



# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

32 May 31, 2016

Los Angeles County  
Board of Supervisors

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May 31, 2016

LORI GLASGOW  
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 AMENDMENT TO EXTEND SOLE SOURCE AGREEMENT  
AND INCREASE THE RATES FOR OBSTETRICAL PHYSICIAN SERVICES  
FOR ANTELOPE VALLEY AREA  
(5TH SUPERVISORIAL DISTRICT)  
(3 VOTES)**

Mitchell H. Katz, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Christina R. Ghaly, M.D.  
Chief Operations Officer

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

Tel: (213) 240-8101  
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**SUBJECT**

Request approval of an Amendment to extend the term of the sole source Agreement with Samy F. Farid, M.D., Inc. for the continued provision of obstetrical physician services for the High Desert Antelope Valley area.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment to the sole source Agreement with Samy F. Farid, M.D., Inc., (Farid), effective upon execution to extend the term for the period July 1, 2016 through June 30, 2017, for the continued provision of obstetrical physician services at High Desert Regional Health Center (HDRHC) and Antelope Valley Hospital (AV Hospital) for County-responsible patients, at an estimated cost of \$525,980 for the term of extension.
2. Authorize the Director of Health Services (Director), or his designee, to increase the rates for the provision of services from \$480 per session to \$580 per session for Outpatient prenatal and postpartum clinic services and increase the hourly On-Call Coverage rate from \$10.00 to \$32.50.
3. Delegate authority to the Director, or his designee, to execute future amendments to the Agreement that: i) add or delete physicians from the list of

*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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approved Physician service providers, and ii) incorporates and/or revises certain non-substantive terms and conditions, subject to review and prior approval by the Chief Executive Office (CEO) and County Counsel.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will authorize the Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, with Farid for the continued provision of on-site outpatient prenatal and postpartum services at the HDRHC and off-site inpatient obstetrical services for the Department of Health Services (DHS or Department) patients at AV Hospital. The current Agreement will expire on June 30, 2016.

DHS serves approximately 27,500 patients in the Antelope Valley (AV) area who are assigned to DHS from the LA Care and Health Net health plans. Pursuant to the requirements of the health plans' division of financial responsibility (DOFR), the County is responsible for providing obstetrical and gynecological (OB/GYN) care to the female patients assigned to DHS. DHS also provides OB/GYN services to a small number of uninsured patients and patients with limited Medi-Cal. When the new HDRHC became operational, all County provided OB/GYN services in the AV region were centralized at the new facility, which includes a Women's Health program that provides on-site outpatient prenatal and postpartum clinic services, with off-site inpatient obstetrical services for DHS patients provided at AV Hospital, all of which are provided under the Farid Agreement.

Contracting with this physician group has provided flexibility in covering the required services with the ability to accommodate volume fluctuations and provide continuous physician staffing for obstetrical deliveries for the patient services at AV Hospital. Additionally, it also provides the flexibility to add clinic sessions to ensure that State Medi-Cal managed care access standards and patient needs are met to accommodate increases in patient referrals from LA Care and Health Net.

Approval of the second recommendation will authorize an increase in the rates under which the Contractor can bill the County. Farid has been compensated at the same rates since the County first awarded the firm an agreement for these services in 2003. Just as DHS has experienced difficulty with the recruitment and retention of qualified OB/GYN physicians in the AV area, the Contractor has expressed concerns regarding their ability to continue to provide services without adjusting the current contract rates. Therefore, the recommended Amendment includes increases to the rates for Outpatient prenatal and postpartum clinic services at HDRHC and On-Call coverage for obstetrical deliveries performed at AV Hospital.

The rate for Outpatient prenatal and postpartum clinic will increase from \$480 per session (generally a block of four hours, morning or afternoon) to \$580 per session. This new per session rate translates into an hourly rate of approximately \$145, which is well below the maximum hourly rate of \$175 that DHS is authorized to pay for OB/GYN physician services obtained through specialty medical services agreements with independent contracts or registries. The hourly On-Call Coverage rate will increase from \$10.00 to \$32.50, which is also well below the on-call rate DHS may pay through the aforementioned specialty medical services agreement. In order to provide continuous on-call coverage, a sufficient number of participating physicians are necessary and the Contractor has consistently demonstrated the ability to meet this need. Increasing the On-Call Coverage rate is necessary to enable the Contractor to continue to recruit and retain a sufficient number of qualified physicians to provide the required on-call coverage for obstetrical deliveries 24 hours per day, 365 days per year for the AV area.

During this extension period the Department will conduct a solicitation process to determine if there are other medical groups in the AV area to provide the services.

Approval of the third recommendation will allow the Director, or his designee, to sign amendments to the Agreement, that will approve additional physicians or remove physician subcontractors from the list of Physician service providers, and incorporate and/or revise non-substantive terms, conditions and Board required provisions, subject to review and prior approval by the CEO and County Counsel.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 3, Integrated Services Delivery of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The annual amount of the amendment is \$525,980 and funding is included in the DHS Fiscal Year (FY) 2016-17 Recommended Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County has contracted for OB/GYN services in the AV area for many years. Farid has served the County as the Contractor for these services since 2003. Pursuant to a solicitation process conducted in 2010, to which the Contractor was the only respondent, a sole source Agreement was approved by the Board for a five year term effective July 1, 2011 through June 30, 2016. This Agreement with Farid continued the uninterrupted provision of outpatient prenatal and postpartum services and on-call physician coverage providing OB/GYN deliveries for DHS patients at AV Hospital. The Contractor also provides additional physician staff to address and reduce patient backlogs at HDRHC and ensure that DHS meets the patient service requirements of the LA Care and Health Net patients assigned to DHS.

All physicians who provide services under this Agreement, as either employees or subcontractors must; 1) be credentialed by HDRHC which includes a review of the physician's malpractice history, 2) comply with all HDRHC medical staff policies and procedures when providing services at HDRHC; 3) maintain full clinical privileges to practice OB/GYN at HDRHC and AV Hospital when providing services at that site; and 4) comply with the medical staff bylaws.

The Department has determined that the Agreement is exempt from Proposition A contracting guidelines due to the shortage of qualified OB/GYN physicians in the AV area and the services are needed on an intermittent and as-needed basis.

In compliance with Board Policy No. 5.100, a notification memo (Attachment A) was provided to advise the Board of the Department's intent to enter into sole source negotiations for the extension of a Board approved Agreement.

Under the termination provisions of this Agreement, the Agreement may be terminated immediately for breach or for convenience with a 30-day advance written notice by either party.

All of the latest Board mandated provisions are included in the Agreement.

County Counsel has reviewed and approved Exhibit I as to form.

**CONTRACTING PROCESS**

The current Agreement with Farid was executed as a sole source contract approved by the Board on June 7, 2011, as this Contractor was the only respondent to a solicitation issued in 2010.

During the period of extension, the Department will release a solicitation to identify any interested and qualified agencies for the provision of these services and will return to the Board with a recommendation for a new contract.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended Amendment to the sole source Agreement will ensure that the Department meets the requirements of DOFR and continue the provision of critical OB/GYN services to the DHS patients served in the AV area.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:ms

Enclosures

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

Agreement No. H-704933

**MEDICAL SERVICES AGREEMENT**  
**(Obstetrical Services – Antelope Valley Area)**

Amendment No. 9

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2016,

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

And SAMY F. FARID, M.D., INC.  
(hereafter "Contractor")

Business Address:  
1729 West Avenue J, Suite #101  
Lancaster, California 93534

WHEREAS, reference is made to that certain document entitled "OBSTETRICAL PHYSICIAN SERVICES FOR HIGH DESERT HEALTH SYSTEM AGREEMENT", dated July 1, 2011, and further identified as County Agreement No. H-704933, and any Amendments thereto (all hereafter referred to as "Agreement"); and

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

WHEREAS, the Agreement provides that changes in accordance to Paragraph 9.1, AMENDMENTS, Sub-paragraph 9.1.1, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall commence and be effective on the date hereinabove written.
2. Paragraph 4, TERM OF AGREEMENT, of the Agreement shall be deleted in its entirety and replaced as follows:

"4. TERM OF AGREEMENT

4.1 This Agreement is effective upon the date of its execution by the Director of DHS or his/her designee as authorized by the Board of Supervisors and shall expire on June 30, 2017 unless sooner extended or terminated, in whole or in part, as provided herein.

4.2 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.

4.3 The Contractor shall notify DHS when this Master 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 C – County and Contractor’s Administration section.”

3. Paragraph 5, AGREEMENT SUM AND MAXIMUM OBLIGATION OF COUNTY, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"5. AGREEMENT SUM, BILLING AND PAYMENT:

5.1 During the term of this Master Agreement, effective date of execution by the Director of DHS or his/her designee through June 30, 2017, Contractor shall be compensated at the rates set forth in Exhibit B-1, Billing and Payment – Obstetrical Services – Antelope Valley Area of the Agreement.

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 No Payment for Services Provided Following Expiration/  
Termination of Agreement

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 Invoices and Payments

5.4.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A-1 - 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-1 – Billing and Payment – Obstetrical Services – Antelope Valley Area, 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.

5.4.2 The Contractor's invoices shall be priced in accordance with Exhibit B-1 – Billing and Payment – Obstetrical Services- Antelope Valley Area.

5.4.3 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.

5.4.4 The Contractor shall submit the monthly invoices to the County by the 15<sup>th</sup> calendar day of the month following the month of service.

5.4.5 All invoices under this Agreement, shall be submitted with one (1) copy to the following address:

High Desert Regional Health Center  
335 E. Avenue I  
Lancaster, California 93535  
Attention: Chief Executive Officer

5.4.6 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the Facility's Medical Director or designee 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."



4. Paragraph 6, BILLING AND PAYMENT of the body of the Agreement shall be deleted in its entirety and not replaced.
5. Paragraph 9.26, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA), of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.26. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA).

9.26.1 The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

9.26.2 The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with

respect to Contractor's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

9.26.3 Contractor and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA laws and implementing regulations related to transactions and code sets, privacy, and security.

9.26.4 Each party further agrees that, should it fail to comply with its obligations under HIPAA, it shall indemnify and hold harmless the other party (including the other party's officers, employees, and agents), for damages to the other party that are attributable to such failure."

6. Paragraph 9.43, RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.43 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

9.43.1 The Contractor shall maintain, and provide upon request by the 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.

9.43.2 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 ten (10) 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.

9.43.3 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).

9.43.4 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.

9.43.5 If, at any time during the term of this Agreement or within ten (10) 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.

9.43.6 Patient Records

The Contractor shall prepare all appropriate medical records for County patients receiving services hereunder. If a County patient receives services from the Contractor at the Contractor's private office, then the Contractor shall also maintain such records on any such patient. Such records all include, but are not limited to, progress notes and records of

services provided in sufficient detail to permit the evaluation of services rendered pursuant to this Agreement. All patient records for patients seen in the Contractor's office shall be retained by the Contractor for a period of ten (10) years following the expiration or earlier termination of this Agreement, unless otherwise required under State law. During such ten (10) year period, as well as during the term of this Agreement, all such records shall be retained by the Contractor at a location in Los Angeles County and shall be made available upon ten (10) working days prior written notice to authorized representatives of the County designated by the Director or by County's Auditor-Controller, or both, for purposes of inspection and audit.

9.43.7 Audit/Compliance Review

In the event the County representatives conduct an audit/compliance review of the Contractor, the Contractor shall fully cooperate with the County's representatives. The 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 the Contractor's photocopier, for which the County shall reimburse the Contractor its customary charge for record copying services, if requested. Director shall provide the Contractor with at least ten (10) working days prior written notice of any audit/compliance review.

The County may conduct a statistical audit/compliance review of all claims paid by the 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 the Contractor. The Contractor shall be provided with a copy of any resultant written evaluation report(s).

The Contractor shall have the opportunity to review the County's findings for the Contractor, and the Contractor shall have thirty (30) calendar days after receipt of the 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 the County's representatives, then the exception rate found in the audit or sample results shall be applied to the total County payments made to the Contractor for all claims paid during the audit/ compliance review period to determine the Contractor's liability to the County."

7. Paragraph 9.46, SUBCONTRACTING, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.46 SUBCONTRACTING

9.46.1 The requirements of this Agreement may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement.

9.46.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;

- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

- 9.46.3 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 9.46.4 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. The Contractor is responsible to notify its subcontractors of this County right.
- 9.46.5 The Director or his/her designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.
- 9.46.6 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 9.46.7 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles  
Department of Health Services  
Contracts and Grants Division  
313 N. Figueroa Street – 6E  
Los Angeles, CA 90012  
Attention: Director, Contracts and Grants

before any subcontractor employee may perform any work hereunder.”

8. Paragraph 10, UNIQUE TERMS AND CONDITIONS, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

“10.1 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.

10.2 REPORTING OF CHILD/ELDER AND DEPENDENT ADULT  
ABUSE

10.2.1 Contractor staff working on this Agreement shall comply with California Penal Code (hereinafter “PC”) Section 11164 et seq. and 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.

10.2.2 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.

10.2.3 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.

### 10.3 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 K, 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 contract termination or debarment proceedings or both. (County Code Chapter 2.202)."

9. Paragraph 11, TIME OFF FOR VOTING, shall be added to the body of the Agreement shall as follows:

#### "11. 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.”

10. Exhibit A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, of the Agreement shall be deleted in its entirety and replaced with Exhibit A-1, STATEMENT OF WORK AND TECHNICAL EXHIBITS, attached hereto and incorporated herein by reference.
11. Exhibit B, BILLING AND PAYMENT, Obstetrical Services – Antelope Valley Area, of the Agreement shall be deleted in its entirety and replaced with Exhibit B-1, BILLING AND PAYMENT, Obstetrical Services – Antelope Valley Area, attached hereto and incorporated herein by reference.
12. Exhibit H, CONTRACTORS OBLIGATIONS AS A “BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)” is deleted in its entirety.
13. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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

COUNTY OF LOS ANGELES

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

SAMY F. FARID, M.D., INC.  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
Mary C. Wickham  
County Counsel

By \_\_\_\_\_  
Lillian L. Russell,  
Deputy County Counsel

## EXHIBIT A-1

### **STATEMENT OF WORK** **(Obstetrical Services - Antelope Valley Area)**

1. **SERVICES TO BE PROVIDED:** Contractor shall provide County with professional medical services described hereunder for County Registered Patients as defined in Paragraph 2, Definitions of the body of this Agreement.

Contractor's services shall be performed only for County Registered Patients and shall be under the administrative and professional direction of High Desert Regional Health Center Medical Director (Medical Director). High Desert Regional Health Center (HDRHC) shall retain professional and administrative responsibility for the services provided under this Agreement at HDRHC. Such services include, but are not limited to, one or more of the following:

- A. **Outpatient Obstetrical Services:** Contractor shall provide outpatient obstetrical services, as well as all services related thereto, at HDRHC, at the times (sessions) and on dates scheduled in writing by Medical Director. HDRHC shall maintain such schedules throughout the term of Agreement and for a period of five (5) years thereafter for purposes of inspection and audit.
- B. **Inpatient Obstetrical Services and On-Call Coverage:** Contractor shall provide inpatient obstetrical services, as well as all services related thereto, for County Registered Patients who present for obstetrical related services at Antelope Valley Hospital (AV Hospital). Contractor shall arrange for continuous on-call coverage for the provision of these services twenty-four (24) hours per day, seven (7) days per week. On-call coverage will also include: 1) the evaluation and treatment of County-Registered Patients who present at AV Hospital for obstetrical-related problems at any time during the pregnancy, and 2) Managed Care Enrollees assigned to Los Angeles County presenting at the AV Hospital Emergency Room for Gynecology consultation and treatment. Contractor shall maintain an on-call schedule, in effect at all times, identifying the physician(s) on-call, and shall furnish copies of this schedule to the AV Hospital Obstetrical Service, HDRHC

Women's Clinic and Medical Director.

C. Administrative services: As requested by Medical Director, Contractor shall provide the following services, including but not limited to:

- (1) Participating in Medical Staff committees and related activities, such as medical record reviews,
- (2) Participating in reviews by managed care organizations;
- (3) Participating in HDRHC planning and equipment planning activities, and,
- (4) Developing internal policies and procedures.

2. CONTRACTOR'S PROFESSIONAL QUALIFICATIONS:

A. Licenses: All physicians providing services under this Agreement must be appropriately licensed by the State of California and each must carry her/his current State license (not a copy) when performing services under this Agreement. Prior to the effective date of this Agreement, and for all personnel to provide services under this Agreement, Contractor shall provide Medical Director with a copy of all current licenses, credentials, or certifications required by law for the provision of services hereunder.

B. Credentialing Requirements: All physicians providing services under this Agreement must meet the credentialing criteria set forth by HDRHC and AV Hospital prior to providing services under this Agreement at the respective facilities. Among other things, Medical Director shall verify the current status of Contractor's physicians' licenses, medical clearance(s) (in accordance with Title 22, California Code of Regulations requirements), credentials, certifications, and claims history. Medical Director shall also query the National Data Bank and the State Medical Board about Contractor's physicians' background(s). Medical Director shall discontinue Contractor's physicians' services immediately if Contractor's physicians either do not meet HDRHC's credentialing criteria, or Contractor's physicians' licenses, credentials, or certifications are not current, or both.

In the event HDRHC inadvertently utilizes Contractor's physicians' services absent the appropriate licenses, credentials, or certifications, HDRHC shall have no

obligation to pay Contractor for services to patients hereunder.

- C. Bloodborne Pathogens: All physicians providing services under this Agreement must read and sign a statement that she/he has read the Occupational Safety and Health Agency ("OSHA") Bloodborne Pathogens Information packet prior to providing services under this Agreement.

Medical Director shall retain such statement in Contractor's credentialing files.

Failure to comply with the requirements of this Paragraph, as determined by HDRHC audit/compliance review, shall constitute a material breach of this Agreement upon which Director may immediately terminate this Agreement.

3. STANDARDS OF CARE:

- A. All medical services provided hereunder shall be performed in accordance with all applicable and accepted professional and ethical standards of the medical profession and shall be in compliance with all applicable Federal, State, and local laws, ordinances, regulations, rules, and directives, as well as with all applicable regulations, policies, procedures, rules, and directives of HDRHC and AV Hospital.

- B. HDRHC maintains a Credentialing and Privileging Committee (C&PC), composed of medical staff leadership appointed by the Medical Director to review and assure a standard of care by Contractor and others which is consistent with the laws of the State and Federal governments, with County professional staff standards, and with the prevailing standards of medical practice in the community. Contractor agrees to adhere to the standards thereby established and to fully cooperate in any review of patient care by County's C&PC representatives.

4. USE OF EMPLOYEES AND AGENTS: Contractor shall not utilize any of its employees or agents in the provision of any medical services under this Agreement without obtaining the prior written approval of Medical Director and without otherwise satisfying all subcontracting requirements of Agreement. No such employee or agent shall provide services on County premises unless he or she has satisfied all applicable physical examination and immunization requirements of Title 22, California Code of Regulations.

In any event, Contractor shall immediately remove any Contractor employee or agent from the provision of such services at under this Agreement upon receipt of oral or written notice from Medical Director that the actions of such employee or agent may adversely affect the delivery of health care services.

Regardless of Contractor's use of any employee or agent hereunder, County shall only be obligated to pay for Contractor's services under this Agreement.

5. PARKING SPACE: When providing services hereunder at HDRHC, parking for one vehicle will be made available by Medical Director to Contractor.

**ATTACHMENT A-8**  
**LISTING OF PHYSICIANS**  
**MEDICAL SERVICES AGREEMENT**  
(Obstetrical Services - Antelope Valley Area)

1. Samy Farid, M.D.
2. Rodney Francis, M.D.
3. ~~William J. Lloyd, M.D.~~ Removed effective July 3, 2013.
4. Linda A. Warren-Jinadu, M.D.
5. ~~Salman Nasser Mohammad Okour, M.D.~~ Removed effective March 21, 2013.
6. Alfred E. Gendy, M.D.
7. ~~Marsha B. Baker, M.D.~~ Removed effective September 30, 2014.
8. ~~Cindy Nakhla, M.D.~~ Removed effective April 30, 2014.
9. Erica L. Dickson, D.O.



**BILLING AND PAYMENT**

**(Obstetrical Services - Antelope Valley Area)**

1. CONTRACT PAYMENT:

A. Outpatient Obstetrical Services: County shall compensate Contractor for professional outpatient obstetrical services provided to all County Registered Patients at HDRHC, in accordance with the terms and conditions of this Agreement, at the rate of Five Hundred Eighty Dollars (\$580) per session of service provided at HDRHC. For purposes of this Agreement, a "session of service" shall be defined as all hours of any morning or afternoon which are scheduled for the provision of clinic services by the HDRHC Medical Director (Medical Director). In the event that Contractor is absent from HDRHC during previously scheduled patient care hours, the per-session-fee shall be reduced pro rata based on the amount of time absent.

For outpatient services provided at HDRHC, Contractor shall document services and sessions rendered on County Contract Physician's Log forms provided by Medical Director. Medical Director shall assure that such medical services were provided and that HDRHC maintains appropriate time records to reflect the provision of same.

Contractor shall not bill the patient, the patient's family, Medi-Cal, or any other Third-Party Payor for outpatient services provided at HDRHC under this Agreement and shall not accept or receive any cash payment or other compensation from or on behalf of any patient for such services. Contractor shall be compensated solely by County for the outpatient services rendered at HDRHC pursuant to this Agreement.

B. Inpatient Obstetrical Services:

(1) County Registered Patients: Medi-Cal Managed Care Enrollees Assigned to Los Angeles County Facilities: Contractor shall seek reimbursement for the

costs associated with the inpatient obstetrical services provided at AV Hospital to County Registered Patients who are also managed care enrollees assigned to LA Care and Health Net. Unless otherwise directed by the County Project Manager, Contractor shall be responsible for submitting claims for payment to the responsible health plan in accordance with its policies and procedures for the submission of such claims and shall not look to County to do so. County shall not have any obligation or responsibility pursuant to this Agreement to reimburse Contractor for the costs associated with the inpatient care provided to these patients.

- (2) County Registered Patients: Medi-Cal Fee for Service Beneficiaries: Contractor shall seek reimbursement for the costs associated with the inpatient obstetrical services provided at AV Hospital to County Registered Patients who are also beneficiaries of Medi-Cal from the Medi-Cal program. Contractor shall be responsible for submitting claims for payment to the Medi-Cal program, using Contractor's provider number, and shall not look to County to do so. County shall not have any obligation or responsibility to reimburse Contractor for the costs associated with the inpatient care provided to these patients.
- (3) County Registered Patients - Indigent: Contractor shall provide inpatient obstetrical services at AV Hospital to County Registered Patients who are also indigent at the rate of Four Hundred Dollars (\$400) per inpatient delivery. For purposes of this Agreement, a "County Registered Patient - Indigent" is one who meets the definition of "County Registered Patient," as set forth in Paragraph 3 of this Exhibit B-1, who does not qualify for any form of private or public insurance, including Medi-Cal, who does not possess the financial means to pay for medical services obtained at AV Hospital based upon financial screening conducted by County, and for whom Contractor is unable to obtain reimbursement through any other available programs. Contractor shall not bill the patient, or the patient's family for inpatient services provided to County Registered Patients - Indigent. Additionally,

prior to seeking reimbursement from the County pursuant to this Agreement, Contractor shall seek reimbursement for services provided to these patients from any other available programs.

Contractor shall be reimbursed for services provided to these patients pursuant to this Agreement only after attesting that funding for the professional services provided to County-Registered Patient-Indigent at AV Hospital is not available through any other program. In the event that Contractor can obtain only partial reimbursement for professional services provided to a County Registered Patient-Indigent, County shall be liable for paying only the balance remaining on the claim. In no event shall County's liability to Contractor exceed Four Hundred Dollars (\$400).

- C. On-Call Coverage: Contractor shall be paid an on-call rate of \$32.50 per hour for the provision of on-call services at AV Hospital, twenty-four (24) hours per day, seven (7) days per week, as described in Exhibit A-1.
- D. Administrative Services: Contractor shall be paid One Hundred Dollars (\$100) per hour for all administrative services specifically authorized and assigned by HDRHC. Such services shall not exceed three (3) hours per week.
- E. In the event this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.
- F. Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including, but not limited to, Federal and State withholding taxes, Social Security taxes, Unemployment Insurance and Disability payments.
- G. Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services.



**Health Services**  
LOS ANGELES COUNTY

March 28, 2016

Attachment A

Los Angeles County  
Board of Supervisors

Hilda L. Solis  
First District

Mark Ridley-Thomas  
Second District

Sheila Kuehl  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

TO: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.  
Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO EXTEND  
A SOLE SOURCE PHYSICIAN SERVICES  
AGREEMENT WITH SAMY F. FARID, M.D., INC.**

This is to advise the Board that the Department of Health Services (DHS or Department) intends to return to the Board in May 2016 to request approval of an extension of the term to the existing Sole Source Agreement No. H-704933 (Agreement) with Samy F. Farid, M.D., Inc. (Farid) for the continued provision of obstetrical physician patient care services specifically targeted to DHS patients in the High Desert Antelope Valley area. Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for the extension of a Board approved Agreement at least six (6) months prior to the Agreement's expiration date.

The Agreement currently expires June 30, 2016 and therefore this notice doesn't meet the six month lead time for a Board notice as required by the Policy. DHS Contracts and Grants staff inadvertently overlooked this Agreement and its expiration date during implementation of procedures to ensure compliance with the Policy.

Background

DHS has approximately 27,500 patients in the Antelope Valley area who are assigned to the Department by L.A. Care and Health Net health plans. Pursuant to the health plans' division of financial responsibility (DOFR), DHS is responsible for providing obstetrical and gynecological (OB/GYN) care to the female patients assigned to DHS by the health plans. DHS also provides OB/GYN services to a small number of uninsured patients and patients with limited Medi-Cal. Shortly after the High Desert Regional Health Center (HDRHC) opened, all County provided OB/GYN services in the Antelope Valley region were centralized at the new facility. The Women's Health program at High Desert Regional Health Center (HDRHC) includes on-site outpatient prenatal and postpartum clinic services and off-site

Mitchell H. Katz, M.D.  
Director  
Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer  
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313 N. Figueroa Street, Suite 912  
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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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Each Supervisor  
March 28, 2016  
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inpatient obstetrical services for DHS patients at the Antelope Valley Hospital (AV Hospital) all of which are provided under the aforementioned Agreement.

Justification

The contractor is a medical group providing outpatient prenatal and postpartum services in the Women's Clinic at HDRHC, and providing 24/7 on-call physician coverage to perform obstetrical deliveries for DHS patients at AV Hospital. Physicians providing clinic services cannot be on-call during clinic time to ensure there are no interruptions to clinic services. The size of Farid's clinical staff is sufficient to meet this requirement. DHS has experienced difficulty with the recruitment and retention of qualified OB/GYN physicians and is unable to provide the required patient services. Contracting with a single physician group provides flexibility in covering the required services with the ability to accommodate volume fluctuations. The proposed extension of this sole source Agreement will ensure that DHS continues to meet the health plans' DOFR for DHS assigned patients in Antelope Valley and allow for continuity of care with for patients currently receiving prenatal care at HDRHC. During the recommended extension period, DHS will conduct a competitive solicitation to determine if there are other medical groups in Antelope Valley able to provide the required services.

Conclusion

Consistent with the Sole Source Board policy, I am informing the Board of my intention to proceed with an amendment to extend the term of the Agreement with Farid. If no objection is received from the Board, we will proceed with the negotiations for a contract extension and return to the Board for approval.

If you have questions or require additional information, please let me know or your staff may contact Kathy Hanks, Director, Contracts and Grants Division, at (213) 240-7819.

MHK:kh

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

## SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS  <i>Identify applicable justification and provide documentation for each checked item.</i>
X	<p>➤ <b>Only one bona fide source for the service exists; performance and price competition are not available.</b></p> <p>The services that DHS is requiring of the recommended sole source provider, Samy F. Farid, M.D. Inc., are obstetrical physician patient care services specifically targeted for the High Desert Antelope Valley area and primarily include:</p> <ol style="list-style-type: none"> <li>1) The provision of on-site outpatient prenatal and postpartum services at the Antelope Valley Health Center (AVHC) and off-site inpatient obstetrical services for County-registered patients at Antelope Valley Hospital (AV Hospital).</li> <li>2) Physician obstetrical services will be provided for the AVHC which provides a critical access point for prenatal care for low-income and uninsured women in the Antelope Valley area. All County provided outpatient prenatal and postpartum services in the Antelope Valley region are centralized at the AVHC facility, including services to Community Health Plan (CHP) patients.</li> </ol> <p>The Department has experienced difficulty with the recruitment and retention of qualified OB/GYN physicians and the approval of this sole source Agreement will support the continued provision of prenatal care and obstetrical delivery services to low-income and uninsured women, as well as ensure the availability of emergency gynecological services to CHP enrollees in the Antelope Valley area.</p> <p>The current sole source Contractor, Farid, Inc. has provided obstetrical services under physician specialty medical services agreements January 1, 2003 through June 30, 2011. On June 7, 2011, a renewal of the sole source Agreement was approved by the Board where a successor contract was executed for the period effective July 1, 2011 through June 30, 2016 again due to the lack of qualified and available Contractors to provide these services for the Antelope Valley area. An additional extension of the contract term effective July 1, 2016 through June 30, 2017 is necessary to continue the uninterrupted provision of services pending the release and completion of an open competitive solicitation process.</p> <p>These direct patient care services include services to County-Registered Patients who are CHP Members and who are admitted and treated at AV Hospital for obstetrical services; allow the provision of services to CHP enrollees who have not previously presented for prenatal care at AVHC and who present at AV Hospital for obstetrical or gynecological care; and provide the provision of physician on-call coverage with an increase to the on-call rate from \$10.00 per hour to \$32.50 per hour, an increase in the Clinic Session rates from \$480 to \$580 per session and an overall increase in the annual projected contract costs from \$280,000 to \$525,980.</p> <p>Patient visits at AVHC increased by 2% from 6,178 visits in FY 2009-10 to 6,229 visits in FY 2010-11 with an additional projected increase by an additional 2% to 6,424 visits in FY 2015-16. The increase in AVHC coverage provided by Farid, Inc. has enabled HDHS to utilize another contract physician to provide additional gynecology clinic sessions at HDHS and South Valley Health Center. Approval of this sole source Agreement will ensure the uninterrupted provision of critical OB/GYN services to the patients served in the Antelope Valley area.</p>

**SOLE SOURCE CHECKLIST**

	<p>➤ Quick action is required (emergency situation).</p>
	<p>➤ Proposals have been solicited but no satisfactory proposals were received.</p>
	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p>
	<p>➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.</p>
	<p>➤ It is more cost-effective to obtain services by exercising an option under an existing contract.</p>
	<p>➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.</p>
	<p>➤ Other reason. Please explain:</p>

<p>_____ Deputy Chief Executive Officer, CEO</p>	<p>_____ Date</p>
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