential Information.** On County's written request or upon expiration or termination of this Agreement for any reason, Contractor will promptly: (a) return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Agreement; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 13(a), and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 13(a) and (b) have been delivered to County or destroyed, as requested by County. On termination or expiration of this Agreement, County shall return or destroy all Contractor Confidential Information (excluding items licensed to County hereunder or that are required for use of the Deliverables and/or the Licensed Software), at Contractor's option.

BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA")

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

1. <u>DEFINITIONS</u>

1.1 "<u>Breach</u>" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.

1.2 "<u>Business Associate</u>" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.

1.3 "Covered Entity" has the same meaning as the term “covered entity” at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.

1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.

1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.

1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.

1.7 "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 workforce. (See 45 C.F.R. § 160.103.)

1.8 "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. (See 42 U.S. C. § 17921.)

1.9 “Electronic Media” has the same meaning as the term “electronic media” at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, 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 if the information being exchanged did not exist in electronic form immediately before the transmission.

1.10 "Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.

1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, 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).

1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.

1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 162.502 (b).

1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, 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 created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.

1.16 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.

1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103

1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.

1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.

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

1.22 “Use” or “Uses” means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations. (See 45 C.F.R § 164.103.)

1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.

2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.

2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.

2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity’s applicable Minimum Necessary policies and procedures.

2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.

2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.

3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.

3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION

4.1 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.

4.2 Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION

5.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.

5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.

5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.

5.1.3 Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, 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 Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.

5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.

5.2.1 Business Associate shall make an <u>immediate telephonic report</u> upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:

(a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;

(b) The number of Individuals whose Protected Health Information is involved;

(c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or 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);

(d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate shall make a <u>written report without unreasonable delay and in no event later than three (3) business days</u> from the date of discovery by Business Associate of the non-permitted Use or Disclosure

of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **Chief HIPAA Privacy Officer at: Chief HIPAA Privacy Officer, Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 525, Los Angeles, California 90012, HIPAA@auditor.lacounty.gov,** that includes, to the extent possible:

(a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;

(b) The number of Individuals whose Protected Health Information is involved;

(c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or 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);

(d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;

(e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;

(f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;

(g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and

(h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.

5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. WRITTEN ASSURANCES OF SUBCONTRACTORS

6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.

6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.

6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.

6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.

6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return

to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.

6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.

6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

7. ACCESS TO PROTECTED HEALTH INFORMATION

7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.

7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.

7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

8. AMENDMENT OF PROTECTED HEALTH INFORMATION

8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.

8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary 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.

9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 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.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity,

information collected in accordance with Section 9.1.1 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

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request, and shall provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10. COMPLIANCE WITH APPLICABLE HIPAA RULES

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. AVAILABILITY OF RECORDS

11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity’s compliance with the Privacy and Security Regulations.

11.2 Unless prohibited by the Secretary, 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.

12. MITIGATION OF HARMFUL EFFECTS

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

13. BREACH NOTIFICATION TO INDIVIDUALS

13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by

Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, 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 any such Breach.

13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:

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

(b) 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);

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

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

(e) 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.

13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.

13.3 Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. INDEMNIFICATION

14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.

14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. OBLIGATIONS OF COVERED ENTITY

15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure 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.

15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

16. TERM

16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

16.2 Notwithstanding Section 16.1, Business Associate’s obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

17. TERMINATION FOR CAUSE

17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.

17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION

18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.

18.2 Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.

18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration

or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.

18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.

18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4 Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

19. AUDIT, INSPECTION, AND EXAMINATION

19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.

19.2 Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.

19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.

19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.

19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20. MISCELLANEOUS PROVISIONS

20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.

20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.

20.3 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.

20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, 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 the applicable underlying Agreement, Contract, Master Agreement, Work

Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.

20.7 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 or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

EXHIBIT O

CHARITABLE CONTRIBUTIONS CERTIFICATION

Company Name: Ventegra, LLC

Address: 450 N. Brand Blvd., Suite 600, Glendale, CA 91203

Internal Revenue Service Employer Identification Number: 38-3713042

☐ Proposer or Contractor is exempt from the California Nonprofit Integrity Act.

California Registry of Charitable Trusts "CT" number (if applicable):

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

If Proposer or Contractor is not exempt, **check the Certification below that is applicable to your company.**

☒ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. **Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585- 12586.**

Signature **Date:** 12/1/14

Name of Signer: Peter Payabyab

Title: 340B Program Manager