



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

FRED LEAF
Chief Operating Officer

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

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

January 8, 2004

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

Dear Supervisors:

THE COMMUNITY HEALTH PLAN - NURSE ADVICE LINE
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to the PASC-SEIU Homecare Worker Health Care Plan -Administrative Support Services Agreement No. H-213337, substantially similar to Exhibit I, between the County of Los Angeles, Department of Health Services' Community Health Plan ("CHP") and the L.A. Care Health Plan (L.A. Care) to expand the health care services provided to CHP members to include a Nurse Advice Line, effective upon Board approval, or on February 1, 2004, whichever is later, through January 31, 2005, which may be terminated by either party upon thirty (30) calendar days' prior written notice, at no additional cost to the County.
2. Approve and authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to the Medi-Cal Services Agreement No. H-207980, substantially similar to Exhibit II, between the County of Los Angeles, Department of Health Services' CHP and L.A. Care to expand the health care services provided to CHP members to include a Nurse Advice Line, effective upon Board approval, or on February 1, 2004, whichever is later, through January 31, 2005, which may be terminated by either party upon thirty (30) calendar days prior written notice, at no additional cost to the County.
3. Approve and authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to the Healthy Families Program (HFP), Health Services Agreement No. H-207959, substantially similar to Exhibit III, between County of Los Angeles, Department of Health

Services' CHP and L.A. Care Health Plan to expand the health care services provided to subscribers to include a Nurse Advice Line, effective upon Board approval, or on February 1, 2004, whichever is later, through January 31, 2005, which may be terminated by either party upon a thirty (30) calendar days prior written notice, at no additional cost to the County.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

The Nurse Advice Line will provide CHP members with free telephone medical advice and referrals by specially trained registered nurses, licensed physicians and surgeons, or physician assistants. It is anticipated that such advice and referrals will reduce the number of unnecessary visits to hospitals and physicians by CHP members with minor illnesses and injuries, whereby such conditions can mostly be more efficiently and timely addressed through information and referral.

In approving these actions, the Board is authorizing to the Director of Health Service, or his designee, to execute amendments to the PASC-SEIU Homecare Worker Health Care Plan - Administrative Support Services Agreement, the Medi-Cal Services Agreement and the HFP Health Services Agreement currently in place with L.A. Care to expand the services under these agreements to include Nurse Advice Line services as a pilot project for the benefit of all CHP members under all product lines of business for a period not to exceed twelve (12) months.

On March 27, 2001, the Board approved a motion that instructed the Director of Health Services to seek the assistance of L.A. Care in an effort to improve the overall quality of the CHP. On June 26, 2002, the Board approved the Department of Health Services' strategic plan to redesign the County's health care delivery system, which includes contracting out the Office of Managed Care ("OMC") CHP's administrative functions to L.A. Care. In compliance with the Board's instructions, CHP is proposing to amend existing contracts with L.A. Care to provide enhanced services to CHP by offering a Nurse Advice Line for a period not to exceed twelve (12) months pending the actual transfer of CHP's administrative functions to L.A. Care.

FISCAL IMPACT/FINANCING:

L.A. Care will provide or arrange for the provision of Nurse Advice Line services to CHP under each amendment to the current agreements for a period not to exceed twelve (12) months at no additional cost to the County.

L.A. Care informed the Department that continuation of the Nurse Advice Line thereafter will cost the County approximately \$900,000 annually for all lines of business (Medi-Cal Managed Care Program, HFP, PASC-SEIU Homecare Worker Health Care Plan, and County Temporary Employees Program). In the event that the Department decides to continue the provision of the Nurse Advice Line services, additional funding will be requested for FY 2004-05 as needed to cover the continuing services at no additional net County cost. A cost-benefit analysis within six months during the term of the pilot project will also be prepared to assess whether such services should continue to be performed by L.A. Care, County staff, or service provider under contract with the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The CHP, a full-service Knox-Keene licensed and federally qualified Health Maintenance Organization (HMO), is the County's publicly operated HMO administered by the Department's OMC.

On April 16, 1998, the State Managed Risk Medical Insurance Board (MRMIB) designated the CHP as one of ten (10) State-approved charter HFP contract providers in Los Angeles County. In addition, MRMIB also designated the CHP's HFP as the only "Community Provider Plan" (CPP) in Los Angeles County. To date, the CHP remains the only CPP in Los Angeles County, which entitles the CHP HFP subscribers to a premium discount. On May 19, 1998, the Board of Supervisors approved the CHP's initial State/County Agreement with MRMIB effective May 1, 1998. The CHP's current State/County Agreement with MRMIB is effective through June 30, 2004.

On January 7, 2003, the Board approved Agreement No. H-207959 with L.A. Care to become a CHP subcontractor. L. A. Care subsequently terminated its direct HFP product line contract with MRMIB effective June 30, 2003 and began participation in the CHP HFP product line to provide health care delivery services effective July 1, 2003. L.A. Care began offering the Nurse Advice Line to its enrolled HFP members beginning August 15, 2003.

On January 8, 2002, the Board approved Agreement No. H-213337 with L.A. Care for the provision of administrative support services to CHP for the PASC-SEIU Homecare Worker Health Care Plan and approved Amendment No.1 to the agreement on June 17, 2003.

On December 17, 2002, the Board approved the Medi-Cal Services Agreement No. H-207980 and on June 17, 2002, the Board approved Amendment No.1 to the agreement.

Amendment No. 2 to each of the agreements will permit L.A. Care to also offer the Nurse Advice Line to CHP members under all CHP programs.

The amendments to the agreements provide for termination for convenience of the Nurse Advice Line services with thirty (30) calendar days prior notice.

Attachment A provides additional information.

Exhibits I, II and III have been approved as to form by County Counsel.

CONTRACTING PROCESS:

The recommended actions are amendments to existing County agreements and therefore not appropriate to advertise on the Los Angeles County Online Web Site.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Nurse Advice Line is an enhancement of services being provided to CHP members under each product line of business and their other ongoing services will continue uninterrupted. L.A. Care will provide Nurse Advice Line services as a pilot project to determine its cost effectiveness upon health care delivery on a Countywide basis.

The Honorable Board of Supervisors
January 8, 2004
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When approved, this Department requires four signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

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

TLG:ck

Attachments (3)

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

BLET/CD3115.CK

SUMMARY OF AGREEMENTS

1. Types of Services:

Under the amendments, L.A. Care Health Plan (L.A. Care) will provide a Nurse Advice Line for the benefit of all CHP members under the PASC-SEIU Homecare Worker Health Care Plan, County Temporary Employees Health Plan, Medi-Cal Managed Care Program and the Healthy Families Program.

2. Agency and Contact Person:

L.A. Care Health Plan
555 West Fifth Street, 29th Floor
Los Angeles, CA 90013
Attention: Howard Kahn, CEO
Telephone: (213) 694-1250

3. Term:

The amendment becomes effective upon date of Board approval, or on February 1, 2004, whichever is later, through January 31, 2005.

PASC-SEIU Administrative Support Services Agreement No. H-213337 was approved on January 8, 2002; Healthy Families Program Agreement No. H-207959 approved on January 7, 2003; and Medi-Cal Services Agreement No. H-207980 was approved on December 17, 2002.

4. Financial Information:

Contractor will not charge nor receive reimbursement from the County for services provided under the amendments to the agreements to add the Nurse Advice Line.

5. Geographic Area To Be Served:

Countywide.

6. Accountable for Monitoring:

Pauline Rodriguez, Acting Director.

7. Approvals:

Office of Managed Care:	Pauline Rodriguez, Acting Director
Contracts and Grants Division:	Riley Austin, Acting Chief
County Counsel:	Edward Morrissey, Deputy County Counsel

PASC-SEIU HOMECARE WORKER HEALTH CARE PLAN
("HEALTH CARE PLAN")

ADMINISTRATIVE SUPPORT SERVICES AGREEMENT

AMENDMENT NO. 2

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

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

L.A. CARE HEALTH PLAN
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "PASC-SEIU Homecare Worker Health Care Plan ("Health Care Plan") - Administrative Support Services Agreement", dated January 8, 2002 as amended and further identified as Agreement No. H-213337 (hereafter "Agreement"); and

WHEREAS, the parties wish to extend the terms of the Agreement to include Nurse Advise Line (NAL) services; and

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

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon Board Approval or on February 1, 2004, whichever is later, and shall continue through January 31, 2005, or upon earlier expiration or

termination as set forth and in accordance with the Agreement; however, this Amendment may be terminated by either party upon thirty (30) calendar days prior written notice to the other party, unless terminated earlier pursuant to the provisions of this Agreement.

2. Agreement Paragraph 4, DESCRIPTION OF SERVICES, shall be revised to read as follows:

"4. DESCRIPTION OF SERVICES: Contractor agrees to provide services described herein, and specifically the administrative support described in Exhibit "A", UTILIZATION PROGRAM SERVICES, Exhibit "B", MANAGED CARE INFORMATION

SYSTEM SERVICES, Exhibit "C", CLAIMS PROCESSING SERVICES, Exhibit "G", NURSE ADVICE LINE SERVICES, which also include the STATEMENT OF WORK for each of the Exhibits "A", "B", "C" and "G", attached hereto and incorporated herein by reference.

3. Subparagraph A of Agreement Paragraph 5 REIMBURSEMENT, shall be revised to read as follows:

"A. Contractor agrees that it will not charge County any fees for the NAL services provided under this Amendment.

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

COUNTY OF LOS ANGELES

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

L.A. CARE HEALTH PLAN
Contractor

By _____
Howard A. Kahn
Chief Executive Officer

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL
LLOYD W. PELLMAN
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF HEALTH SERVICES

By _____
Acting Chief
Contracts and Grants Division

AMENDCD3160.CK
ck:010904

EXHIBIT G

NURSE ADVICE LINE SERVICES

1. DESCRIPTION OF SERVICES: Contractor shall be responsible for providing the following services:
 - a. Telephonic access to nurse advice and triage
 - b. Availability and distribution of linguistically and culturally appropriate information
 - c. Marketing materials and activities
 - d. Reporting requirements
 - e. Training for County staff

2. REIMBURSEMENT: Contractor agrees to provide Nurse Advice Line ("NAL") services at no additional charge to County under these contract amendments.

3. STATEMENT OF WORK AND EVALUATION OF SERVICES: Contractor agrees to provide services to County as described and summarized in Contractor's "STATEMENT OF WORK" form, attached hereto and incorporated herein by reference.

In the interest of evaluating the services provided hereunder, Contractor's performance will be measured by the CHP to determine the extent to which performance standards and requirements listed in the Statement of Work have been met. County will use such measurements, in conjunction with other available information, to determine the adequacy of Contractor's

performance and to develop recommendations for continuation to permit a comparison of actual performance to required performance under the terms of this Agreement. Contractor shall retain such documentation and allow County access to same in accordance with RECORDS AND AUDIT Paragraph of this Agreement

Contractor agrees to allow County to use Contractor's program goals and objectives to develop and implement new program activities

4. COUNTY RESPONSIBILITIES: County will coordinate with Contractor in sharing member related data for the express purpose of providing the NAL services described herein.

STATEMENT OF WORK

NURSE ADVICE LINE SERVICES

1. DESCRIPTION OF SERVICES: Contractor shall be responsible for providing the following services:

A. TELEPHONIC ACCESS TO NURSE ADVICE AND TRIAGE:

Nurse Advice Line (NAL) services shall be available and operational through a call center(s) seven (7) days a week, twenty-four (24) hours a day, including holidays. The services shall include health care information services, call center services and triage services to CHP Members. The NAL Call Center will provide an assessment when the Member calls with symptoms and provide relevant information on health plan rules, general medical information, and education. The NAL Call Center(s) will match Members with affiliated health care providers using provider information mutually agreed upon by County and Contractor.

B. AVAILABILITY AND DISTRIBUTION OF LINGUISTICALLY AND CULTURALLY APPROPRIATE INFORMATION: NAL services shall include the provision of culturally and linguistically sensitive information telephonic or in written form.

C. MARKETING MATERIALS AND ACTIVITIES: Contractor shall provide outreach and marketing of the NAL services to new and existing Members. Marketing activities will

include, but not limited to, the distribution of new Member kits and the mailing of the initial announcement to Members in all threshold languages.

D. REPORTING REQUIREMENTS: Contractor shall provide monthly report in the following categories:

- a. Call volumes
- b. Utilization of services, including demographic summary member redirection/outcomes
- c. Average call times and abandonment
- d. Disease specific utilization

E. TRAINING FOR COUNTY STAFF: Contractor shall provide initial training to County staff to ensure effective coordination of Member related services. Initial in-service training will be conducted no less than 7 business days after the effective date of this amendment.

F. Contractor shall ensure that all materials of Contractor and/or of its Subcontractor providing services as set forth in this Exhibit, including, but not limited to, implementation plan and schedules, database guidelines and formats, and other information reasonably necessary for implementation, are promptly provided to County upon request. Such data shall exclude any information that is proprietary, privileged, confidential or otherwise prohibited or protected from disclosure by applicable law.

Contractor shall ensure that its designated project manager for the services set forth in this Exhibit will be available as a liaison to County as needed.

G. Except as otherwise determined at a later date by County, Contractor shall ensure that all questions from any Member enrolled with County regarding insurance coverage or other health care services not provided for under this Exhibit shall be immediately referred to County, or its designee.

H. Contractor shall ensure that all Member surveys conducted by Contractor or by its Subcontractor providing services set forth in this Exhibit, with respect to such services provided to Members hereunder, are promptly provided to County upon reasonable request.

I. Contractor shall ensure that all data of Contractor or its Subcontractor providing services as set forth in this Exhibit, with respect to such services provided to Members, are promptly provided to County in the frequency and format mutually determined by the County and the Contractor. Such data shall exclude any information that is proprietary, privileged, confidential or otherwise prohibited or protected from disclosure by applicable law.

J. Contractor shall provide to County upon reasonable request any communications materials and programs of the services provider to market and advertise the services provided in this Exhibit. Contractor and County shall collaborate in the development and dissemination upon the parties' approval, of such communication materials and programs for marketing and advertising to Members.

Contractor shall be responsible for obtaining regulatory approval (e.g. Department of Managed Health Care) for such communications materials, documentation and programs.

County shall be responsible for obtaining regulatory approvals for such communication materials, documentation and programs with regard to County's Knox-Keene license.

K. Contractor shall ensure that all records and information of it or of its Subcontractor providing services as set forth in this Exhibit, which relate to such services are made available for inspection, examination, and copying at all reasonable times, excluding those documents which are proprietary, privileged, confidential, or otherwise prohibited or protected from disclosure by applicable law.

L. Contractor shall use its best efforts to ensure that County be granted a nonexclusive, nontransferable license to use the trademarks, trade names, services marks,

logos, insignias and designs associated of any
Subcontractor providing services as set forth in this
Exhibit.

M. County shall indemnify, defend and hold harmless Contractor, its employees, and its agents 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 connected with the County's acts and/or omissions arising from and/or relating to services which are set forth in this Exhibit.

Contractor shall indemnify, defend and hold harmless County, 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, and expenses (including attorney and expert witness fees), arising from or connected with acts and/or omissions of Contractor, and/or of its Contractor, arising from and/or relating to services which are set forth in this Exhibit.

N. Without limiting the indemnification obligations as set forth in subparagraph "M" above or other indemnification and insurance obligations as set forth in the Agreement, Contractor shall ensure that any

Subcontractor providing services as set forth in this Exhibit shall provide and maintain at no expense to County a program of insurance covering its/their respective activities and operations relating to such services. The foregoing insurance shall have a minimum coverage of \$1,000,000 per occurrence and \$3,000,000 aggregate.

O. Contractor shall ensure that County has access to any web-based reporting or other online access services of Contractor, or of its Subcontractor, with respect to the services provided to County Members under this Exhibit.

Amendment No.2 to
Services Agreement
between
Local Initiative Health Authority
for Los Angeles County
and
Community Health Plan

This Amendment is entered into as indicated herein by and between the Local Initiative Health Authority for Los Angeles County, a local governmental agency ("Local Initiative") and Community Health Plan, a California health care service plan ("Plan").

RECITALS

WHEREAS, the state of California ("State") has, through statute, regulation, and policies, adopted a plan ("State Plan") for certain categories of Medi-Cal recipients to be enrolled in managed care plans for the provision of specified Medi-Cal benefits. Pursuant to this State Plan, the State has contracted with two health care service plans in Los Angeles County. One of these two health care service plans is a health care service plan locally created and designated by the county's Board of Supervisors for, among other purposes, the preservation of traditional and safety net providers in the Medi-Cal managed care environment. The other health care service plan is an existing HMO which is selected by the State (the "Commercial Plan");

WHEREAS, the Local Initiative has been designated as Los Angeles County's locally created health care service plan by the Los Angeles County Board of Supervisors. It is a public entity, created pursuant to Welfare and Institutions Code Sections 14087.38(b) and 14087.9605 and Los Angeles County Resolution and Ordinance;

WHEREAS, the Local Initiative submitted an application to the State, containing the information and specifications set forth in a Detailed Design Application ("DDA");

WHEREAS, the Local Initiative is licensed by the Department of Managed Health Care as a health care service plan under the California Knox-Keene Act (Health and Safety Code Sections 1340 *et seq.*) (the "Knox-Keene Act");

WHEREAS, Plan is duly licensed as a prepaid full service health care service plan under the Knox-Keene Act and is qualified and experienced in providing and arranging for health care services for Medi-Cal beneficiaries; and

WHEREAS, Local Initiative and Plan have entered into a prior agreement dated January 1, 2003, as amended ("Agreement"), for Plan to provide and arrange for the provision of health care services for Local Initiative enrollees as part of a coordinated, culturally and linguistically sensitive health care delivery program in accordance with the requirements of the DDA, the Medi-Cal Agreement and all applicable federal and state laws.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the parties hereto agree as follows:

1. Term and Termination. The term of this Amendment shall commence on February 1, 2004, and shall continue through January 31, 2005, or upon earlier expiration or termination as set forth and in accordance with the Agreement; however, the Amendment may be terminated by either party upon thirty (30) calendar days prior written notice. All other termination provisions as set forth in the Agreement shall apply with respect to this Amendment.
2. The following section shall be revised in Article 3 to read as follows:
- 3.17 Additional Responsibilities: Local Initiative shall have additional responsibilities as determined by the Local Initiative. Some of these additional responsibilities are set forth in Exhibit 9, which is attached hereto and incorporated herein by reference. The additional responsibilities shall be included in policies and procedures developed by Local Initiative after consultation with Plan.
2. The attached Exhibit 9 "Local Initiative Additional Responsibilities" is incorporated into this Amendment by reference, and shall be added to the Agreement.

All other non-conflicting rights and duties, obligations and liabilities of the parties to the Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first set above.

Local Initiative Health Authority
for Los Angeles County,
A Local Public Entity

County of Los Angeles as operator of
Community Health Plan, a
California health care service plan

By: _____
Howard A. Kahn

By: _____
Thomas L. Garthwaite, M.D.

Title: Chief Executive Officer

Title: Director of Health Services

Date: _____

Date: _____

By: _____
Robert E. Tranquada

Approved as to form:
By the Office of the County Counsel
Lloyd W. Pellman
County Counsel

Title: Chairperson, Board of Governors

Date: _____

Exhibit 9

Local Initiative Additional Responsibilities

NURSE ADVICE LINE SERVICES

Local Initiative will provide Plan access to nurse advice line services as follows:

A. Nurse Advice Line (“NAL”) services shall commence on February 1, 2004 and shall continue through January 31, 2005 unless terminated earlier as provided by this Agreement.

B. NAL services shall be available and operational through a call center(s) seven (7) days a week, twenty-four (24) hours a day, including holidays. The services shall include health care information services, call center services and triage services to Members. The NAL call center functions include a Member assessment when the Member calls with symptoms, the provision of relevant information on health plan rules, general medical information, and health education. The NAL call center(s) will match Members with affiliated health care providers using provider information mutually agreed upon by Plan and Local Initiative.

C. NAL services shall be provided to Plan Members and members of Plan’s County Temporary Employees health benefit program.

D. NAL services shall include the provision of culturally and linguistically sensitive information via telephone or in written form, as appropriate.

E. Local Initiative shall provide outreach and marketing of the NAL services to new and existing Members. Marketing activities will include, but not limited to, New Member kits and an initial launch self mailer in all threshold languages, as required under applicable State law.

F. Local Initiative shall provide monthly report in the following categories: Call volumes, utilization of services including demographic summary member redirection/outcomes, average call times and abandonment and disease specific utilization.

G. Local Initiative shall provide initial training to Plan staff to ensure effective coordination of Plan Member related services. Initial in-service training will be conducted no less than seven (7) business days after the effective date of this amendment, and will include orientation and training with respect to the products, operations, and resources of the services performed in this Exhibit.

H. Local Initiative shall ensure that all materials of Local Initiative and/or of its Contractor providing services as set forth in this Exhibit, including, but not limited to, implementation plans and schedules, database guidelines and formats, and other information reasonably necessary for implementation, are promptly provided to Plan upon request.

Local Initiative shall ensure that any account management individual(s) of its contractor providing services as set forth in this Exhibit shall be available as a liaison to Plan.

I. Except as otherwise determined at a later date by Plan, Local Initiative shall ensure that all questions from any Medi-Cal Member enrolled with Plan regarding insurance coverage or other services not provided for under this Exhibit shall be immediately referred to Plan, or its designee.

J. Local Initiative shall ensure that all Plan Member surveys conducted by Local Initiative or by its contractor providing services set forth in this Exhibit, with respect to such services provided to Plan Members, are promptly provided to Plan upon reasonable request.

K. Local Initiative shall ensure that all data of Local Initiative or its Contractor providing services as set forth in this Exhibit, with respect to such services provided to Plan Members, are promptly provided to Plan in the frequency and format mutually determined by the Plan and the Local Initiative. Such data shall exclude any information that is proprietary, privileged, confidential or otherwise prohibited or protected from disclosure by applicable law.

L. Local Initiative shall provide to Plan upon reasonable request any communications materials and programs of the services provider to market and advertise the services provided in this Exhibit. Local Initiative and Plan shall collaborate in the development and dissemination upon the parties' approval, of such communication materials and programs for marketing and advertising to Plan Members. Local Initiative shall be responsible for obtaining regulatory approval (e.g. Department of Managed Health Care) for such communications materials, documentation and programs. Plan shall be responsible for obtaining regulatory approvals for such communication materials, documentation and programs with regard to Plan's Knox-Keene license.

M. Local Initiative shall ensure that all records and information of it or of its Contractor providing services as set forth in this Exhibit, which relate to such services are made available for inspection, examination, and copying at all reasonable times, excluding those documents which are proprietary, privileged, confidential, or otherwise prohibited or protected from disclosure by applicable law.

N. Local Initiative shall use its best efforts to ensure that Plan be granted a nonexclusive, nontransferable license to use the trademarks, trade names, services marks, logos, insignias and designs associated of any Contractor providing services as set forth in this Exhibit.

O. Plan shall indemnify, defend and hold harmless Local Initiative, its employees, and its agents 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 connected with the Plan's acts and/or omissions arising from and/or relating to services which are set forth in this Exhibit.

Local Initiative shall indemnify, defend and hold harmless Plan, 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, and expenses (including attorney and expert witness fees), arising from or connected with acts and/or omissions of Local Initiative, and/or of its Contractor, arising from and/or relating to services which are set forth in this Exhibit.

P. Without limiting the indemnification obligations as set forth in subparagraph "O" above or other indemnification and insurance obligations as set forth in the Agreement, Local Initiative shall ensure that any Contractor providing services as set forth in this Exhibit shall provide and maintain at no expense to Plan a program of insurance covering its/their respective activities and operations relating to such services. The foregoing insurance shall have a minimum coverage of \$1,000,000 per occurrence and \$3,000,000 aggregate.

Q. Local Initiative shall ensure that Plan has access to any web-based reporting or other online access services of Local Initiative, or of its Contractor, with respect to the services provided to Plan Members under this Exhibit.

COUNTY OF LOS ANGELES - HEALTHY FAMILIES PROGRAM
HEALTH SERVICES AGREEMENT

Primary and Specialty / Hospital / Pharmaceutical Services /
Behavioral Health Services / Health County Employer Data and
Information Set

AMENDMENT NO. 2

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

by and between

COUNTY OF LOS ANGELES,
(hereafter "County"),

and

L.A. CARE HEALTH COUNTY
(hereafter "Contractor")

WHEREAS, reference is made to that certain document
entitled "COUNTY OF LOS ANGELES - HEALTHY FAMILIES PROGRAM
HEALTH SERVICES AGREEMENT Primary and Specialty / Hospital /
Pharmaceutical Services / Behavioral Health Services / Health
County Employer Data and Information Set", dated January 7, 2003
as amended and further identified as Agreement No. H-207959
(hereafter "Agreement"); and

WHEREAS, the parties wish to extend the terms of the
Agreement to include Nurse Advise Line (NAL) services; and

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

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon Board approval or on February 1, 2004, whichever is later, and shall continue through January 31, 2005, or upon earlier expiration or termination as set forth and in accordance with the Agreement; however, this Amendment may be terminated by either party upon thirty (30) calendar days prior written notice to the other party, unless terminated earlier pursuant to the provisions of this Agreement.

2. Agreement Paragraph 4, DESCRIPTION OF SERVICES, shall be revised to read as follows:

"4. DESCRIPTION OF SERVICES: Contractor agrees to provide the Program health services described herein in (a) Exhibit "A" DESCRIPTION OF SERVICES FOR THE HEALTHY FAMILIES PROGRAM FOR PRIMARY, SPECIALTY, HOSPITAL, AND PHARMACEUTICAL SERVICES, commencing July 1, 2003, and ending December 31, 2005; (b) Exhibit "B" DESCRIPTION OF SERVICES FOR THE HEALTHY FAMILIES

PROGRAM FOR BEHAVIORAL HEALTH SERVICES, commencing April 1, 2003 and ending December 31, 2005; (c) Exhibit "C" DESCRIPTION OF SERVICES FOR THE HEALTHY FAMILIES PROGRAM FOR HEALTH COUNTY EMPLOYER DATA AND INFORMATION SET, commencing effective on the date of Board execution and

ending upon completion of such services but no later than December 31, 2005; and (d) Exhibit "G" DESCRIPTION OF SERVICES FOR THE HEALTHY FAMILIES PROGRAM FOR NURSE ADVISE LINE SERVICES, commencing upon Board approval and shall continue through January 31, 2005, attached hereto and incorporated herein by reference.

3. Agreement Paragraph 5 REIMBURSEMENT AND CO-PAYMENTS shall be revised to include the following provision:

"D. Contractor agrees that it will not charge County any fees for the NAL services provided under this Amendment."

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

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

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

COUNTY OF LOS ANGELES

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

L.A. CARE HEALTH PLAN
Contractor

By _____
Howard A. Kahn
Chief Executive Officer

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL
LLOYD W. PELLMAN
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF HEALTH SERVICES

By _____
Acting Chief
Contracts and Grants Division

AMENDCD3159.CK
ck:010904

EXHIBIT G

NURSE ADVISE LINE SERVICES

1. GENERAL BACKGROUND: The Healthy Families Program ("Program" or "HFP") is a State and Federal funded health program, which provides medical services to eligible individuals (hereafter "Subscribers"), from uninsured low income families in Los Angeles County. The following is a description of the scope of services to be provided:

2. DESCRIPTION OF SERVICES: Contractor shall be responsible for providing the following services:

- a. Telephonic access to nurse advice and triage
- b. Availability and distribution of linguistically and culturally appropriate information
- c. Marketing materials and activities
- d. Reporting requirements
- e. Training for County staff

3. REIMBURSEMENT: Contractor agrees to provide Nurse Advice Line (NAL) services at no additional charge to County under these contract amendments.

4. STATEMENT OF WORK AND EVALUATION OF SERVICES: Contractor agrees to provide services to County as described and summarized in Contractor's "STATEMENT OF WORK" form, attached hereto and incorporated herein by reference.

In the interest of evaluating the services provided hereunder, Contractor's performance will be measured by the CHP to determine the extent to which performance standards and requirements listed in the Statement of Work have been met. County will use such measurements, in conjunction with other available information, to determine the adequacy on Contractor's performance and to develop recommendations for continuation to permit a comparison of actual performance to required performance under the terms of this Agreement. Contractor shall retain such documentation and allow County access to same in accordance with RECORDS AND AUDIT Paragraph of this Agreement.

Contractor agrees to allow County to use Contractor's program goals and objectives to develop and implement new program activities.

5. COUNTY RESPONSIBILITIES: County will coordinate with Contractor in sharing member related data for the express purpose of providing the NAL services described herein.

STATEMENT OF WORK

NURSE ADVICE LINE SERVICES

1. DESCRIPTION OF SERVICES: Contractor shall be responsible for providing the following services:

A. TELEPHONIC ACCESS TO NURSE ADVICE AND TRIAGE:

Nurse Advice Line (NAL) services shall be available and operational through a call center(s) seven (7) days a week, twenty-four (24) hours a day, including holidays. The services shall include health care information services, call center services and triage services to CHP HFP Subscribers. The NAL Call Center will provide an assessment when the Subscriber calls with symptoms and provide relevant information on health county rules, general medical information, and education. The NAL Call Center(s) will match Subscribers with affiliated health care providers using provider information mutually agreed upon by County and Contractor.

B. AVAILABILITY AND DISTRIBUTION OF LINGUISTICALLY AND CULTURALLY APPROPRIATE INFORMATION: NAL services shall include the provision of culturally and linguistically sensitive information telephonic or in written form.

C. MARKETING MATERIALS AND ACTIVITIES: Contractor shall provide outreach and marketing of the NAL services to

new and existing Subscribers. Marketing activities will include, but not limited to, the distribution of new Member kits and the mailing of the initial announcement to Subscribers in all threshold languages.

D. REPORTING REQUIREMENTS: Contractor shall provide monthly report in the following categories:

- a. Call volumes
- b. Utilization of services, including demographic summary member redirection/outcomes
- c. Average call times and abandonment
- d. Disease specific utilization.

E. TRAINING FOR COUNTY STAFF: Contractor shall provide initial training to County staff to ensure effective coordination of Subscriber related services. Initial in-service training will be conducted no less than 7 business days after the effective date of this amendment.

F. Contractor shall ensure that all materials of Contractor and/or of its Subcontractor providing services as set forth in this Exhibit, including, but not limited to, implementation plan and schedules, database guidelines and formats, and other information reasonably necessary for implementation, are promptly provided to County upon request. Such data shall exclude any information that is

proprietary, privileged, confidential or otherwise prohibited or protected from disclosure by applicable law.

Contractor shall ensure that its designated project manager for the services set forth in this Exhibit will be available as a liaison to County as needed.

G. Except as otherwise determined at a later date by County, Contractor shall ensure that all questions from any Subscriber enrolled with County regarding insurance coverage or other health care services not provided for under this Exhibit shall be immediately referred to County, or its designee.

H. Contractor shall ensure that all Subscriber surveys conducted by Contractor or by its Subcontractor providing services set forth in this Exhibit, with respect to such services, are promptly provided to County upon reasonable request.

I. Contractor shall ensure that all data of Contractor or its Subcontractor providing services as set forth in this Exhibit, with respect to such services provided to County Members, are promptly provided to County in the frequency and format mutually determined by the County and the Contractor. Such data shall exclude any information that is proprietary, privileged, confidential or otherwise prohibited or protected from disclosure by applicable law.

J. Contractor shall provide to County upon reasonable request any communications materials and programs of the services provider to market and advertise the services provided in this Exhibit. Contractor and County shall collaborate in the development and dissemination upon the parties' approval, of such communication materials and programs for marketing and advertising to Subscribers. Contractor shall be responsible for obtaining regulatory approval (e.g. Department of Managed Health Care) for such communications materials, documentation and programs. County shall be responsible for obtaining regulatory approvals for such communication materials, documentation and programs with regard to County's Knox-Keene license.

K. Contractor shall ensure that all records and information of it or of its Subcontractor providing services as set forth in this Exhibit, which relate to such services are made available for inspection, examination, and copying at all reasonable times, excluding those documents which are proprietary, privileged, confidential, or otherwise prohibited or protected from disclosure by applicable law.

L. Contractor shall use its best efforts to ensure that County be granted a nonexclusive, nontransferable license to use the trademarks, trade names, services marks,

logos, insignias and designs associated of any
Subcontractor providing services as set forth in this
Exhibit.

M. County shall indemnify, defend and hold harmless
Contractor, its employees, and its agents 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 connected with the County's acts and/or omissions
arising from and/or relating to services which are set
forth in this Exhibit.

Contractor shall indemnify, defend and hold harmless
County, 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, and expenses (including
attorney and expert witness fees), arising from or
connected with acts and/or omissions of Contractor, and/or
of its Contractor, arising from and/or relating to services
which are set forth in this Exhibit.

N. Without limiting the indemnification obligations as
set forth in subparagraph "M" above or other
indemnification and insurance obligations as set forth in
the Agreement, Contractor shall ensure that any

Subcontractor providing services as set forth in this Exhibit shall provide and maintain at no expense to County a program of insurance covering its/their respective activities and operations relating to such services. The foregoing insurance shall have a minimum coverage of \$1,000,000 per occurrence and \$3,000,000 aggregate.

O. Contractor shall ensure that County has access to any web-based reporting or other online access services of Contractor, or of its Subcontractor, with respect to the services provided to Subscribers under this Exhibit.