May 18, 2010

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

Dear Supervisors:

APPROVAL OF AMENDMENTS TO EXTEND STRATEGIC INITIATIVE PROGRAM AGREEMENTS (SUPERVISORIAL DISTRICTS 1, 2 AND 4) (3 VOTES)

SUBJECT

Approval of Amendments to the South Los Angeles Medical Services Preservation Fund Strategic Initiative Program Agreements with 15 providers to extend the term for one additional Fiscal Year from July 1, 2010 through June 30, 2011, with two optional one-year extensions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Interim Director of Health Services (Interim Director), or his designee, to execute Amendments to the South Los Angeles Medical Services Preservation Fund Strategic Initiative Program Agreements (SIP) with 15 providers, effective on Board approval, for the continued provision of expanded access to primary, specialty and/or urgent care services, to: a) extend the term for the period July 1, 2010 through June 30, 2011; b) increase the maximum obligation of each agreement, by $294,118, from $794,118 to $1,088,236, for a total amount not to exceed $4,411,770 for all 15 agreements; and c) make additional changes to the Agreements to update contract provisions.

2. Delegate authority to the Interim Director, or his designee, to exercise the option to extend the SIP Agreements for up to two one-year terms through June 30, 2013, in the amount of $294,118 per fiscal year for each agreement,
not to exceed $4,411,770 per Fiscal Year (FY), subject to review and approval by County Counsel and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Interim Director, or his designee, to execute amendments (substantially similar to Exhibit I), with the 15 current contractors identified in Exhibit II, to extend the current SIP Agreements. This will allow for the continued provision of services to the uninsured residents of South Los Angeles.

Funding for these Agreements has been 100 percent offset by the South Los Angeles Medical Services Preservation Fund (Preservation Fund) that was established by Senate Bill 474 (SB 474) with the funding scheduled to sunset June 30, 2010.

Assembly Bill (AB) 2599 (Bass and Hall), introduced into the State Assembly on February 19, 2010, would ensure continuation of the Preservation Fund past the current sunset date. It is expected that this or a similar bill will pass the State legislature by the end of August 2010. The Department of Health Services (DHS or Department) is extending the contracts for FY 2010-11 prior to the passage of the bill in order to ensure continuity of services. If legislation to extend the Preservation Fund is not enacted and other funding is not designated for this purpose, DHS may exercise its option to terminate the Agreements with 30 days prior written notice. In the alternative, the Amendment format contains a provision that automatically terminates the Agreements, effective June 30, 2011, if the necessary funding for program is not forthcoming.

Approval of the second recommendation will allow the Interim Director, or his designee, to execute amendments with the 15 current contractors to extend the current SIP Agreements through June 30, 2013, subject to review and approval of County Counsel and CEO and availability of funds.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation for FY 2010-11 is $4,411,770, consisting of $294,118 per contractor for each of the 15 SIP Agreements.

The maximum obligation levels remain the same for FYs 2011-12 and 2012-13 if funding is available.

Funding is included in the Department’s FY 2010-11 Proposed Budget and will be included in future fiscal years should the Department exercise the option to extend the Agreements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 17, 2007, Governor Arnold Schwarzenegger signed SB 474 into law which established a $100.0 million annual Preservation Fund to reimburse Los Angeles County for costs of meeting health care needs of the population formerly serviced by Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor Hospital). Funds were appropriated starting in FY 2007-08 to continue through June 30, 2010.
On July 15, 2008, your Board approved Agreements with 17 providers to implement the SIP as a result of a Request for Applications (RFA) process. Eligible applicants were PPP Program Strategic Partner providers within a 10-mile radius of MLK-Harbor Hospital, and Impacted Hospital Program contractors. One of the selected applicants withdrew prior to contract execution, resulting in 16 executed Agreements. The Agreements were effective from July 15, 2008 through June 30, 2009, with an option to extend the term for one additional year through June 30, 2010.

On July 14, 2009, your Board was notified that DHS was exercising its delegated authority to extend the term of 15 of the SIP Agreements for one additional year through June 30, 2010. One provider requested not to extend its agreement because it would not be able to see enough patients meeting the eligibility criteria during the term of the extension.

The Amendments include the recently adopted Defaulted Property Tax Reduction Ordinance language.

The Agreements may be terminated for convenience by the County upon 30 days prior written notice.

Exhibit II lists the current SIP Agreements that will be extended through June 30, 2011.

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

**CONTRACTING PROCESS**

Not applicable.

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

Approval of the recommended actions will ensure the continuation of expanded primary, specialty, and urgent care services to low-income, uninsured South Los Angeles residents through the SIP.
Respectfully submitted,

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:pmm

Enclosures

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

Contract # H________

SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND
STRATEGIC INITIATIVE PROGRAM AGREEMENT

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this __________ day
of ____________________, 2010,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

____________________
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "SOUTH LOS
ANGELES MEDICAL SERVICES PRESERVATION FUND STRATEGIC INITIATIVE
PROGRAM AGREEMENT", dated July 15, 2008, further identified as Agreement No.
H-________ (hereafter "Agreement"); and

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

WHEREAS, the County desires to extend the Agreement term for one (1)
additional year through June 30, 2011 with the option to extend for two (2) additional
one-year periods through June 30, 2013, by the Director of the Department of Health
Services, or his designee; and
WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term for Strategic Initiative Program Services scheduled to expire on June 30, 2010 for one (1) additional year, through June 30, 2011 with the option to extend for two (2) additional one-year periods through June 30, 2013, and make the changes described hereinafter.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall be effective July 1, 2010.

2. Agreement Paragraph 1, TERM OF AGREEMENT, shall be replaced in its entirety with the following:

   "1. TERM OF AGREEMENT:

   A. This Agreement shall be effective July 15, 2008 and shall continue in full force and effect to and including June 30, 2011.

   B. The Director of Health Services, or his designee, may extend the term of this Agreement for two (2) additional one-year periods through June 30, 2013, under the same terms and conditions in effect on June 30, 2011, unless terminated sooner in accordance with the termination provision herein."

3. Agreement Paragraph 2, MAXIMUM OBLIGATION, shall be replaced in its entirety with the following:

   "2. MAXIMUM OBLIGATION

   A. The total maximum obligation is Five Hundred Thousand Dollars ($500,000) for the period of July 15, 2008, to June 30, 2009. If the Director and Contractor mutually agree to extend the term for one
additional year for the period, July 1, 2009 through June 30, 2010, or until the date of MLK-Harbor certification, whichever occurs first, the County's maximum obligation for the additional fiscal year shall not exceed Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars ($294,118).

B. The total maximum obligation for the period of July 1, 2010 through June 30, 2011 is Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars ($294,118). If the Director and Contractor mutually agree to extend the term for two (2) additional one-year periods, July 1, 2011 through June 30, 2012; and July 1, 2012 through June 30, 2013, the County's maximum obligation for the additional fiscal years shall not exceed Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars ($294,118) per fiscal year."

4. Agreement Paragraph 3, TERMINATION OF AGREEMENT, subparagraph A, shall be replaced in its entirety with the following:

"A. Notwithstanding any other provision in this Agreement, this Agreement shall be effective and binding upon the parties in each subsequent County fiscal year, July 1 - June 30, only, or any portion thereof, in the event that funds for the purposes hereof are appropriated for such County fiscal year by County's Board. If such funds are not so appropriated, Agreement shall be deemed to have terminated as of midnight, June 30 of the prior fiscal year. Additionally, this Agreement shall be effective and binding upon the parties in each subsequent County fiscal year, July 1 - June 30, only, or any portion
thereof, in the event that funds for the purposes hereof are provided for the County by the State and/or Federal governments. If such funds are not so provided, this Agreement shall be deemed to have terminated as of midnight, June 30, or the prior fiscal year."

5. Agreement Exhibit A.2, "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK - FISCAL YEAR 2010-2011", shall be added to the Agreement attached hereto and incorporated herein as reference.

6. Agreement "SCHEDULE 3" shall be added to the Agreement attached hereto and incorporated herein as reference.

7. All Agreement references to Exhibit A, "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2008-09" and Exhibit A.1 "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2009-10", shall now be understood to reference and include Exhibit A.2 "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2010-2011".

8. All Agreement references to "SCHEDULE 1" and "SCHEDULE 2", shall now be understood to reference and include "SCHEDULE 3".

9. Paragraph 20, CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM, shall be added to Agreement as follows:

"20. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

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

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

10. Paragraph 21, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM, shall be added to Agreement as follows:

"21. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 20, Contractor’s Warranty of Compliance with County’s Defaulted Property Tax Reduction Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

11. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.
IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its
Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By

John F. Schunhoff, Ph.D.
Interim Director

Contractor

By

Signature

Printed Name

Title

(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
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<tr>
<th>Contractor/Agreement Number</th>
<th>Contact</th>
<th>Agency Headquarters Address</th>
<th>Service Location(s)</th>
<th>Service Type(s)</th>
<th>FY 2010-2011 Maximum Obligation</th>
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<tr>
<td><strong>Central City Community Health Center</strong> Agreement No. H-703493</td>
<td>Gilbert Varela, MD, MPH, CEO</td>
<td>5230 East Beverly Blvd. Los Angeles, CA 90022</td>
<td>5970 S. Central Ave. Los Angeles, CA 90001</td>
<td>Primary Care</td>
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<td><strong>Clinica Monseñor Oscar A. Romero</strong> Agreement No. H-703484</td>
<td>Albert Pacheco, Ph.D, CEO</td>
<td>123 S. Alvarado Street Los Angeles, CA 90027</td>
<td>2032 Marengo Street Los Angeles, CA 90033</td>
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<td><strong>Eisner Pediatric &amp; Family Medical Center</strong> Agreement No. H-703489</td>
<td>Carl Coan, Pres/CEO</td>
<td>1530 South Olive Street Los Angeles, CA 90015</td>
<td>1530 South Olive Street Los Angeles, CA 90015</td>
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<td>Al Ballesteros, CEO</td>
<td>1910 West Sunset Blvd., Suite 650 Los Angeles, CA 90026</td>
<td>Bell Gardens 6912 Ajax Ave. Bell Gardens, CA 90201 Norwalk 12360 Firestone Blvd. Norwalk, CA 90650 Lynwood 3624 Martin Luther King Jr. Blvd. Lynwood, CA 90262 3591 E. Imperial Hwy Lynwood, CA 90262</td>
<td>Primary Care Specialty Care</td>
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<td><strong>Northeast Community Clinic</strong> Agreement No. H-703503</td>
<td>Christopher Lau, MD, CEO</td>
<td>1414 Grand Avenue Los Angeles, CA 90015</td>
<td>California Family Care Clinic 1414 South Grand Ave. Los Angeles, CA 90015</td>
<td>Primary Care Urgent Care</td>
<td>$294,118</td>
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COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND  
FISCAL YEAR 2010 - 2011  
STRATEGIC INITIATIVE PROGRAM CONTRACTORS

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</table>
| **South Bay Family Healthcare Center**  
Agreement No. H-703485 | Jan Hamilton-Lee, MHA, CEO | 23430 Hawthorne Blvd., Suite 210  
Torrance, CA 90505 | Gardena/ Harbor Gateway  
746 W. Gardena Blvd.  
Gardena, CA 90247  
Inglewood/Dr. Claudia Hampton Clinic  
1091 La Brea Ave.  
Inglewood, CA 90301  
Redondo Beach  
2114 Artesia Blvd.  
Redondo Beach, CA 90278. | Primary Care | $294,118 |
| **South Central Family Health Center**  
Agreement No. H-703499 | Richard Veloz, MPH, JD, CEO | 4425 South Central Avenue  
Los Angeles, CA 90011 | South Central Family Health Center  
4425 S. Central Avenue  
Los Angeles, CA 90011  
The Accelerated School  
(School Based Clinic)  
4000 S. Main Street  
Los Angeles, CA 90037 | Primary Care | $294,118 |
| **St. Francis Medical Center**  
Agreement No. H-703838 | Gerald Kozai, Pres/CEO | 3630 East Imperial Highway  
Lynwood, CA 90262 | Compton  
457 S. Long Beach Blvd.  
Compton, CA 90221  
De Novo  
803 E. Rosecrans Ave.  
Compton, CA 90221 | Primary Care | $294,118 |
### COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES

#### SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND

#### FISCAL YEAR 2010 - 2011

#### STRATEGIC INITIATIVE PROGRAM CONTRACTORS

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| **St. John’s Well Child & Family Center**  
Agreement No. H-703488 | Jim Mangia, CEO | 5701 South Hoover Street  
Los Angeles, CA 90037 | Dr. Louis Frayser Community Clinic  
5701 S. Hoover St.  
Los Angeles, CA 90037  
5801 S. Hoover Street  
Los Angeles, CA 90044  
**Downtown Clinic**  
1910 Magnolia St.  
Los Angeles, CA 90007  
**Compton Clinic**  
2115 S. Wilmington Ave.  
Compton, CA 90222  
**Hyde Park School and Family Clinic**  
6505 S. 8th Avenue  
Los Angeles, CA 90043  
**Lincoln High School Clinic**  
2512 Alta St.  
Los Angeles, CA 90031 | Primary Care  
Specialty Care  
Urgent Care | $294,118 |
| **T.H.E. Clinic**  
Agreement No. H-703486 | Rísë K. Phillips, MPH, MBA, CEO | 3834 South Western Ave  
Los Angeles, CA 90062 | 3834 South Western Avenue  
Los Angeles, CA 90062 | Primary Care | $294,118 |
### COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
### SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND
### FISCAL YEAR 2010 - 2011
### STRATEGIC INITIATIVE PROGRAM CONTRACTORS

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<tr>
<td>The Children's Clinic, &quot;Serving Children and Their Families&quot; Agreement No. H-703501</td>
<td>Elisa Nicholas, MD, MPH, CEO</td>
<td>2801 Atlantic Avenue Long Beach, CA 90806</td>
<td>S. Mark Taper Foundation Children's Clinic Family Health Center 455 Columbia St., Suite 201 &amp; 6 Long Beach, CA 90806 The Vasek Polak Children's Clinic Family Health Center 1057 Pine Ave. Long Beach, CA 90813 The Children's Clinic Family Health Center in North Long Beach at Hamilton Middle School 1060 E. 70th St. Long Beach, CA 90805 The Children's Clinic at Cesar Chavez Elementary School 730 W. Third St. Long Beach, CA 90805 The Children's Clinic at International Elementary School 700 Locust Ave. Long Beach, CA 90813 The Children's Clinic at Long Beach Multi-Service Center for the Homeless 1301 W. 12th Street Long Beach, CA 90803.</td>
<td>Primary Care</td>
<td>$294,118</td>
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# COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES

**SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

**FISCAL YEAR 2010 - 2011**

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<td>UMMA Community Clinic (University Muslim Medical Association) Agreement No. H-703483</td>
<td>Yasser Aman, MPH, Pres/CEO</td>
<td>711 West Florence Avenue Los Angeles, CA 90044</td>
<td>711 W. Florence Ave Los Angeles, CA 90044</td>
<td>Primary Care</td>
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<td>Watts Healthcare Corporation Agreement No. H-703491</td>
<td>William Hobson, MS, Pres/CEO</td>
<td>10300 Compton Avenue Los Angeles, CA 90002</td>
<td>Watts Health Center 10300 Compton Ave. Los Angeles, CA 90002</td>
<td>Urgent Care</td>
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<td>White Memorial Medical Center Agreement No. H-703494</td>
<td>Beth D. Zachary, President/Chief Executive Officer</td>
<td>1720 Cesar Chavez Avenue Los Angeles, CA 90033</td>
<td>(WMMC) Family Health Center 1701 Cesar Chavez Ave., Suite 230 Los Angeles, CA 90033</td>
<td>Primary Care Urgent Care</td>
<td>$294,118</td>
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<td>Wilmington Community Clinic Agreement No. H-703492</td>
<td>Dolores Bonilla Clay, CEO</td>
<td>1009 North Avalon Blvd., Wilmington, CA 90744</td>
<td>Wilmington Community Clinic 1009 North Avalon Blvd. Wilmington, CA 90744</td>
<td>Primary Care Specialty Care Urgent Care</td>
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**Total** $4,411,770